

**COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN**



Eastmanville Barn: Photo Credit Edward Post

COUNTY OF OTTAWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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INTRODUCTORY



Ottawa County

Administrator's Office

Alan G. Vanderberg
County Administrator

Keith A. Van Beek
Deputy County Administrator

March 30, 2018

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, 2017.

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 280,000 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 four times. The County is governed by an 11-member elected Board of Commissioners ("Board") and provides a wide range of services to residents, including law enforcement, administration of justice, community development and enrichment, health and human services, and recreation. Thanks to the sound management by the Board, elected officials, and appointed county administration, the County continues to maintain a healthy financial status, including high credit ratings, low interest rates, and the fifth lowest general property tax levy in the state.

Although considered legally separate entities, the County works closely with its 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 177%. The County's taxable values increased 3.73% in 2017 for a 5th year total growth of 16.22%. 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 a Gross Domestic Product and Per Capita Income, has helped attract significant business development and expansion to the area. The annual unemployment rate increased slightly from 2.7% to 3.2% in 2017, and the County's population continues to increase.

The County continues to see development through the Great Lakes Ag-Tech Business Incubator, a non-profit corporation which helps farmers and entrepreneurs turn their ag-tech machine, equipment, software ideas and inventions into businesses, and the Ottawa County Brownfield Redevelopment Authority.

MAJOR INITIATIVES

The County completed a number of major initiatives in 2017 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.

Ottawa County has quickly become a premiere place for outdoor recreation opportunities in West Michigan. Work during 2017 on the Grand River Greenway's Idema-Explorers Trail, named for Bill and Bea Idema following a \$2 million commitment to the project, included a 3.9-mile segment in Robinson Township as well as route planning in both Allendale and Georgetown Townships. The formal opening and dedication of Grand Ravines Park, adjacent to Grand Valley State University on the Grand River occurred in 2017 as well as an addition of an 80 acre site to add to North Ottawa Dunes. During the biennial public opinion survey in 2016, 80% of residents said County operations are heading in the right direction, up from 73% in 2014. 58% of residents said the County manages finances well and 71% said their tax burden is about right. Parks and Recreation was listed as the service the County provides best, with proximity to natural water features and safe neighborhoods were cited most often as the best reasons to live in the County.

In 2017, miOttawa.org, the County's website, saw over 1.1 million visitors. The menu of services available online continues to grow and residents are using them. The total number of payments made online increased from \$1.9 million in 2016 to over \$2.2 million in 2017. miOttawa.org was also redesigned in 2017 to improve its already mobile friendly design, to highlight the opportunities to connect with and do business with Ottawa County, to provide accessibility for the handicapped as prescribed under the 508c Standards and to offer Spanish translation of the site. The County continues to enhance the citizen experience through social media, with 78% of citizens offering a positive assessment of the County's website, miOttawa.org, after visiting. The Center for Digital Government and the National Association of Counties recognized the leading government websites in the country for the 2016 Digital Counties Survey and miOttawa.org was in the top ten compared to counties of similar size. The survey recognizes the best technology practices among U.S. counties, including initiatives that save tax dollars through newfound efficiencies, boost transparency, cybersecurity, and engagement, or innovate through unique and exciting projects.

The use of technology continues to serve Ottawa County well. Some advancements are more visible than others, such as the self-service jury check-in stations and courtroom docket displays. Behind the scenes, video arraignment systems are now fully integrated into the automated recording system. Additionally, the County Clerk/Register of Deeds office deployed 96 new laptops plus new polling equipment for the November elections. In 2013, the County embarked on something unheard of in government – improving citizen service “The Disney Way”. Today, the County is living and growing as a customer-centric organization and was honored to be featured as an entire chapter of the third release of “The Disney Way” (McGraw-Hill: April 2016) authored by Bill Capodagli and Lynn Jackson.

The opioid epidemic plagued Ottawa County increasingly in 2017 with a startling average of one overdose per day, and with a higher concentration on weekends. In response to the growing problem, the Board of Commissioners took action by authorizing a new position within Community Mental Health to lead the Ottawa County Prescription Drug and Opioid Task Force. Several other initiatives continued their success in 2016, including the lakeshore beaches receiving numerous national accolades, the M23.1k Run & Relay geared up for its second year through a partnership with the Michigan Department of Transportation, and the Adult Drug Treatment Court, a specialty program of the 20th Circuit Court for non-violent felony offenders with acute substance use disorders, continuing to excel in its field.

PLANNING FOR THE FUTURE

CEO's of some of West Michigan's top businesses have stated that an inability to attract and retain global talent and create diverse teams impacts the future prosperity of West Michigan. The missions of the Cultural Intelligence Initiative of Ottawa County is to promote an environment where all employees, residents and visitors are valued and welcome. To date, 650 Ottawa County employees have participated in the Racial Equity Training to build understanding, identify unintentional bias and focus on solutions. The Ottawa County Diversity Forum doubled its attendance from its inaugural year to now filling our largest room with more than 150 attendees. Progress is underway and this effort will continue.

Another critical issue facing Ottawa County and noted by top business leaders is affordable housing. In 2017, the Ottawa Housing Next research initiative was rebranded into the Housing Next action initiative and is beginning to tackle the lack of affordable housing in the areas. Housing Next will work with developers and a variety of other partners to narrow the gap between building affordable housing and the high end housing that is developing rapidly in the County.

Other issues and initiatives that will occupy our organizational capacity over the next year include: Sustainability, Art and Culture, Mental Health Finance, Unfunded Pension Liability, Opioid Abuse, Water, Transportation, Cyber-Security, Artificial Intelligence, Building and Courtroom Security and the Juvenile Justice Center.

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 2017 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 continuing the successful transition of the County to a new fiscal year beginning October 1, 2016, 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.

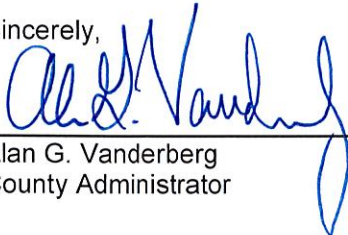
AWARDS

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, 2016. 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-two consecutive years. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Sincerely,



Alan G. Vanderberg
County Administrator



Karen Karasinski, CPA
Fiscal Services Director



Government Finance Officers Association

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

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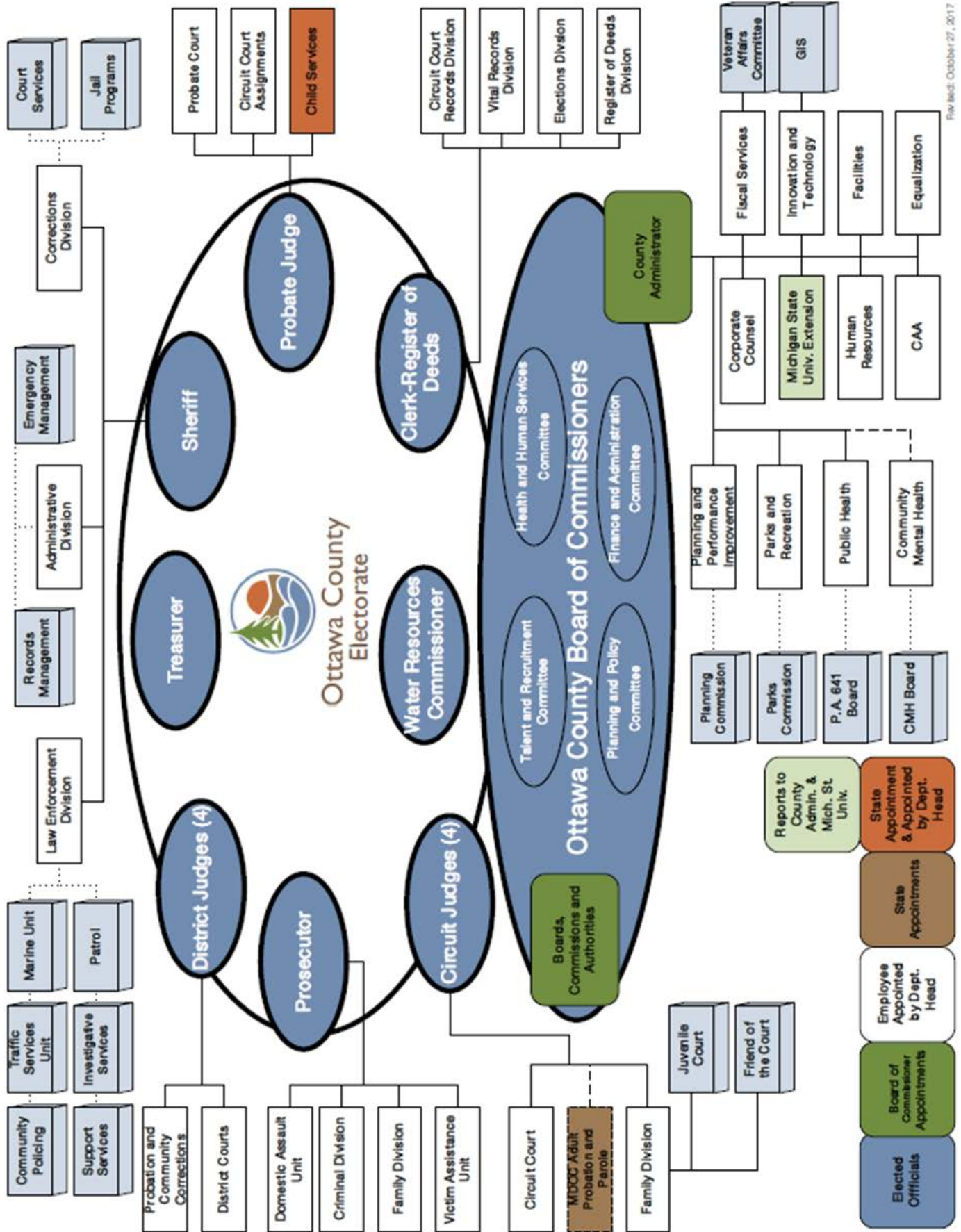
**County of Ottawa
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN

FOR THE YEAR ENDED SEPTEMBER 30, 2017

BOARD OF COMMISSIONERS

2017

GREG DEJONG, CHAIRMAN
ROGER BERGMAN, VICE-CHAIRMAN

JOSEPH BAUMANN
ALLEN DANNENBERG
DONALD DISSELKOEN
MATTHEW FENSKE
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KELLY KUIPER
PHILIP KUYERS

ADMINISTRATOR
ALAN G. VANDERBERG

FISCAL SERVICES DIRECTOR
KAREN KARASINSKI, CPA

INDEPENDENT AUDITORS' REPORT



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(616) 446-7474
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INDEPENDENT AUDITORS' REPORT

March 29, 2018

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Mental Health Special Revenue fund, the Substance Use Disorder Special Revenue fund both of which are major funds, or the Community Mental Health Millage Special Revenue fund, which is a nonmajor fund, which represent 14.5 percent, 3.7 percent, and 28.6 percent, respectively, of the assets, fund balance, and revenues of the governmental funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mental Health Funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ottawa County, Michigan, as of September 30, 2017, 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 and other auditors 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 29, 2018, on our consideration of the County of Ottawa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Ottawa'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, 2017. 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 \$167,686,090, of which \$32,439,052 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Total net position decreased by \$3,417,159 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 \$55,148,259, a decrease of \$374,226 as a result of operations of the current fiscal year. Of the ending fund balance total, \$36,152,801 (65.6%) is subject to the underlying restrictions, commitments, or assignments of the particular general, special revenue, debt service, capital project, and permanent funds, while \$18,995,458 (34.4%) 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 \$40,694,032, an increase of \$383,211 from current operations and after reclassifying the DB/DC Conversion Fund and Compensated Absences Fund to Internal Service Funds, previously reported as a sub-fund of the General Fund, with a prior period adjustment of \$2,836,349 and \$3,508,928 respectively.
- The County's total bonded debt decreased by \$3,515,000 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 20 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 17 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, capital projects and permanent 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 among, the following functions: innovation technology, duplicating, telecommunications, equipment pool, protected employee benefits, property and liability, unemployment and worker's compensation insurances, defined benefit contribution and

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

compensated absences. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government 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 combining schedules and statistical information as supplementary information.

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 \$167,686,090 at the close of the most fiscal year. 19.3% 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 68.1% 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 \$3,056,888 resulting from principal payment on debt and new investment substantially equal to depreciation of existing assets.

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 \$20,934,612. This represents resources that are subject to external restrictions on how they may be used.

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

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 123,923,091	\$ 130,741,952	\$ 23,045,582	\$ 21,931,096	\$ 146,968,673	\$ 152,673,048
Capital assets	129,537,612	130,237,247	-	-	129,537,612	130,237,247
Total assets	253,460,703	260,979,199	23,045,582	21,931,096	276,506,285	282,910,295
Deferred outflows of resources	34,956,506	24,925,621	-	-	34,956,506	24,925,621
Other liabilities	28,459,463	32,329,815	4,156	1,774	28,463,619	32,331,589
Long-term liabilities outstanding	111,396,076	106,245,959	-	-	111,396,076	106,245,959
Total liabilities	139,855,539	138,575,774	4,156	1,774	139,859,695	138,577,548
Deferred inflows of resources	-	1,572,278	-	-	-	1,572,278
Net position						
Net investment in						
capital assets	111,255,538	114,312,426	-	-	111,255,538	114,312,426
Restricted	22,089,108	19,151,144	1,777,050	1,783,468	23,866,158	20,934,612
Unrestricted	15,217,024	12,293,198	21,264,376	20,145,854	36,481,400	32,439,052
Total net position	\$ 148,561,670	\$ 145,756,768	\$ 23,041,426	\$ 21,929,322	\$ 171,603,096	\$ 167,686,090

Statement of Activities

Total net position decreased \$3,917,006 during 2017.

Beginning net position of governmental activities was decreased by \$499,847 to remove the net OPEB asset and record the net OPEB liability in accordance with the implementation of GASB 75.

Specific activity affecting the primary government's net position's decrease of \$3,417,159 during the current year, is as follows:

Revenues

Revenues increased \$19,935,066 (15.3%). These revenues are collected over a full year and, therefore, show an increase when compared to the prior nine-month period. Total increase is due in large part to the \$7,619,938 (36.1%) increase in judicial, general government, and public safety charges for services, and the \$3,197,675 (6.1%) increase in operating grants.

Property tax revenue increased \$4,818,544 (9.7%) due to an increase in taxable value. Tax revenues are collected within the same time period each year, therefore, are comparable to the previous nine-month period.

Investment earnings increased by \$1,423,417 (60.3%) due to changes in the Ottawa County Insurance Authority's investments.

Expenses

Expenses increased \$20,970,771 (15.8%) due to the fact that this includes twelve months of expenses compared to the previous nine-month 2016 period. The largest increases are from the following areas:

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Judicial - \$3,730,843 (23.4%)
- General government - \$4,260,270 (32.7%)
- Public safety - \$8,138,575 (26.7%)
- Health and welfare - \$1,573,077 (2.6%)
- Public Works - \$1,491,128 (25.1%)

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

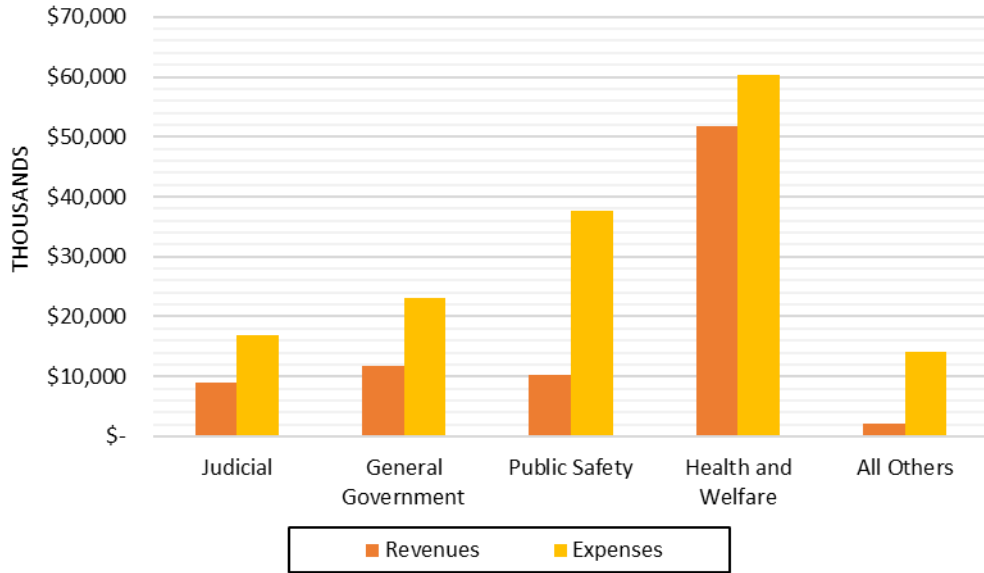
	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues						
Program revenues:						
Charges for services	\$ 20,178,579	\$ 27,820,727	\$ 915,284	\$ 893,074	\$ 21,093,863	\$ 28,713,801
Operating grants and contributions	52,522,855	55,720,530	-	-	52,522,855	55,720,530
Capital grants and contributions	-	1,311,181	-	-	-	1,311,181
General revenues:						
Property taxes	49,877,687	54,696,231	-	-	49,877,687	54,696,231
Grants and contributions not restricted to specific programs	4,462,913	6,036,965	-	-	4,462,913	6,036,965
Investment earnings	2,135,192	3,785,952	223,759	(3,584)	2,358,951	3,782,368
Miscellaneous	21,727	11,986	-	-	21,727	11,986
Total revenues	129,198,953	149,383,572	1,139,043	889,490	130,337,996	150,273,062
Expenses						
Legislative	386,596	496,618	-	-	386,596	496,618
Judicial	15,951,012	19,681,855	-	-	15,951,012	19,681,855
General government	13,037,515	17,297,785	-	-	13,037,515	17,297,785
Public safety	30,498,813	38,637,388	-	-	30,498,813	38,637,388
Public works	5,936,308	7,427,436	-	-	5,936,308	7,427,436
Health and welfare	60,825,404	62,398,481	-	-	60,825,404	62,398,481
Community and economic development	953,552	1,257,029	-	-	953,552	1,257,029
Culture and recreation	3,931,818	4,959,772	-	-	3,931,818	4,959,772
Interest on long-term debt	1,045,275	1,346,413	-	-	1,045,275	1,346,413
Business-type activities	-	-	153,157	187,444	153,157	187,444
Total expenses	132,566,293	153,502,777	153,157	187,444	132,719,450	153,690,221
Increase in net position before						
transfers to other funds	(3,367,340)	(4,119,205)	985,886	702,046	(2,381,454)	(3,417,159)
Transfers	226,145	1,814,150	(226,145)	(1,814,150)	-	-
Increase (decrease) in net position	(3,141,195)	(2,305,055)	759,741	(1,112,104)	(2,381,454)	(3,417,159)
Net position, beginning of year, as restated	151,702,865	148,061,823	22,281,685	23,041,426	173,984,550	171,103,249
Net position, end of year	\$ 148,561,670	\$ 145,756,768	\$ 23,041,426	\$ 21,929,322	\$ 171,603,096	\$ 167,686,090

COUNTY OF OTTAWA

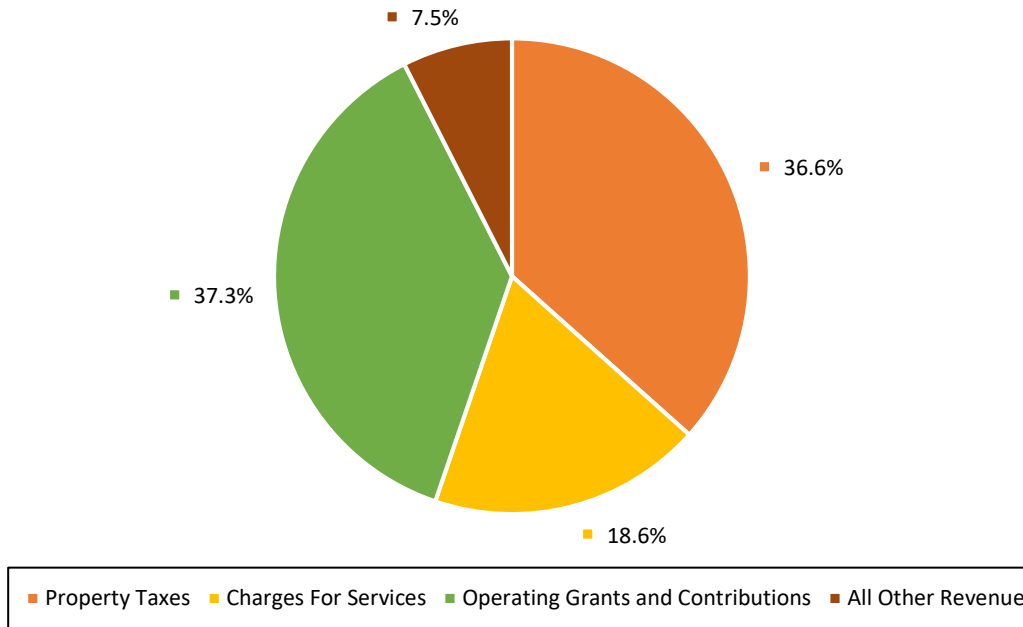
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Program Revenues and Expenses



Revenues by Source



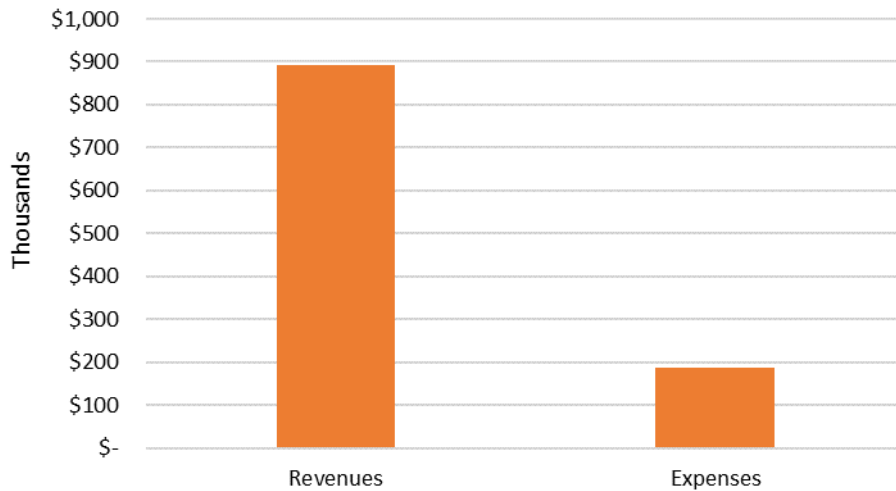
COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

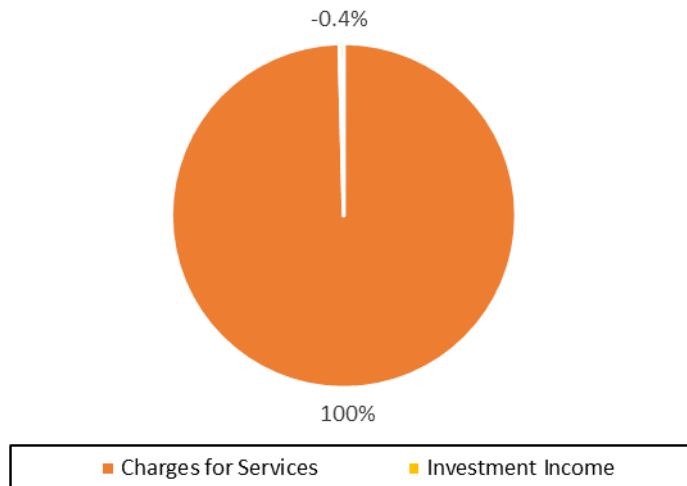
Business-type Activities

Business-type activities decreased the County's net position by an expected \$1,112,104 due to the transfer of funds for debt service payment for the Series 2007 Fillmore Expansion as well as 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 \$22,210, their investment income decreased by \$227,343 and their expenses increased \$34,287.

Program Revenues and Expenses



Revenues by Source



COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND STATEMENT FINANCIAL ANALYSIS

Governmental Funds

Of the \$55,148,259 combined governmental fund balances as of the end of the current fiscal year, \$20,054,285 (36.4%) 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 \$908,906 and \$19,145,379, respectively. The remaining \$35,093,974 (63.6%) is considered spendable fund balance, of which \$8,078,413 has been committed by the Board for specific purposes, \$8,020,103 has been assigned by the County Administrator for specific purposes, and \$18,995,458 is unassigned fund balance and is available for spending at the County's discretion. Unassigned fund balance represents 26.2% 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, 2017 had a total fund balance of \$40,694,032. In accordance with GASB 54, the County consolidates 3 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 \$370,778. The sub-funds planned use of reserves combined with the increase of \$753,989 from on-going operations resulted in the net increase of \$383,211 from the previous year. The increase from operations was the result of Local Community Stabilization Authority reimbursing the County more than anticipated under Public Act 86 of 2014, as amended, for payments for industrial personal property exemptions

The Community Mental Health Fund (2220) had an increase in fund balance of \$26,136, primarily due to cuts in expenditures due to concern about future funding. There was no change in the Substance Use Disorder Fund (2225) fund balance of \$21,720 from the prior nine-month period.

General Fund Budgetary Highlights

The original revenue and expenditure budgets (including transfers in/out) for the General Fund (1010) were \$73,847,625 and \$75,428,509, respectively. The amended revenue budget was \$73,803,233, and the amended expenditure budget was \$75,633,646.

The revenue budget (including transfers in) decreased overall by \$44,392, spread throughout the County in various departments with no area having a material decrease. Revenues and transfers in as a whole were \$873,459 under budget.

The budget for General Fund expenditures (including transfers out) increased \$205,137 in total. Expenditures and transfers out as a whole were \$3,457,861 under budget. Which is normal, departments usually underspend by approximately 3% each year.

Capital Assets

The County's investment in capital assets net of accumulated depreciation was \$130,237,247 as of September 30, 2017. 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:

- Various land purchases and improvements totaling approximately \$1,000,000.
- \$1,329,000 was spent for additional Grand River Ravines access improvements and \$800,000 was spent on the Spoonville Trail I.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Approximately \$1,100,000 was spent on voter equipment replacement.

Capital Assets (net of depreciation)

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

	2017	2016
Land	\$ 49,890,487	\$ 48,921,584
Construction in progress	-	-
Land improvements	15,041,420	13,908,135
Buildings and improvements	58,679,744	60,896,350
Equipment	6,625,595	5,811,543
Total	\$ 130,237,246	\$ 129,537,612

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 \$42,805,000, which decreased by \$3,515,000 from the prior year due to a payment made in the 2017 fiscal year.

General Obligation Bonds Outstanding

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

	2017	2016
General obligation bonds	\$ 32,255,000	\$ 34,365,000
General obligation bonds - Refunding	10,550,000	11,955,000
Total	\$ 42,805,000	\$ 46,320,000

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, 2017, the debt limitation for the County is \$1,338,893,960, which is significantly in excess of the County's outstanding general obligation debt.

ECONOMIC FACTORS AND THEIR IMPACT ON FUTURE BUDGETS

The following factors were considered in preparing the County's budget for the 2018 fiscal year:

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

2013	2014	2015	2016	2017
1.44%	3.19%	5.59%	1.37%	3.73%

- The County's operating levy is 3.6 mills, the fifth lowest amount of the 83 counties in the state, and the county does not levy its maximum authorized levy to alleviate taxpayer burden. The County still has a cushion of .6135 mills which provides an additional \$6.9 million the County may access with a vote of the Board of Commissioners.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The unemployment rate for the County was 3.2% as of September 2017, which is significantly lower than 4.5% 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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and pooled investments (Note 3)	\$ 67,824,116	\$ 18,362,314	\$ 86,186,430	\$ 28,262,471
Investments	40,256,561	-	40,256,561	-
Receivables (net of allowance for estimated uncollectibles)				
Taxes	4,115,091	3,015,504	7,130,595	-
Accrued interest and penalties on delinquent taxes	-	545,674	545,674	-
Accounts	2,656,145	7,604	2,663,749	2,183,845
Accrued interest on investments	312,077	-	312,077	-
Advances to component units (Note 6)	325,000	-	325,000	-
Due from other governments	14,106,783	-	14,106,783	4,343,138
Inventory of supplies	290,109	-	290,109	1,428,543
Prepaid items	856,070	-	856,070	327,757
Total current assets	130,741,952	21,931,096	152,673,048	36,545,754
Noncurrent assets				
Due from other governments	-	-	-	116,676,161
Notes Receivable	-	-	-	91,341
Capital assets not being depreciated (Note 5)	49,890,488	-	49,890,488	19,887,519
Capital assets being depreciated, net	80,346,759	-	80,346,759	248,960,199
Total noncurrent assets	130,237,247	-	130,237,247	385,615,220
Total assets	260,979,199	21,931,096	282,910,295	422,160,974
Deferred outflows of resources				
Unamortized deferred bond refunding costs	362,568	-	362,568	3,671,588
Deferred outflow for pension plan and OPEB (Note 10)	24,563,053	-	24,563,053	4,876,111
Total deferred outflows of resources	24,925,621	-	24,925,621	8,547,699
Liabilities				
Current liabilities				
Accounts payable	18,806,614	1,774	18,808,388	5,035,033
Interest payable	609,107	-	609,107	1,253,274
Due to other governments	5,426,095	-	5,426,095	86,236
Notes payable	-	-	-	535,000
Current portion of long-term debt (Note 8)	6,934,182	-	6,934,182	7,815,251
Advances from primary government	-	-	-	325,000
Advances from other governments	478,406	-	478,406	664,049
Unearned revenue	75,411	-	75,411	364,113
Total current liabilities	32,329,815	1,774	32,331,589	16,077,956
Noncurrent liabilities				
Noncurrent portion of long-term obligations (Note 8)	44,706,763	-	44,706,763	128,744,182
Net OPEB liability (Note 12)	1,992,837	-	1,992,837	-
Net pension liability (Note 10)	59,546,359	-	59,546,359	26,165,426
Total noncurrent liabilities	106,245,959	-	106,245,959	154,909,608
Total liabilities	138,575,774	1,774	138,577,548	170,987,564
Deferred inflows of resources				
OPEB deferred inflows	1,572,278	-	1,572,278	-
Net position (Note 1)				
Net investment in capital assets	114,312,426	-	114,312,426	254,837,334
Restricted for				
Capital projects	7,470,905	-	7,470,905	2,260,624
Debt Service	-	-	-	2,447,792
Donations	87,268	-	87,268	-
Grants	1,068,761	-	1,068,761	-
Infrastructure maintenance	-	-	-	779,367
State of Michigan public act restrictions	10,518,393	1,783,468	12,301,861	-
Cemetery trust				
Restricted	47	-	47	-
Nonspendable	5,770	-	5,770	-
Unrestricted	12,293,198	20,145,854	32,439,052	(604,008)
Total net position	\$ 145,756,768	\$ 21,929,322	\$ 167,686,090	\$ 259,721,109

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

COUNTY OF OTTAWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	
Primary government					
Governmental activities					
Legislative	\$ 495,190	\$ 1,428	\$ -	\$ -	\$ -
Judicial	16,986,770	2,695,085	4,632,745	4,403,720	-
General government	23,013,710	(5,715,925)	8,226,407	2,127,476	1,311,181
Public safety	37,711,064	926,324	9,550,539	681,899	-
Public works	7,406,892	20,544	474,008	161,437	-
Health and welfare	60,332,118	2,066,363	3,804,723	48,029,001	-
Community and economic development	1,254,734	2,295	188,780	95,404	-
Culture and recreation	4,955,886	3,886	943,525	221,593	-
Interest on long-term debt	1,346,413	-	-	-	-
Total governmental activities	153,502,777	-	27,820,727	55,720,530	1,311,181
Business-type activities					
Delinquent tax collection	187,444	-	893,074	-	-
Total primary government	\$ 153,690,221	\$ -	\$ 28,713,801	\$ 55,720,530	\$ 1,311,181
Component units	\$ 61,383,353	\$ -	\$ 32,737,704	\$ 28,717,095	\$ 11,643,180

(Continued)

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

COUNTY OF OTTAWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<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	\$ (68,650,339)	\$ 705,630	\$ (67,944,709)	\$ 11,714,626
General revenues				
Property taxes, levied for general purposes	38,457,657	-	38,457,657	19,599
Property taxes, levied for park development	3,428,114	-	3,428,114	-
Property taxes, levied for E-911 Central Dispatch	4,557,680	-	4,557,680	-
Property taxes, levied for Road Commission	5,172,082	-	5,172,082	-
Property taxes, levied for CMH Millage Fund	3,080,698	-	3,080,698	-
Grants and contributions not restricted to specific programs	6,036,965	-	6,036,965	-
Investment earnings	3,785,952	(3,584)	3,782,368	520,678
Gain from disposal of capital assets	-	-	-	1,036,762
Miscellaneous	11,986	-	11,986	10,722
Transfers - internal activities	1,814,150	(1,814,150)	-	-
Total general revenues and transfers	<u>66,345,284</u>	<u>(1,817,734)</u>	<u>64,527,550</u>	<u>1,587,761</u>
Change in net position	(2,305,055)	(1,112,104)	(3,417,159)	13,302,387
Net position, beginning of year	<u>148,061,823</u>	<u>23,041,426</u>	<u>171,103,249</u>	<u>246,418,722</u>
Net position, end of year	<u>\$ 145,756,768</u>	<u>\$ 21,929,322</u>	<u>\$ 167,686,090</u>	<u>\$ 259,721,109</u>

(Concluded)

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

COUNTY OF OTTAWA

**GOVERNMENTAL FUNDS
BALANCE SHEET**

SEPTEMBER 30, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	<u>General</u>	<u>Community Mental Health</u>	<u>Substance Use Disorder</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
					<u>2017</u>	<u>2016</u>
Assets						
Cash and pooled investments	\$ 35,395,461	\$ 5,396	\$ 2,114,970	\$ 12,950,635	\$ 50,466,462	\$ 60,891,891
Receivables (net of allowance for estimated uncollectibles)						
Taxes	4,111,390	-	-	3,701	4,115,091	3,514,404
Accounts	1,654,556	87,026	-	672,890	2,414,472	971,343
Accrued interest on investments	236,612	-	-	-	236,612	214,100
Due from other governmental units	3,495,121	6,207,266	559,476	3,844,920	14,106,783	10,593,512
Interfund receivable	1,096,886	-	-	-	1,096,886	2,016,016
Advances to other funds	-	-	-	-	-	-
Advances to component units	325,000	-	-	-	325,000	325,000
Inventory of supplies	6,880	1,666	-	281,563	290,109	240,746
Prepaid expenditures	98,324	142,084	-	47,619	288,027	238,835
Total assets	<u>46,420,230</u>	<u>6,443,438</u>	<u>2,674,446</u>	<u>17,801,328</u>	<u>73,339,442</u>	<u>79,005,847</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	2,088,373	2,783,870	246,960	1,773,659	6,892,862	6,737,587
Due to other governmental units	-	2,979,225	2,405,766	41,104	5,426,095	4,702,322
Interfund payable	-	-	-	1,096,886	1,096,886	2,018,153
Advances from other governmental units	-	-	-	478,406	478,406	478,406
Unearned revenue	879	33,897	-	40,635	75,411	140,100
Total liabilities	<u>2,089,252</u>	<u>5,796,992</u>	<u>2,652,726</u>	<u>3,430,690</u>	<u>13,969,660</u>	<u>14,076,568</u>
Deferred inflows of resources						
Aggregate deferred inflows (Note 4)	3,636,946	-	-	584,577	4,221,523	3,061,517
Fund balances (Note 1)						
Nonspendable	430,204	143,750	-	334,952	908,906	810,351
Restricted	9,905,141	502,696	21,720	8,715,822	19,145,379	22,083,337
Committed	8,077,078	-	-	1,335	8,078,413	14,321,023
Assigned	3,286,151	-	-	4,733,952	8,020,103	5,811,804
Unassigned	18,995,458	-	-	-	18,995,458	18,841,248
Total fund balances	<u>40,694,032</u>	<u>646,446</u>	<u>21,720</u>	<u>13,786,061</u>	<u>55,148,259</u>	<u>61,867,762</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,420,230</u>	<u>\$ 6,443,438</u>	<u>\$ 2,674,446</u>	<u>\$ 17,801,328</u>	<u>\$ 73,339,442</u>	<u>\$ 79,005,847</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, 2017

Total Fund Balances - Governmental Funds	\$ 55,148,259
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	49,890,488
Capital assets being depreciated, net of accumulated depreciation	76,292,276
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	50,640,127
Certain deferred inflows reported in the funds are not available but are recognized in the governmental activities.	
Unavailable deferred inflows	4,221,523
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and notes payable	(42,805,000)
Landfill reclamation liability	(4,771,036)
Compensated absences payable	(2,837,519)
Accrued interest payable	(609,107)
Unamortized bond premium	(1,227,390)
Unamortized deferred bond refunding loss	362,568
Net OPEB Liability	(1,992,837)
Deferred Inflows OPEB	(1,572,278)
Net pension liability	(59,546,359)
Deferred outflows for pension and OPEB plans	<u>24,563,053</u>
Net Position of Governmental Activities	<u>\$ 145,756,768</u>

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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	<u>General</u>	<u>Community Mental Health</u>	<u>Substance Use Disorder</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
					<u>2017</u>	<u>2016</u>
Revenues						
Taxes	\$ 48,181,160	\$ -	\$ -	\$ 6,522,472	\$ 54,703,632	\$ 49,288,581
Intergovernmental revenues	9,570,257	34,786,445	2,296,138	23,309,504	69,962,344	60,867,666
Charges for services	10,161,660	395,102	-	2,799,686	13,356,448	10,353,455
Fines and forfeits	72,511	-	-	-	72,511	61,440
Investment earnings	310,142	(1,961)	(1,278)	(172)	306,731	813,997
Licenses and permits	386,060	-	-	1,007,880	1,393,940	1,292,215
Rental income	2,098,049	-	-	115,480	2,213,529	1,581,580
Other	801,070	374,645	-	1,563,044	2,738,759	2,884,674
Total revenues	<u>71,580,909</u>	<u>35,554,231</u>	<u>2,294,860</u>	<u>35,317,894</u>	<u>144,747,894</u>	<u>127,143,608</u>
Expenditures						
Current operations						
Legislative	478,845	-	-	-	478,845	343,622
Judicial	13,381,098	-	-	5,563,240	18,944,338	14,174,177
General government	13,174,676	-	-	236,901	13,411,577	9,552,325
Public safety	26,951,268	-	-	8,211,269	35,162,537	25,896,853
Public works	5,597,262	-	-	559,034	6,156,296	5,787,870
Health and welfare	977,619	36,304,616	2,294,860	20,828,988	60,406,083	57,712,387
Community and economic development	1,210,268	-	-	2,583	1,212,851	857,749
Culture and recreation	-	-	-	3,552,976	3,552,976	2,413,165
Other governmental functions	124,382	-	-	-	124,382	94,215
Debt service	-	-	-	5,034,476	5,034,476	1,150,868
Capital projects	-	-	-	6,190,534	6,190,534	1,795,627
Total expenditures	<u>61,895,418</u>	<u>36,304,616</u>	<u>2,294,860</u>	<u>50,180,001</u>	<u>150,674,895</u>	<u>119,778,858</u>
Revenues over (under) expenditures	<u>9,685,491</u>	<u>(750,385)</u>	<u>-</u>	<u>(14,862,107)</u>	<u>(5,927,001)</u>	<u>7,364,750</u>
Other financing sources (uses)						
Transfers from other funds	1,347,599	776,521	-	14,804,905	16,929,025	10,129,099
Transfers to other funds	(10,649,879)	-	-	(726,371)	(11,376,250)	(9,845,171)
Total other financing sources (uses)	<u>(9,302,280)</u>	<u>776,521</u>	<u>-</u>	<u>14,078,534</u>	<u>5,552,775</u>	<u>283,928</u>
Net change in fund balances	383,211	26,136	-	(783,573)	(374,226)	7,648,678
Fund balances, beginning of year, as restated	<u>40,310,821</u>	<u>620,310</u>	<u>21,720</u>	<u>14,569,634</u>	<u>55,522,485</u>	<u>54,219,084</u>
Fund balances, end of year	<u>\$ 40,694,032</u>	<u>\$ 646,446</u>	<u>\$ 21,720</u>	<u>\$ 13,786,061</u>	<u>\$ 55,148,259</u>	<u>\$ 61,867,762</u>

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

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net Change in Fund Balances - Governmental Funds	\$ (374,226)
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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	5,891,101
Depreciation expense	(4,834,244)
Net book value of disposed assets	(28,285)

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	1,160,005
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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	3,515,000
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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	(1,108,661)
Change in compensated absences payable	(111,633)
Change in accrued interest payable	40,816
Amortization of bond premium	172,323
Amortization of deferred bond refunding costs	(40,071)
Change in net pension liability	4,170,411
Change in deferred outflow for pension plan	(13,280,959)
Change in OPEB liability	(1,935,355)
Change in OPEB deferred outflow	3,290,142
Change in OPEB deferred inflow	(1,572,278)

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	2,740,859
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Change in Net Position of Governmental Activities	<u>\$ (2,305,055)</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, 2017

	Business-type Activities Enterprise Fund	Governmental Activities
	<u>Delinquent Tax Revolving Fund</u>	<u>Internal Service Funds</u>
Assets		
Current assets		
Cash and pooled investments	\$ 18,362,314	\$ 17,357,654
Investments	-	40,256,561
Receivables		
Delinquent taxes receivable	3,015,504	-
Accrued interest and penalties on delinquent taxes	545,674	-
Accounts	7,604	241,673
Accrued interest on investments	-	75,465
Due from other funds	-	3,947,442
Prepaid expenses	-	568,043
Total current assets	<u>21,931,096</u>	<u>62,446,838</u>
Noncurrent assets		
Capital assets		
Office furniture and equipment	-	7,269,723
Copy machines	-	325,439
Telephone equipment	-	2,295,673
Vehicles	-	5,556,123
Less accumulated depreciation	-	<u>(11,392,475)</u>
Net capital assets	<u>-</u>	<u>4,054,483</u>
Total assets	<u>21,931,096</u>	<u>66,501,321</u>
Liabilities		
Current liabilities		
Accounts payable	1,774	11,913,752
Due to other funds	-	3,947,442
Due to other governmental units	<u>-</u>	<u>-</u>
Total liabilities	<u>1,774</u>	<u>15,861,194</u>
Net position		
Invested in capital assets	-	4,054,483
Restricted for land foreclosure	1,783,468	-
Unrestricted	<u>20,145,854</u>	<u>46,585,644</u>
Total net position	<u>\$ 21,929,322</u>	<u>\$ 50,640,127</u>

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

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 123,175	\$ 20,766,419
Penalties and interest in delinquent taxes	769,899	-
Other revenue	-	4,580,786
Total operating revenues	<u>893,074</u>	<u>25,347,205</u>
Operating expenses		
Personnel services	109,229	2,735,896
Contractual services	63,751	773,545
Supplies	14,464	96,253
Depreciation	-	1,604,709
Building and equipment rental	-	272,629
Claims and legal	-	2,781,460
Miscellaneous	-	14,117,016
Total operating expenses	<u>187,444</u>	<u>22,381,508</u>
Operating income	<u>705,630</u>	<u>2,965,697</u>
Nonoperating revenues (expenses)		
Investment earnings	(3,584)	855,447
Net change in the fair value of investments	-	2,620,225
Gain on sale of capital assets	-	38,115
Total nonoperating revenues	<u>(3,584)</u>	<u>3,513,787</u>
Income before transfers	702,046	6,479,484
Transfers		
Transfers out	<u>(1,814,150)</u>	<u>(3,738,625)</u>
Total transfers	<u>(1,814,150)</u>	<u>(3,738,625)</u>
Change in net position	(1,112,104)	2,740,859
Total net position, beginning of year, as restated	<u>23,041,426</u>	<u>47,899,268</u>
Total net position, end of year	<u>\$ 21,929,322</u>	<u>\$ 50,640,127</u>

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, 2017

	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	\$ -	\$ 25,136,509
Cash received from penalties and interest on delinquent taxes	889,673	-
Cash payments to suppliers for goods and services	(85,216)	(15,451,966)
Cash payments for self-funded insurance claims	-	(825,976)
Cash payments to employees for services	(109,229)	(3,092,051)
Purchase of delinquent tax rolls	35,529	-
Net cash provided by (used for) operating activities	730,757	5,766,516
Cash flows from noncapital financing activities		
Transfers out to other funds	(1,814,150)	(3,738,625)
Net cash provided by (used for) noncapital financing activities	(1,814,150)	(3,738,625)
Cash flows from capital and related financing activities		
Acquisition of capital assets	-	(1,275,773)
Proceeds from sale of equipment	-	38,115
Net cash provided by (used for) capital and related financing activities	-	(1,237,658)
Cash flows from investing activities		
Purchase of investments	-	(33,297,278)
Interest on investments	(3,584)	950,587
Proceeds from sale of investments	-	31,887,127
Net cash provided by (used for) investing activities	(3,584)	(459,564)
Net increase (decrease) in cash and pooled investments	(1,086,977)	330,669
Cash and pooled investments, beginning of year	19,449,291	17,026,985
Cash and pooled investments, end of year	\$ 18,362,314	\$ 17,357,654

(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, 2017

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	\$ 705,630	\$ 2,965,697
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	-	\$ 1,604,709
Change in assets and liabilities not affecting cash provided by (used for) operating activities		
(Increase) decrease in receivables	27,509	(210,696)
(Increase) decrease in prepaid expenses	-	(134,403)
Increase (decrease) in unpaid claims liability	-	2,397,853
Increase (decrease) in accounts payable	(2,381)	(773,413)
Increase (decrease) in due to other funds	-	(83,231)
Increase (decrease) in due to other governmental units	<u>(1)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 730,757</u>	<u>\$ 5,766,516</u>

Noncash investing activities

The change in fair value of investments for the internal service funds was \$2,620,225.

(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, 2017
(with comparative totals at September 30, 2016)

	Other Post-Employment Benefit Plan		Agency Funds	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets				
Cash and pooled investments	\$ -	\$ 1,595	\$ 37,570,186	\$ 37,049,710
U.S. Government securities	551,146	381,487	-	-
U.S. Government agencies	-	50,684	-	-
Corporate bonds	949,916	1,016,533	-	-
Mutual funds				
Money market mutual funds	248,751	287,454	-	-
Fixed income	72,834	66,218	-	-
Domestic equity	1,358,457	1,996,352	-	-
Exchange traded	1,596,577	918,847	-	-
International equity	427,515	364,080	-	-
Receivables				
Accounts	-	-	4,935	8,031
Due from other governmental units	-	-	539,014	16,667
Total assets	<u>5,205,196</u>	<u>5,083,250</u>	<u>38,114,135</u>	<u>37,074,408</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	-	-	37,652,470	34,351,697
Fines and fees due to local libraries	-	-	217,190	101,961
Agency deposits	-	-	244,475	2,620,750
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 38,114,135</u>	<u>\$ 37,074,408</u>
Net position held in trust for other post-employment benefits	<u>\$ 5,205,196</u>	<u>\$ 5,083,250</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, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

Additions	<u>2017</u>	<u>2016</u>
Contributions		
Employer	\$ 80,471	\$ 123,894
Plan member	441,016	314,106
Investment income (loss)	<u>619,034</u>	<u>285,315</u>
Total additions	<u>1,140,521</u>	<u>723,315</u>
Deductions		
Administrative expense	65,751	43,170
Premiums	<u>952,824</u>	<u>397,208</u>
Total deductions	<u>1,018,575</u>	<u>440,378</u>
Total net increase (decrease)	121,946	282,937
Net position, beginning of year	<u>5,083,250</u>	<u>4,800,313</u>
Net position, end of year	<u>\$ 5,205,196</u>	<u>\$ 5,083,250</u>

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

COUNTY OF OTTAWA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

	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	\$ 11,676,401	\$ 6,196,434	\$ 7,332,896	\$ 93,265	\$ 2,949,505	\$ 4,176	\$ 9,794	\$ 28,262,471
Accounts	50,862	-	2,124,651	-	-	8,332	-	2,183,845
Due from other governments	2,881,969	301,431	-	-	1,157,056	2,682	-	4,343,138
Inventory of supplies	1,408,049	-	20,494	-	-	-	-	1,428,543
Prepaid items	236,668	91,089	-	-	-	-	-	327,757
Total current assets	16,253,949	6,588,954	9,478,041	93,265	4,106,561	15,190	9,794	36,545,754
Noncurrent assets								
Due from other governments	-	-	112,852,229	-	3,823,932	-	-	116,676,161
Notes Receivable	-	-	-	-	-	91,341	-	91,341
Capital assets not being depreciated	6,180,520	13,706,999	-	-	-	-	-	19,887,519
Capital assets being depreciated, net	212,683,231	4,144,509	-	-	32,132,459	-	-	248,960,199
Total noncurrent assets	218,863,751	17,851,508	112,852,229	-	35,956,391	91,341	-	385,615,220
Total assets	235,117,700	24,440,462	122,330,270	93,265	40,062,952	106,531	9,794	422,160,974
Deferred outflows of resources								
Unamortized deferred bond refunding costs	-	-	3,671,588	-	-	-	-	3,671,588
Deferred outflow for pension plan	4,611,182	264,929	-	-	-	-	-	4,876,111
	4,611,182	264,929	3,671,588	-	-	-	-	8,547,699
Liabilities								
Current liabilities								
Accounts payable	2,433,682	303,984	1,807,647	-	480,365	9,355	-	5,035,033
Interest payable	-	-	1,219,644	-	33,630	-	-	1,253,274
Due to other governments	-	-	86,236	-	-	-	-	86,236
Notes payable	-	-	-	-	535,000	-	-	535,000
Current portion of long-term debt	211,682	562,151	6,555,000	-	486,418	-	-	7,815,251
Advances from primary government	-	-	150,000	-	175,000	-	-	325,000
Advances from other governments	664,049	-	-	-	-	-	-	664,049
Unearned revenue	-	-	364,113	-	-	-	-	364,113
Total current liabilities	3,309,413	866,135	10,182,640	-	1,710,413	9,355	-	16,077,956
Noncurrent liabilities								
Noncurrent portion of long-term obligations	1,234,714	9,416,724	114,819,381	-	3,182,022	91,341	-	128,744,182
Net pension liability	25,655,742	509,684	-	-	-	-	-	26,165,426
Total noncurrent liabilities	26,890,456	9,926,408	114,819,381	-	3,182,022	91,341	-	154,909,608
Total liabilities	30,199,869	10,792,543	125,002,021	-	4,892,435	100,696	-	170,987,564
Net position								
Net investment in capital assets	218,863,751	8,044,564	-	-	27,929,019	-	-	254,837,334
Restricted for								
Debt service	-	-	-	-	2,447,792	-	-	2,447,792
Capital projects	-	-	-	-	2,260,624	-	-	2,260,624
Infrastructure maintenance	-	-	723,690	-	55,677	-	-	779,367
Unrestricted	(9,334,738)	5,868,284	276,147	93,265	2,477,405	5,835	9,794	(604,008)
Total net position	\$ 209,529,013	\$ 13,912,848	\$ 999,837	\$ 93,265	\$ 35,170,517	\$ 5,835	\$ 9,794	\$ 259,721,109

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, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Component units					
Ottawa County Road Commission	\$30,564,766	\$ 9,549,596	\$ 23,470,809	\$ 7,721,206	\$ 10,176,845
Ottawa County Central Dispatch Authority	5,251,863	13,269	5,246,286	-	7,692
Ottawa County Public Utilities	22,806,879	23,078,748	-	-	271,869
Ottawa County Land Bank Authority	239	-	-	-	(239)
Ottawa County Office of the Water Resources Commissioner	2,649,203	-	-	3,921,974	1,272,771
Ottawa County Brownfield Redevelopment Authority	110,403	96,091	-	-	(14,312)
Ottawa County Economic Development Corporation	-	-	-	-	-
Total component units	<u>61,383,353</u>	<u>32,737,704</u>	<u>28,717,095</u>	<u>11,643,180</u>	<u>11,714,626</u>

(Continued)

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

COUNTY OF OTTAWA

**COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Component Units							Total
	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities System	Ottawa County Land Bank Authoritv	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	\$ 10,176,845	\$ 7,692	\$ 271,869	\$ (239)	\$ 1,272,771	\$ (14,312)	\$ -	\$ 11,714,626
General revenues								
Property taxes, levied for general purposes	-	-	-	1,589	-	18,010	-	19,599
Investment earnings	437,930	67,705	15,865	-	(891)	-	69	520,678
Gain from disposal of capital assets	1,036,762	-	-	-	-	-	-	1,036,762
Miscellaneous	10,722	-	-	-	-	-	-	10,722
Total general revenues	1,485,414	67,705	15,865	1,589	(891)	18,010	69	1,587,761
Change in net position	11,662,259	75,397	287,734	1,350	1,271,880	3,698	69	13,302,387
Net position, beginning of year	197,866,754	13,837,451	712,103	91,915	33,898,637	2,137	9,725	246,418,722
Net position, end of year	\$ 209,529,013	\$ 13,912,848	\$ 999,837	\$ 93,265	\$ 35,170,517	\$ 5,835	\$ 9,794	\$ 259,721,109

(Concluded)

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 276,292 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

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

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.

During 2016, the County changed their fiscal year-end to September 30 and is thereby reporting a nine-month period comparative. The Friend of the Court, Health, Community Mental Health, Substance Use Disorder, Department of Health and Human Services, and Child Care funds were previously reported with a September 30 year-end and are being presented as a full fiscal year. 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. A separate report is available for the Building Authority and can be obtained from the Fiscal Services Director at the address listed below.

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.

Complete financial statements for the OCIA can be obtained from:

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 Board. 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, 2017

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 Board 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. A separate report is available for the Authority and can be obtained from the Fiscal Services Director.

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. A separate report is available for the WR Commissioner and can be obtained from the Fiscal Services Director.

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.

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. A separate report is available for the BRA and can be obtained from the Fiscal Services Director.

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The County reports the following major governmental funds:

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.

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

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

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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Capital Projects Funds account for construction projects.

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

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

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

Agency Funds 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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Other accounts receivable is shown net of the allowance for estimated uncollectible. For the mental health receivables, an allowance of \$52,175 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$318,956 has been established.

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, and the Road Commission 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 a 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 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

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital assets (continued)

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.

	<u>Years</u>
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, 2017 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 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 a maximum of 12 to 15 days. Unused sick leave accumulated under the current plan is forfeited upon termination or retirement. Therefore, no liability for unpaid accumulated sick leave is recorded. All employees except judges and elected officials are covered under short and long-term disability benefits if an illness lasts longer than 10 working days or six months, respectively.

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

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 \$104,707 at September 30, 2017 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 committed in the internal service funds.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensated absences (continued)

The County has fully funded its vacation pay liability. The vacation pay expenditure/expense was recorded in each fund, and this amount was transferred and recorded in the compensated absence internal service fund. An adjustment was made at September 30, 2017 to reflect the change in the accumulated balance to \$2,837,519.

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 applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For new bond issuances after the implementation of GASB Statement No.34, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Restricted net position

Under Act 30, Public Acts of 1978, the use of the fund balance of the Stabilization Fund (consolidated with the General Fund) in the amount of \$9,255,217 is restricted to 1) cover a deficit, 2) prevent a

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Restricted net position (continued)

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.

A portion of the fund balance of the general fund is restricted for the purposes of grants, donations, and other items. At September 30, 2017 this amounted to \$223,933, \$87,268 and \$9,593,940 respectively.

The fund balance of the Community Mental Health Fund (Special revenue fund 2220) in the amount of \$502,696 is restricted.

The fund balance of the Substance Use Disorder Fund (Special revenue fund 2225) in the amount of \$21,720 is restricted.

The fund balance of the Parks and Recreation Fund (Special Revenue Fund 2081) is comprised mainly of unused revenue from a specially designated tax levy, therefore \$3,475,442 is restricted.

The fund balance of the Other Governmental Grants (Special Revenue Fund 2180) in the amount of \$320,413 is restricted to the purposes of the grants.

The fund balance of the Homestead Property Tax Fund (Special Revenue Fund 2550) in the amount of \$35,524 is restricted for administration of the program under Act 105, Public Acts of 2003.

The fund balance of the Register of Deeds Technology Fund (Special Revenue Fund 2560) in the amount of \$767,995 is restricted for technology upgrades under Act 698, Public Acts of 2002.

The fund balance of the Concealed Pistol Licensing (Special Revenue Fund 2631) in the amount of \$120,934 is restricted for administration of the program under Act 3, Public Acts of 2015.

The fund balance of the Capital Improvement Fund (Capital improvement Fund 4020) in the amount of \$3,995,466 is restricted for the purposes of capital projects.

The fund balance of the Cemetery Trust Fund (Permanent Fund 1500) in the amount of \$5,770 is non-spendable and \$47 is restricted for the perpetual care of certain cemetery lots.

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

The discretely presented component units also have certain restrictions on net position. The System has restricted \$723,690 for operations and maintenance of utility systems. The WR Commissioner has restricted \$2,447,792 for debt service, \$2,260,624 for capital projects and \$55,677 for general drain maintenance.

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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund equity (continued)

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, 2017

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	\$ 105,204	\$ 143,750	\$ -	\$ 329,182	\$ 578,136
Long-term advances to component units	325,000	-	-	-	325,000
Cemetery Trust perpetual care - Fund 1500	-	-	-	5,770	5,770
Total Nonspendable	\$ 430,204	\$ 143,750	\$ -	\$ 334,952	\$ 908,906
Restricted:					
Capital projects:					
Capital Improvement - Fund 4020	\$ -	\$ -	\$ -	\$ 3,995,467	\$ 3,995,467
Parks and Recreation millage - Fund 2081	-	-	-	3,475,442	3,475,442
Donations:					
Canines	2,369	-	-	-	2,369
Circuit Court Learning Center	13,212	-	-	-	13,212
Dive Team	75	-	-	-	75
HAZMAT	17,521	-	-	-	17,521
Non-motorized Pathways	31,270	-	-	-	31,270
Phase II Water Resources Study	10,627	-	-	-	10,627
Sheriff Honor Guard	1,393	-	-	-	1,393
Sheriff Monument	7,094	-	-	-	7,094
Sheriff Victim's Advocates	3,707	-	-	-	3,707
Grants:					
IRS Asset Forfeiture	51,273	-	-	-	51,273
Marriage Counseling	116,946	-	-	-	116,946
Road Salt Management	28,326	-	-	-	28,326
Sheriff Training	27,388	-	-	-	27,388
Community Mental Health - Fund 2220	-	502,696	-	-	502,696
Substance Use Disorder - Fund 2225	-	-	21,720	-	21,720
Other Governmental Grants - Fund 2180	-	-	-	320,413	320,413
State of Michigan Public Act Restrictions:					
Jail Booking Fees	338,723	-	-	-	338,723
Stabilization - Fund 2570	9,255,217	-	-	-	9,255,217
Concealed Pistol Licensing - Fund 2631	-	-	-	120,935	120,935
Homestead Property Tax - Fund 2550	-	-	-	35,524	35,524
Register of Deeds Technology - Fund 2560	-	-	-	767,994	767,994
Cemetery Trust - Fund 1500	-	-	-	47	47
Total Restricted	\$ 9,905,141	\$ 502,696	\$ 21,720	\$ 8,715,822	\$ 19,145,379

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	\$ 385,081	\$ -	\$ -	\$ -	\$ 385,081
Infrastructure - Fund 2444	1,463,880	-	-	-	1,463,880
Innovation Fund	776,332	-	-	-	776,332
Mental Health Programs	581,275	-	-	-	581,275
Red Pine Timber Sales	167,909	-	-	-	167,909
Solid Waste Clean-Up - Fund 2271	3,513,262	-	-	-	3,513,262
Substance Abuse	799,480	-	-	-	799,480
Technology Improvements	275,809	-	-	-	275,809
Voting Machines	114,050	-	-	-	114,050
Farmland Preservation - Fund 2340	-	-	-	1,335	1,335
Total Committed	\$ 8,077,078	\$ -	\$ -	\$ 1,335	\$ 8,078,413
Assigned					
4 C Program	\$ 99,565	\$ -	\$ -	\$ -	\$ 99,565
Community Corrections	106,696	-	-	-	106,696
Consumer's Energy Appeal	379,620	-	-	-	379,620
Hope College Bond Issue Reimbursement	23,456	-	-	-	23,456
M231 Race	25,110	-	-	-	25,110
Memorial Garden	1,466	-	-	-	1,466
Other Post Employment Benefits	1,500,000	-	-	-	1,500,000
Planning Commission	151,888	-	-	-	151,888
Strategic Planning Consultant Fees	250	-	-	-	250
Succeeding Year's Budget Deficit	992,502	-	-	-	992,502
Technology Forum	4,424	-	-	-	4,424
Water Quality Forum	1,174	-	-	-	1,174
Child Care - Fund 2920	-	-	-	964,471	964,471
Department of Health and Human Services - Fund	-	-	-	671	671
Health - Fund 2210	-	-	-	1,186,325	1,186,325
CMH Millage - Fund 2221	-	-	-	1,383,293	1,383,293
Landfill Tipping Fees - Fund 2272	-	-	-	1,199,192	1,199,192
Total Assigned	\$ 3,286,151	\$ -	\$ -	\$ 4,733,952	\$ 8,020,103

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, 2017

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 August 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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Excess of expenditures over appropriations

During the year ended September 30, 2017, the County incurred the following expenditures in budgetary funds which were in excess of the amounts appropriated:

	Final Budget	Actual	Variance
General Fund			
Public works			
All other public works	\$ 5,137,772	\$ 5,194,109	\$ (56,337)
Health and welfare			
Substance abuse	497,589	511,371	(13,782)

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	\$ 86,186,430	\$28,262,471	\$37,570,186	\$152,019,087
Investments	40,256,561	-	5,205,196	45,461,757
Total	126,442,991	28,262,471	42,775,382	197,480,844
Separate disclosure				
Ottawa County Road Commission	-	(11,676,401)	-	(11,676,401)
Ottawa County Central Dispatch Authority	-	(6,196,434)	-	(6,196,434)
Ottawa County Other Post-Employment Benefit Plan	-	-	(5,205,196)	(5,205,196)
Ottawa County Insurance Authority	(40,573,170)	-	-	(40,573,170)
Year end and custodial difference				
Ottawa County Public Utilities System	-	(7,332,896)	-	(7,332,896)
Balance in disclosure	\$85,869,821	\$3,056,740	\$37,570,186	\$126,496,747
Cash on hand				\$ 15,550
Deposits				74,025,534
Investments				52,455,663
Disclosure				\$126,496,747

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, 2017, \$63,765,725 of the County's bank balance (including certificates of deposit) of \$68,070,545 was uninsured and uncollateralized.

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

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, 2017:

- 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, 2017, the County had the following investments:

Investment Type	Fair Value	S&P Rating	Weighted Average Maturity (years)	Level
MBIA Michigan Class	\$18,257,255	AAAm	N/A	2
Municipal Bonds	9,207,633	AA1	1.3260	2
Agency - FAMCA	992,970	AA+	3.4548	2
Agency - FFCB	2,493,120	AA+	3.4329	2
Agency - FNMA	3,443,225	AA+	2.8959	2
Agency - FHLB	1,647,830	AA+	3.4904	2
Agency - FHLMC	1,394,360	AA+	2.9589	2
Long Term CD	1,000,000	Unrated	.7151	2
Treasury Note	14,019,270	AAA	2.9781	2
	<u>\$ 52,455,663</u>			

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017, 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 above investment in MBIA Michigan Class of \$18,257,255 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 above.

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 above.

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 above.

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, 2017:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

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

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	Over 10
Certificates of deposit					
U.S. Treasuries	\$ 551,146	\$ 49,951	\$199,237	\$301,958	\$ -
Corporate bonds	949,916	147,185	531,050	231,911	39,770
	1,501,062	\$197,136	\$730,287	\$533,869	\$39,770
Mutual funds:					
Money market	248,751				
Fixed income	72,834				
Domestic equity	1,358,457				
Exchange traded	427,515				
International equity	1,596,577				
Total investments held by the OPEB Plan	<u>\$5,205,196</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 \$5,205,196 of investments, the County has custodial credit risk of \$1,501,062 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, \$3,704,134 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, 2017, the balance of investments of the OPEB Plan in fixed income mutual funds was \$72,834 and the investments were not rated. U.S. Government Agency Securities and U.S. and foreign corporate bonds were rated by Standard & Poors as follows:

S&P Rating	Fair Value
AAA	\$ 24,788
AA+ to AA-	198,942
A+ to A-	479,104
BBB+ to BBB-	247,082
BB+ - BB-	-
NR	-
	<u>\$949,916</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

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

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 \$427,515 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, 2017:

- The money market accounts, fixed income, domestic equity, exchange traded, and international 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")

Public Act 218 of 1956 (the Insurance Code of 1956) establishes asset requirements for domestic insurers. Qualified assets as defined thereunder included investments in domestic and foreign stocks, bonds, and 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 pooled investments are money market funds that amount to \$316,609 at September 30, 2017. The money market funds are rated AAAM by S&P and are not subject to custodial risk categorization. At September 30, 2017, the OCIA did not have any custodial risk on its investments.

The cost and estimated fair values of unrestricted investments in debt securities and mutual funds at September 30, 2017 are summarized as follows:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (“OCIA”)

	Cost	Unrealized		Fair Value
		Gains	Losses	
Debt securities				
Federal agency mortgage-backed	\$ 430,281	\$ -	\$ 7,742	\$ 422,539
Federal agency collateralized mortgage obligation	214,484	-	4,236	210,248
Federal agency notes	1,171,122	-	14,443	1,156,679
U.S. Treasury notes	2,184,104	-	23,408	2,160,696
Asset-backed	771,721	-	771	770,950
Bank notes	99,986	286	-	100,272
Commercial paper	247,247	61	-	247,308
Corporate notes	5,119,017	-	64,784	5,054,233
Mutual funds				
Bond	3,520,224	-	8,787	3,511,437
Equity	18,245,841	3,329,694	-	21,575,535
Total	\$ 32,004,027	\$ 3,330,041	\$ 124,171	\$ 35,209,897

Net realized gains on the sale of investments for the year ended September 30, 2017 was \$3,205,875, which is primarily the result of liquidating individual equity investments and reinvestment of the proceeds in primarily equity mutual funds.

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, 2017:

	Cost	Fair Value	Investment Maturities (fair value by year)			
			Less Than 1	1-5	6-10	Over 10
Federal agency mortgage-backed	\$ 430,281	\$ 422,539	\$ -	\$ -	\$ 265,058	\$ 157,481
Federal agency collateralized mortgage obligation	214,484	210,248	-	210,248	-	-
Federal agency notes	1,171,122	1,156,679	-	798,098	-	-
	2,184,104					
U.S. Treasury notes		2,160,696	358,581	2,160,696	-	-
Asset-backed	771,721	77,0950	-	770,950	-	-
Bank note	99,986	100,272	-	100,272	-	-
Commercial paper	247,247	247,308	247,308	-	-	-
Corporate notes	5,119,017	5,054,233	601,130	4,453,103	-	-
Total	\$ 10,237,962	\$ 10,122,925	\$ 1,207,019	\$ 8,493,367	\$ 265,058	\$ 157,481

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

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, 2017, 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. The OCIA's investments in commercial paper were rated P-1 by Moody's and the investments in bond mutual funds were rated four stars by Morningstar. The OCIA's investments in corporate bonds were rated by Moody's as follows:

Rating	Fair Value
AAA	\$ 221,027
AA3	236,405
AA2	387,031
A3	1,081,528
A2	473,550
A1	1,630,213
BAA2	203,237
BAA1	821,242
	\$5,054,233

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, 2017.

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, 2017, the OCIA had international equity mutual funds with a fair market value of \$5,429,044.

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, 2017:

- The money market accounts, bond mutual funds, and equity mutual funds are valued using quoted market prices (Level 1 inputs).

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

- 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, 2017, are as summarized below:

Description	Maturity Date	Interest Rate	Face Value	Fair Value
U.S. Treasury Notes	05/31/18	2.375%	\$440,000	\$443,120
U.S. Treasury Notes	08/31/18	1.500%	550,000	550,688
U.S. Treasury Notes	10/31/18	1.750%	485,000	486,866
U.S. Treasury Notes	02/15/19	2.750%	440,000	447,906
U.S. Treasury Notes	10/31/19	1.250%	920,000	915,436
U.S. Treasury Notes	04/30/20	1.375%	500,000	497,500
U.S. Treasury Notes	08/15/20	2.625%	445,000	457,620
U.S. Treasury Notes	05/15/21	3.125%	445,000	466,607
U.S. Treasury Notes	08/31/21	2.000%	435,000	438,398
U.S. Treasury Notes	11/15/21	2.000%	340,000	342,523
				<u>\$5,046,664</u>

Discretely Presented Component Units

Ottawa County Road Commission (“Road Commission”)

The Road Commission reported cash and pooled investments of \$11,676,401 at September 30 2017. 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:

	Cash and Investments
Deposits	\$ 1,492,984
Investments	10,183,417
Total cash and investments	<u>\$11,676,401</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, \$2,096,986 of the Road Commission’s bank balance of \$2,995,247 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	\$10,183,417	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.

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

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

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 \$6,196,434 at December 31 2016. The balance consisted of the following:

Deposits	\$2,149,819
Investments	4,046,355
Petty cash	260

Total	\$6,196,434

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, \$1,789,916 of the OCCDA’s bank balance of \$2,539,809 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, 2017

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	\$ 273,464	AAAm	S&P
Asset Backed Securities:				
FNMA 2.5%	03/25/39	123,540	Unrated	
FNMA 2.0%	06/25/39	440,767	Unrated	
FNMA 3.0%	03/25/44	434,756	Unrated	
FNMA 2%	06/01/23	756,737	Unrated	
FNMA 3%	03/25/42	153,432	Unrated	
FNMA 2%	12/25/42	255,343	Unrated	
FHLMC 3.0%	07/15/31	306,971	Unrated	
FHLMC 2.75%	01/15/36	302,877	Unrated	
FHLMC 3.5%	40/15/44	359,341	Unrated	
FHLMC 2%	10/15/46	247,861	Unrated	
GNMA 3.5%	04/16/41	391,266	Unrated	
Total		<u><u>\$4,046,355</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, 2017

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 \$3,772,891 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 \$273,464 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.

Remaining Discretely Presented Component Units

The remaining component units reported cash and pooled investments of \$10,389,636 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, 2017 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 – 12/31/2016	\$ 7,332,896
Ottawa County Land Bank Authority – 9/30/17	93,265
Ottawa County Office of the Water Resources Commissioner – 9/30/17	2,949,505
Ottawa County Brownfield Redevelopment Authority – 9/30/17	4,176
Ottawa County Economic Development Corporation – 9/30/17	<u>9,794</u>
 Total	 <u><u>\$10,389,636</u></u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

3. DEPOSITS AND INVESTMENTS (continued)

Discretely Presented Component Units (continued)

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.

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, 2017

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:

	General	Nonmajor Governmental Funds
2017 Property Taxes:		
Primary Government	\$ 1,349,564	\$ -
Delinquent Property Taxes:		
Primary Government	62,839	5,848
Ottawa County Road Commission	2,403	-
Ottawa County Central Dispatch Authority	8,165	-
Survey & Remonumentation	1,399,249	-
Unavailable Receivables	814,726	578,729
	<hr/>	<hr/>
Total	<u>\$ 3,636,946</u>	<u>\$ 584,577</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

Primary government

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land	\$ 48,921,584	\$ 968,904	\$ -	\$ 49,890,488
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	48,921,584	968,904	-	49,890,488
Capital assets, being depreciated:				
Land improvements	26,270,251	2,243,916	-	28,514,167
Buildings and improvements	99,657,646	1,115,932	-	100,773,578
Equipment	25,099,314	2,838,122	(1,347,433)	26,590,003
Total assets, being depreciated	151,027,211	6,197,970	(1,347,433)	155,877,748
Less accumulated depreciation for:				
Land improvements	(12,361,878)	(1,110,869)	-	(13,472,747)
Buildings and improvements	(38,761,296)	(3,332,538)	-	(42,093,834)
Equipment	(19,288,009)	(1,995,547)	1,319,148	(19,964,408)
Total accumulated depreciation	(70,411,184)	(6,438,953)	1,319,148	(75,530,989)
Net capital assets, being depreciated	80,616,027	(240,983)	(28,285)	80,346,759
Net governmental activities capital assets	\$129,537,611	\$ 727,921	\$ (28,285)	\$130,237,247

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

Governmental activities:

Judicial	\$ 4,337
General Government	3,368,731
Public Safety	172,880
Public Works	148,030
Health and Welfare	84,404
Culture and Recreation	1,055,862
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>1,604,709</u>

Total depreciation expense - governmental activities \$6,438,953

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

5. CAPITAL ASSETS (continued)

Discretely presented component units

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land	\$ 3,336,517	\$ -	\$ 50,000	\$ 3,286,517
Construction in progress	15,317,419	1,889,153	605,570	16,601,002
Total capital assets, not being depreciated	<u>18,653,936</u>	<u>1,889,153</u>	<u>655,570</u>	<u>19,887,519</u>
Capital assets, being depreciated:				
Buildings	14,975,848	-	-	14,975,848
Equipment	30,259,571	1,376,533	1,027,000	30,609,104
Infrastructure	400,543,699	22,888,422	516,258	422,915,863
Total assets, being depreciated	<u>445,779,118</u>	<u>24,264,955</u>	<u>1,543,258</u>	<u>468,500,815</u>
Less accumulated depreciation for:				
Buildings	4,538,978	249,733	-	4,788,711
Equipment	25,934,063	2,006,439	1,498,185	26,442,317
Infrastructure	175,655,324	12,654,264	-	188,309,588
Total accumulated depreciation	<u>206,128,365</u>	<u>14,910,436</u>	<u>1,498,185</u>	<u>219,540,616</u>
Net capital assets, being depreciated	<u>239,650,753</u>	<u>9,354,519</u>	<u>45,073</u>	<u>248,960,199</u>
Net component units activities capital assets	<u>\$258,304,689</u>	<u>\$11,243,672</u>	<u>\$ 700,643</u>	<u>\$268,847,718</u>

Commitments

The Ottawa County Road Commission had construction and contract commitments of approximately \$854,000 at their September 30, 2017 year-end. The Ottawa County Public Utilities System had construction and contract commitments of approximately \$1.1 million at their December 31, 2016 year-end.

The Ottawa County Central Dispatch Authority, at their December 31, 2016 year-end, had equipment under a capital lease totaling \$11,517,117 included in Construction In Progress.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

6. INTERFUND, RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of September 30, 2017 are as follows:

Amounts due to and from other funds

	Due from Other Funds	Due to Other Funds
Primary Government		
Internal Service Funds	\$3,947,442	\$3,947,442

Included in the Internal Service funds is \$3,947,442 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, 2017, 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.

General Fund	\$1,096,886	
Nonmajor Governmental Funds		\$1,096,886

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
	\$325,000	\$325,000
Total		

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Interfund transfers within the primary government

Primary Government	Transfer In:			Total
	General	Community Mental Health	Nonmajor Governmental Funds	
Transfer out:				
Major Funds:				
General Fund	\$ -	\$476,500	\$10,173,379	\$10,649,879
Delinquent Tax Revolving Fund	-	-	1,814,150	1,814,150
Internal Service Funds	1,347,599	-	2,391,026	3,738,625
Nonmajor Governmental Funds	-	321,751	426,350	748,101
Total	\$1,347,599	\$798,251	\$14,804,905	\$16,950,755

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, 2017

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, 2017 amounted to \$64,768. Future minimum lease payments for these leases are as follows:

Year Ending September 30	Amount
2018	\$47,768
2019	<u>1,237</u>
	<u>\$49,005</u>

The County is also a lessor under various operating lease agreements for office space and marinas. At September 30, 2017 the original cost of these assets was \$7,769,738 and the accumulated depreciation totals \$2,896,174 leaving a carrying value of \$4,873,564. Lease revenue for the year ended September 30, 2017 was \$546,367. Future lease revenues for these leases are as follows:

Year Ending September 30	Amount
2018	\$ 539,306
2019	489,409
2020	522,316
2021	491,400
2022	479,150
2023 - 2031	<u>3,900,000</u>
	<u>\$6,421,581</u>

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 bonds 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	Interest Rate	Primary Government	Component Units		Total Ottawa County
			Ottawa County Public Utilities System	Ottawa County Office of the Water Resources Commissioner	
Governmental activities	0.75 - 7.25%	\$32,255,000	\$ 57,283,501	\$1,918,831	\$91,457,332
Governmental activities - refunding	0.95 - 4.35%	10,550,000	56,730,000	-	67,280,000
Total		<u>\$42,805,000</u>	<u>\$114,013,501</u>	<u>\$1,918,831</u>	<u>\$158,737,332</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	
	Principal	Interest	Principal	Interest
2018	\$ 3,705,000	\$1,423,819	\$7,603,569	\$5,637,455
2019	2,815,000	1,318,077	7,422,155	5,391,139
2020	3,145,000	1,229,405	6,994,136	4,686,815
2021	3,530,000	1,124,473	6,180,613	3,982,237
2022	4,010,000	1,001,306	6,409,015	3,759,927
2023-2027	19,970,000	2,781,285	34,114,145	15,133,353
2028-2032	5,630,000	193,898	36,229,003	8,762,919
2033-2037	-	-	17,701,249	2,513,089
2038-2042	-	-	4,835,000	438,500
Total	<u>\$42,805,000</u>	<u>\$9,072,263</u>	<u>\$127,488,885</u>	<u>\$50,305,434</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

8. LONG-TERM DEBT (continued)

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2017 was as follows:

Primary Government

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Due Within One Year
Governmental activities:					
General obligation bonds					
OCBA 2007 bonds	\$ 930,000	\$ -	\$455,000	\$ 475,000	\$ 475,000
QECB 2013 bonds	4,400,000	-	365,000	4,035,000	365,000
Pension 2014 bonds	29,035,000	-	1,290,000	27,745,000	1,400,000
2015 Refunding bonds	11,955,000	-	1,405,000	10,550,000	1,465,000
Landfill reclamation	3,662,375	1,108,661	-	4,771,036	496,370
Compensated absences	2,725,886	123,443	11,810	2,837,519	2,732,812
Total	\$ 52,708,261	\$1,232,104	\$3,526,810	\$ 50,413,555	\$6,934,182

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

The reporting entity's legal debt margin at September 30, 2017 is \$1,338,893,360.

Discretely Presented Component Units

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$119,601,099	\$15,285,000	\$20,518,767	\$114,367,332	\$ 6,585,767
Special assessment bonds	1,660,000	-	95,000	1,565,000	95,000
Notes payable	1,327,810	973,000	551,201	1,749,609	360,651
Claims payable	15,417	196,896	15,417	196,896	-
Compensated absences	1,457,706	383,613	419,888	1,421,431	211,682
Other post-employment benefits	1,118,434	112,479	-	1,230,913	-
Capital lease	11,517,117	-	1,710,173	9,806,944	562,151
Total	\$136,697,583	\$16,950,988	\$23,310,446	\$130,338,125	\$ 7,815,251

During their fiscal year, 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. This advanced refunding was undertaken to reduce total debt service payments by \$1,881,870, which resulted in an economic gain of \$1,538,427. As of December 31, 2016, \$12,925,000 of the outstanding bonds payable are considered defeased and 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, 2017

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 2017:

Discretely Presented Component Units

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017
Governmental activities:				
Various Drain notes payable, principal payments ranging from \$30,000 to \$120,000, due in 2018, plus interest of .96%	\$ -	\$ 535,000	\$ -	\$535,000

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, 2017, \$5,150,000 was still outstanding.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 planning for the design and installation 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
2018	\$ 496,370
2019	2,921,271
2020	413,543
2021	168,225
2022	113,791
2023-2027	<u>657,836</u>
Total	\$4,771,036

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 4 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2016):

Inactive employees or beneficiaries currently receiving benefits	562
Inactive employees entitled but not yet receiving benefits	188
Active employees	574
Total	1,324

Contributions

The County is required to contribute at an actuarially determined rate, which for the current year was \$1,130 to \$198,969 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, 2016, 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, 2016 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)

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (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%
			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, 2017

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/15	\$260,679,923	\$196,963,153	\$63,716,770
Changes for the year:			-
Service cost	4,405,425	-	4,405,425
Interest	20,559,652	-	20,559,652
Change in benefits	-	-	-
Differences between expected and actual experience	(375,877)	-	(375,877)
Change in assumptions	-	-	-
Employer contributions	-	4,962,722	(4,962,722)
Employee contributions	-	1,927,913	(1,927,913)
Net investment income	-	22,309,475	(22,309,475)
Benefit payments, including refunds	(11,773,976)	(11,773,976)	-
Administrative expense	-	(440,498)	440,498
Other changes	1	-	1
Net changes	12,815,225	16,985,636	(4,170,411)
Balance at 12/31/16	\$273,495,148	\$213,948,789	\$59,546,359

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.

	Current		
	1% Decrease	Discount rate	1% Increase
Total Pension Liability	\$307,566,139	\$273,495,148	\$244,907,676
Fiduciary Net Position	213,948,789	213,948,789	213,948,789
Net Pension Liability	\$ 93,617,350	\$ 59,546,359	\$ 30,958,887

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017, the employer recognized pension expense of \$14,307,507. 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	\$ 557,742	\$ -
Differences in assumptions	8,559,283	-
Excess(deficit) investment returns	7,790,083	-
Contributions subsequent to the measurement date*	4,365,799	-
Total	<u>\$21,272,907</u>	<u>\$ -</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 2017.

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

2018	\$ 6,369,311
2019	6,369,311
2020	5,521,562
2021	(1,353,076)
2022	-
Thereafter	<u>-</u>
Total	<u>(\$16,907,108)</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 2.25 to 2.50. Vesting period of 6-10 years. Normal retirement age is 60. Final average compensation is calculated based on a 4 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2016):

Inactive employees or beneficiaries currently receiving benefits	139
Inactive employees entitled but not yet receiving benefits	14
Active employees	95
Total	248

Contributions

The Commission is required to contribute at an actuarially determined rate, which for the current year was from 22.95% to 55.88% of annual covered payroll depending on position and classification. Participating employees are required to contribute from 3% to 4% 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, 2016, 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, 2016 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)

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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%
			8.00%

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, 2017

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 1/1/16	\$54,192,904	\$28,958,829	\$25,234,075
Changes for the year:			-
Service cost	574,269	-	574,269
Interest	4,206,377	-	4,206,377
Change in benefits	-	-	-
Differences between expected and actual experience	(104,527)	-	(104,527)
Change in assumptions	-	-	-
Employer contributions	-	2,100,680	(2,100,680)
Employee contributions	-	245,342	(245,342)
Net investment income	-	3,202,709	(3,202,709)
Benefit payments, including refunds	(3,800,662)	(3,800,662)	-
Administrative expense	-	(63,366)	63,366
Other changes	-	-	-
Net changes	875,457	1,684,703	(809,246)
Balance at 12/31/16	<u>\$55,068,361</u>	<u>\$30,643,532</u>	<u>\$24,424,829</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 1.00% lower (7.00%) or 1.00% higher (9.00%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total Pension Liability	\$60,471,151	\$55,068,361	\$50,407,089
Fiduciary Net Position	30,643,532	30,643,532	30,643,532
Net Pension Liability	<u>\$29,827,619</u>	<u>\$24,424,829</u>	<u>\$19,763,557</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017 the employer recognized pension expense of \$3,435,206. 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	\$ (49,457)	\$ -
Differences in assumptions	1,213,949	-
Excess(deficit) investment returns	1,189,371	-
Contributions subsequent to the measurement date*	2,257,319	-
Total	\$4,611,182	\$ -

*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 2017.

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

2017	\$1,092,522
2018	1,092,522
2019	358,165
2020	(189,346)
2021	-
Thereafter	-
Total	\$2,353,863

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 accessing the MERS website at www.mersofmich.com.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2015):

Active plan members	6
Inactive employees entitled but not yet receiving benefits	3
Inactive employees or beneficiaries currently receiving benefits	<u>8</u>
Total	17

Contributions

The Authority is required to contribute at an actuarially determined rate of \$5,268 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, 2015, 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, 2015 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, 2017

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 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:

<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 declined by .25% 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, 2017

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/14	\$2,112,004	1,853,539	\$258,465
Changes for the Year:			
Service Cost	28,119	-	28,119
Interest	171,043	-	171,043
Change in benefits	-	-	-
Differences between expected and actual experience	(33,857)	-	(33,857)
Change in assumptions	112,454	-	112,454
Contributions: employer	-	51,756	(51,756)
Contributions: employee	-	6,391	(6,391)
Net Investment income	-	(27,565)	27,565
Benefit payments, incl refunds	(105,636)	(105,636)	-
Administrative expense	-	(4,045)	4,045
Other Changes	(3)	-	(3)
Net Changes	172,120	(79,099)	251,219
Balance at 12/31/15	\$2,284,124	\$1,774,440	\$509,684

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.

	Current Discount		
	1% Decrease	Rate	1% Increase
Total Pension Liability	\$2,504,762	\$2,284,124	\$2,092,736
Fiduciary Net Position	1,774,440	1,774,440	1,774,440
Net Pension Liability	\$730,322	\$509,684	\$318,296

Pension expense and deferred outflows of resources related to pensions

For the year ended December 31, 2016 the employer recognized pension expense of \$73,229. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

	Deferred Outflows of Resources
Differences in experience	\$ (16,929)
Differences in assumptions	56,227
Excess (deficit) investment returns	162,415
Contributions subsequent to the measurement date*	<u>63,216</u>
Total	<u>\$264,929</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, 2017.

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:

2017	\$81,546
2018	42,248
2019	42,248
2020	35,671
2021	-
Thereafter	<u>-</u>
Total	<u>\$201,713</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 up to a total County contribution of 6%. Participating employees are vested 50% after 3 years of service, 75% after 4 years of service, and 100% after 5 years of service. The plan provisions and contribution amounts were established by the Board and may be amended by the Board. The plan is administered by MERS. The County and member contributions were \$741,532 and \$777,954, respectively, for the current year ended.

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, 2017 were \$1,983,905 and the County match was \$282,958.

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 \$76,567 and \$76,567, respectively, for the current year.

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 \$56,008 and OCCDA match was \$13,000 for the current year.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

11. DEFINED CONTRIBUTION PENSION PLAN

Deferred compensation plan (continued)

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.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 current insured premium rate (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 September 30, 2017:

Retired Plan Members	67
Active Plan Members	<u>815</u>
Total Participants	882

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, 2017. The total OPEB liability was determined by an actuarial valuation as of September 30, 2017 and 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	RP 2014 Total Dataset headcount weighted Annuitant and Non-Annuitant (sex distinct) mortality, projection with MP 2016 improvement scale.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
US stocks	56%	6.30%
International developed stocks	4%	7.00%
Emerging market stocks	5%	8.60%
Bonds	30%	3.20%
Cash	5%	1.90%

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. While September 30, 2017 is the first year of required compliance with GASB 74, the reconciliation below recognizes the change from the last actuarial valuation performed under GASB 45. The discount rate used for September 30, 2016 actuarial liability was 5.36%.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2016	\$5,140,732	\$5,083,250	\$ 57,482
Changes during the year			
Service Cost	67,735		67,735
Interest	265,458		265,458
Experience (gains)/losses	3,684,085		3,684,085
Change in actuarial assumptions	(1,448,169)		(1,448,169)
Contributions-employer		80,471	(80,471)
Contributions-employee			
Contribution to OPEB trust			
Contributions/benefit paid from general operation funds			
Net Investment Income		619,034	(619,034)
Benefit Payments; including refunds of employee contributions	(511,808)	(511,808)	-
Administrative expenses		(65,751)	65,751
Other changes			
Total changes	2,057,301	121,946	1,935,355
Balance at September 30, 2017	\$7,198,033	\$5,205,196	\$1,992,837

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.

	1% Decrease	Current Discount Rate	1% Increase
<u>Discount</u>			
Total OPEB Liability	\$ 7,981,077	\$ 7,198,033	\$ 6,534,989
Plan Fiduciary Net Position	5,205,196	5,205,196	5,205,196
Net OPEB Liability	\$ 2,775,881	\$ 1,992,837	\$ 1,329,793

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	\$6,446,743	\$ 7,198,033	\$ 8,095,472
Plan Fiduciary Net Position	5,205,196	5,205,196	5,205,196
Net OPEB Liability	1,241,547	1,992,837	2,890,276

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

For the year ended September 30, 2017 the County recognized OPEB expense of \$297,959. 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	\$ 3,290,145	\$ -
Differences in assumptions	-	1,293,316
Excess (deficit) invest returns	-	278,962
Total	\$ 3,290,145	\$ 1,572,278

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

<u>Year Ending September 30</u>	<u>Amount Recognized</u>
2018	\$ 169,346
2019	169,346
2020	169,346
2021	169,348
2022	239,087
Thereafter	801,394
Total	\$1,717,865

Concentrations: The plan is invested 9.0% in Vanguard Growth MFC, 9.5% in Vanguard Index Trust Value MFC, and 8.5% in Vanguard 500 Index Admiral Share. No other investments by the plan are greater than 5% of the plans fiduciary net position.

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Rate of return: For the year ended September 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 26.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Ottawa County Road Commission

The Road Commission administers a single-employer defined benefit healthcare plan ("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 Road Commission and bargaining units and employee groups. The Road Commission makes 80% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

The Road Commission's annual other post-employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No.45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The most recent actuarial valuation of the Retiree Health Plan was performed as of October 1, 2014 for the plan year ended September 30, 2015.

The contribution requirements of Retiree Health Plan members are established and may be amended by the Road Commission. The required contribution is based on projected pay-as-you go financing requirements. For the year ended September 30, 2017 the Road Commission contributed \$113,853 to the Retiree Health Plan.

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

Annual required contribution	\$ 337,063
Interest on Net OPEB obligation	44,737
Adjustment to annual required contribution	<u>(155,468)</u>
Annual OPEB cost (expense)	226,332
Contribution made	<u>113,853</u>
Increase in net OPEB obligation	112,479
Net OPEB obligation, beginning of year	<u>1,118,434</u>
Net OPEB obligation, end of year	<u>\$1,230,913</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

Three-Year Trend Information			
Fiscal Year	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
Ending	Cost	Contributed	Obligation
9/30/15	\$191,783	73%	\$1,025,855
9/30/16	221,653	58%	1,118,434
9/30/17	226,332	50%	1,230,913

Schedule of Funding Progress

Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/15	\$ -	\$1,632,020	\$1,632,020	0%	n/a	n/a

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Road Commission is currently funding the plan on a pay as you go basis.

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

In the October 1, 2014, actuarial valuation, the entry age normal actuarial cost method, level percent, closed amortization method, and an amortization period of 10 years were utilized. The remaining amortization period at October 1, 2014, was 10 years. The actuarial assumptions included a 0% return on plan assets as the plan is not funded, a discount rate of 4%, 8% inflation in 2015 graded to 5% in 2021.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017 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 \$138,200,000, which is \$1,200,000 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, 2017 and the nine-month period ended September 30, 2016 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
2017	\$ 8,587,653	\$ 2,781,460	\$ 383,607	\$ 10,985,506
2016	7,658,300	1,196,769	267,416	8,587,653

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 excess above the \$750,000 self-insured retention. An independent third party administrator administers the program for an annual fee. The claim liability for known claims and incurred but not reported claims are determined by an actuary. The changes in worker's compensation liability for the fiscal year ended September 30, 2017 and the nine-month period ended September 30, 2016, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2017	\$155,168	\$371,942	\$260,814	\$266,296
2016	140,858	84,586	70,276	155,168

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 \$45,836 and \$74,397 for the fiscal year ended September 30, 2017, and the nine-month period ended September 30, 2016, respectively.

Discretely presented component units

The Ottawa County Central Dispatch Authority 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 OCIA carried commercial insurance to cover risks of losses. Settled claims have not exceeded insurance coverage for the last three fiscal years.

Ottawa County Public Utilities System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. In order to minimize its exposure to these risks, Ottawa County Public Utilities 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.

The Ottawa County Road Commission is exposed to lawsuits and claims made by individuals. In response to this exposure, the Ottawa County Road Commission participates in the Michigan County Road Commission Self-Insurance Pool ("MCRCSIP"). Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members. Due to the Road Commission's participation in this pool, the liability of the Ottawa County Road Commission relative to claims covered by the pool is limited to \$25,000 per occurrence.

The Road Commission's self-funded workers' compensation program contains stop-loss and coverage of \$300,000 per incident. This limits the Road 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, 2017

13. SELF-INSURANCE (continued)

Discretely presented component units (continued)

The Road Commission's self-funded insurance claims that have been incurred through the end of the year include both those claims that have been reported as well as those that have not been reported. These estimates are recorded in the government-wide statements as they are not expected to be liquidated with expendable available financial resources. The Road 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 years ended September 30, 2016 and 2017 are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
MCRCSIP Liability Plan				
2016	\$ -	\$ -	\$ -	\$ -
2017	-	3,900	-	3,900
Workers' Compensation Plan				
2016	42,732	1,945	29,260	15,417
2017	15,417	222,973	45,394	192,996

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017

15. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2017, the County provided OCCDA operating grants of \$4,535,358 from the 2016 levy.

During the year ended September 30, 2017, the County provided OCRC operating grants of \$5,194,109 from the 2016 levy.

Ottawa County Public Utilities System ("System") incurred expenses of \$700,000 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 \$86,236 for these goods and services.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

16. PRIOR PERIOD ADJUSTMENT

County of Ottawa

Beginning net position of governmental activities was decreased by \$499,847 to remove the net OPEB asset and record the net OPEB liability in accordance with the implementation of GASB Statement No.75.

Beginning fund balance of the General fund was decreased by \$2,836,349 and \$3,508,928 to present the DB/DC Conversion fund and Compensated Absences fund as internal service funds. Beginning net position of internal service funds was increased accordingly.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

17. TAX ABATEMENTS

The County receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Tax Increment Financing granted by cities, villages, and townships within the County. 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, 2017 was approximately \$875,000. Of the \$875,000 abated, approximately \$325,000 of the abatements were initiated by various townships in the County and \$550,000 were initiated by various cities in the County.

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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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 48,334,169	\$ 47,646,169	\$ 48,181,160	\$ 534,991	\$ 46,042,637
Intergovernmental revenues	8,842,002	9,415,441	9,570,257	154,816	7,600,108
Charges for services	9,098,249	9,157,086	10,161,660	1,004,574	7,296,770
Fines and forfeits	85,600	85,600	72,511	(13,089)	61,440
Investment earnings (loss)	391,136	391,136	311,408	(79,728)	503,369
Licenses and permits	308,225	308,225	386,060	77,835	303,753
Rental income	2,272,411	2,272,411	2,098,049	(174,362)	1,541,642
Other	851,916	863,248	801,070	(62,178)	637,590
Total revenues	<u>70,183,708</u>	<u>70,139,316</u>	<u>71,582,175</u>	<u>1,442,859</u>	<u>63,987,309</u>
Expenditures					
Current operations					
Legislative	492,056	486,056	478,845	7,211	343,622
Judicial	13,660,020	13,749,537	13,381,098	368,439	9,376,957
General government	14,125,859	14,327,420	13,174,676	1,152,744	9,408,740
Public safety	27,050,300	27,151,756	26,951,268	200,488	20,079,115
Public works	5,425,547	5,425,547	5,352,750	72,797	5,228,301
Health and welfare	1,000,587	1,022,312	977,619	44,693	1,936,633
Community and economic development	1,578,365	1,563,675	1,210,268	353,407	768,660
Other expenditures	625,626	257,775	124,382	133,393	94,215
Capital projects	20,000	20,000	-	20,000	-
Total expenditures	<u>63,978,360</u>	<u>64,004,078</u>	<u>61,650,906</u>	<u>2,353,172</u>	<u>47,236,243</u>
Revenues over (under) expenditures	<u>6,205,348</u>	<u>6,135,238</u>	<u>9,931,269</u>	<u>3,796,031</u>	<u>16,751,066</u>
Other financing sources (uses)					
Transfers from other funds	3,663,917	3,663,917	1,347,599	(2,316,318)	27,000
Transfers to other funds	(11,450,149)	(11,629,568)	(10,524,879)	1,104,689	(9,141,597)
Total other financing sources (uses)	<u>(7,786,232)</u>	<u>(7,965,651)</u>	<u>(9,177,280)</u>	<u>(1,211,629)</u>	<u>(9,114,597)</u>
Net change in fund balance	<u>(1,580,884)</u>	<u>(1,830,413)</u>	<u>753,989</u>	<u>2,584,402</u>	<u>7,636,469</u>
Fund balance, beginning of year	<u>25,707,684</u>	<u>25,707,684</u>	<u>25,707,684</u>	<u>-</u>	<u>18,071,215</u>
Fund balance, end of year	<u>\$ 24,126,800</u>	<u>\$ 23,877,271</u>	<u>\$ 26,461,673</u>	<u>\$ 2,584,402</u>	<u>\$ 25,707,684</u>

COUNTY OF OTTAWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	\$ 72,929,774	\$ 72,175,785	\$ 753,989
Funds classified with the general fund for purposes of GASB Statement #54			
Solid Waste Clean-up (2271)	(960)	244,512	(245,472)
Infrastructure (2444)	(306)	125,000	(125,306)
Stabilization (2570)	-	-	-
Eliminations	-	-	-
	\$ 72,928,508	\$ 72,545,297	\$ 383,211

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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental revenues	\$ 33,972,416	\$ 34,093,109	\$ 34,786,445	\$ 693,336	\$ 33,774,031
Charges for services	710,182	710,182	395,102	(315,080)	540,755
Investment earnings (loss)	12,000	12,000	(1,961)	(13,961)	23,147
Other	140,634	140,634	374,645	234,011	518,114
Total revenues	<u>34,835,232</u>	<u>34,955,925</u>	<u>35,554,231</u>	<u>598,306</u>	<u>34,856,047</u>
Expenditures					
Current operations					
Personnel services	9,333,355	9,365,179	9,071,923	293,256	9,072,841
Supplies	55,883	55,883	-	55,883	-
Other services and charges	27,470,602	27,550,294	27,232,693	317,601	26,186,350
Total expenditures	<u>36,859,840</u>	<u>36,971,356</u>	<u>36,304,616</u>	<u>666,740</u>	<u>35,259,191</u>
Revenues over (under) expenditures	<u>(2,024,608)</u>	<u>(2,015,431)</u>	<u>(750,385)</u>	<u>1,265,046</u>	<u>(403,144)</u>
Other financing sources (uses)					
Transfers from other funds	2,024,608	1,991,255	776,521	(1,214,734)	476,500
Total other financing sources (uses)	<u>2,024,608</u>	<u>1,991,255</u>	<u>776,521</u>	<u>(1,214,734)</u>	<u>476,500</u>
Net change in fund balance	-	(24,176)	26,136	50,312	73,356
Fund balance, beginning of year	<u>620,310</u>	<u>620,310</u>	<u>620,310</u>	<u>-</u>	<u>546,954</u>
Fund balance, end of year	<u>\$ 620,310</u>	<u>\$ 596,134</u>	<u>\$ 646,446</u>	<u>\$ 50,312</u>	<u>\$ 620,310</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental revenues	\$ 2,352,488	\$ 2,352,488	\$ 2,296,138	\$ (56,350)	\$ 2,239,998
Investment earnings	-	-	(1,278)	(1,278)	14,474
Other	-	-	-	-	10,700
Total revenues	<u>2,352,488</u>	<u>2,352,488</u>	<u>2,294,860</u>	<u>(57,628)</u>	<u>2,265,172</u>
Expenditures					
Current operations					
Personnel services	354,187	354,187	265,729	88,458	457,785
Supplies	908	908	-	908	-
Other services and charges	<u>1,997,393</u>	<u>1,997,393</u>	<u>2,029,131</u>	<u>(31,738)</u>	<u>1,785,667</u>
Total expenditures	<u>2,352,488</u>	<u>2,352,488</u>	<u>2,294,860</u>	<u>57,628</u>	<u>2,243,452</u>
Revenues over (under) expenditures	-	-	-	-	21,720
Other financing sources (uses)					
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	-	21,720
Fund balance, beginning of year	<u>21,720</u>	<u>21,720</u>	<u>21,720</u>	-	-
Fund balance, end of year	<u>\$ 21,720</u>	<u>\$ 21,720</u>	<u>\$ 21,720</u>	<u>\$ -</u>	<u>\$ 21,720</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, 2017

	2017	2016	2015
Total pension liability			
Service cost	\$ 4,405,425	\$ 4,562,943	\$ 4,838,448
Interest	20,559,652	18,909,601	17,895,352
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(375,877)	1,399,417	-
Changes in assumptions	-	14,265,472	-
Benefit payments including employee refunds	(11,773,976)	(10,766,401)	(9,838,075)
Other	1	-	-
Net change in total pension liability	<u>12,815,225</u>	<u>28,371,032</u>	<u>12,895,725</u>
Total pension liability, beginning of year	<u>260,679,923</u>	<u>232,308,891</u>	<u>219,413,166</u>
Total pension liability, ending of year	<u>\$ 273,495,148</u>	<u>\$ 260,679,923</u>	<u>\$ 232,308,891</u>
Plan Fiduciary Net Position			
Contributions-employer	\$ 4,962,722	\$ 6,686,141	\$ 35,349,429
Contributions-employee	1,927,913	1,583,208	1,661,254
Net Investment income	22,309,475	(3,058,471)	10,532,019
Benefit payments including employee refunds	(11,773,976)	(10,766,401)	(9,838,075)
Administrative expense	(440,498)	(445,130)	(388,244)
Net change in plan fiduciary net position	<u>16,985,636</u>	<u>(6,000,653)</u>	<u>37,316,383</u>
Plan fiduciary net position, beginning of year	<u>196,963,153</u>	<u>202,963,806</u>	<u>165,647,423</u>
Plan fiduciary net position, ending of year	<u>\$ 213,948,789</u>	<u>\$ 196,963,153</u>	<u>\$ 202,963,806</u>
Employer net pension liability	<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	78%	76%	87%
Covered employee payroll	\$ 34,396,609	\$ 36,557,710	\$ 39,033,659
Employer's net pension liability as a percentage of covered employee payroll	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, 2017

	2017	2016	2015
Actuarial determined contributions	\$ 5,606,562	\$ 3,717,504	\$ 6,664,452
Contributions in relation to the actuarially determined contribution	5,606,562	3,717,504	6,664,452
Contribution deficiency (excess)	\$ -	\$ -	\$ -
 Covered employee payroll	 \$34,764,334	 \$ 27,462,087	 \$ 39,033,659
 Contributions as a percentage of covered employee payroll	 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
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017
Total OPEB liability	
Service cost	\$ 67,735
Interest	265,458
Changes in benefit terms	-
Difference between expected and actual experience	3,684,085
Changes in assumptions	(1,448,169)
Benefit payments including employee refunds	(511,808)
Other	-
Net change in total OPEB liability	2,057,301
Total OPEB liability, beginning of year	5,140,732
Total OPEB liability, ending of year	\$ 7,198,033
Plan Fiduciary Net Position	
Contributions-employer	\$ 80,471
Contributions-employee	-
Net Investment income	619,034
Benefit payments including employee refunds	(511,808)
Administrative expense	(65,751)
Net change in plan fiduciary net position	121,946
Plan fiduciary net position, beginning of year	5,083,250
Plan fiduciary net position, ending of year	\$ 5,205,196
Employer net OPEB liability	\$ 1,992,837
Plan fiduciary net position as a percentage of the total OPEB liability	72.3%
Covered employee payroll	\$ 31,032,203
Employer's net OPEB liability as a percentage of covered employee payroll	6%

Notes to schedule:

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

ROAD COMMISSION PLAN - SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Percentage of Covered Payroll</u>
01/01/08	\$	-	\$ 1,835,591	\$ (1,835,591)	0.00%	not available
10/01/11		-	1,931,708	(1,931,708)	0.00%	not available
10/01/14		-	1,632,020	(1,632,020)	0.00%	not available

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017
Actuarial determined contributions	\$ 80,471
Contributions in relation to the actuarially determined contribution	80,471
Contribution deficiency (excess)	\$ -
 Covered employee payroll	 \$31,032,203
 Contributions as a percentage of covered employee payroll	 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	 26.07%

Notes to schedule:

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

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COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2017

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)
Assets			
Cash and pooled investments	\$ 21,151,764	\$ 3,524,600	\$ 1,463,880
Investments	-	-	-
Receivables (net of allowance for estimated uncollectibles)			
Taxes	4,111,390	-	-
Accounts	1,654,556	-	-
Accrued interest on investments	236,612	-	-
Due from other funds	-	-	-
Due from component unit	-	-	-
Interfund receivable	1,096,886	-	-
Advances to other funds	-	-	-
Advances to component units	325,000	-	-
Due from other governmental units	3,495,121	-	-
Inventory of supplies	6,880	-	-
Prepaid expenditures	98,324	-	-
Total assets	<u>32,176,533</u>	<u>3,524,600</u>	<u>1,463,880</u>
Deferred outflows of resources			
Aggregate deferred outflows	-	-	-
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	2,077,035	11,338	-
Due to other governmental units	-	-	-
Due to other funds	-	-	-
Due to component units	-	-	-
Interfund payable	-	-	-
Advances from other governmental units	-	-	-
Unearned revenue	879	-	-
Total liabilities	<u>2,077,914</u>	<u>11,338</u>	<u>-</u>
Deferred inflows of resources			
Aggregate deferred inflows	3,636,946	-	-
Fund balances			
Nonspendable	430,204	-	-
Restricted	649,924	-	-
Committed	3,099,936	3,513,262	1,463,880
Assigned	3,286,151	-	-
Unassigned	18,995,458	-	-
Total fund balances	<u>26,461,673</u>	<u>3,513,262</u>	<u>1,463,880</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,176,533</u>	<u>\$ 3,524,600</u>	<u>\$ 1,463,880</u>

(Continued)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2017

	Stabilization (2570)	Eliminations	Total
Assets			
Cash and pooled investments	\$ 9,255,217	\$ -	\$ 35,395,461
Investments	-	-	-
Receivables (net of allowance for estimated uncollectibles)			
Taxes	-	-	4,111,390
Accounts	-	-	1,654,556
Accrued interest on investments	-	-	236,612
Due from other funds	-	-	-
Due from component unit	-	-	-
Interfund receivable	-	-	1,096,886
Advances to other funds	-	-	-
Advances to component units	-	-	325,000
Due from other governmental units	-	-	3,495,121
Inventory of supplies	-	-	6,880
Prepaid expenditures	-	-	98,324
	<u>9,255,217</u>	<u>-</u>	<u>46,420,230</u>
Total assets			
	<u>9,255,217</u>	<u>-</u>	<u>46,420,230</u>
Deferred outflows of resources			
Aggregate deferred outflows	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	-	-	2,088,373
Due to other governmental units	-	-	-
Due to other funds	-	-	-
Due to component units	-	-	-
Interfund payable	-	-	-
Advances from other governmental units	-	-	-
Unearned revenue	-	-	879
	<u>-</u>	<u>-</u>	<u>879</u>
Total liabilities			
	<u>-</u>	<u>-</u>	<u>2,089,252</u>
Deferred inflows of resources			
Aggregate deferred inflows	-	-	3,636,946
	<u>-</u>	<u>-</u>	<u>3,636,946</u>
Fund balances			
Nonspendable	-	-	430,204
Restricted	9,255,217	-	9,905,141
Committed	-	-	8,077,078
Assigned	-	-	3,286,151
Unassigned	-	-	18,995,458
	<u>-</u>	<u>-</u>	<u>18,995,458</u>
Total fund balances			
	<u>9,255,217</u>	<u>-</u>	<u>40,694,032</u>
Total liabilities, deferred inflows of resources and fund balances			
	<u>\$ 9,255,217</u>	<u>\$ -</u>	<u>\$ 46,420,230</u>

(Concluded)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)
Revenues			
Taxes	\$ 48,181,160	\$ -	\$ -
Intergovernmental revenues	9,570,257	-	-
Charges for services	10,161,660	-	-
Fines and forfeits	72,511	-	-
Investment earnings	311,408	(960)	(306)
Licenses and permits	386,060	-	-
Rental income	2,098,049	-	-
Other	801,070	-	-
Total revenues	<u>71,582,175</u>	<u>(960)</u>	<u>(306)</u>
Expenditures			
Current operations			
Legislative	478,845	-	-
Judicial	13,381,098	-	-
General government	13,174,676	-	-
Public safety	26,951,268	-	-
Public works	5,352,750	244,512	-
Health and welfare	977,619	-	-
Community and economic development	1,210,268	-	-
Culture and recreation	-	-	-
Other expenditures	124,382	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>61,650,906</u>	<u>244,512</u>	<u>-</u>
Revenues over (under) expenditures	<u>9,931,269</u>	<u>(245,472)</u>	<u>(306)</u>
Other financing sources (uses)			
Issuance of bonds	-	-	-
Transfers from other funds	1,347,599	-	-
Transfers to other funds	(10,524,879)	-	(125,000)
Total other financing sources (uses)	<u>(9,177,280)</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	753,989	(245,472)	(125,306)
Fund balances, beginning of year	<u>25,707,684</u>	<u>3,758,734</u>	<u>1,589,186</u>
Fund balances, end of year	<u>\$ 26,461,673</u>	<u>\$ 3,513,262</u>	<u>\$ 1,463,880</u>

(Continued)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Stabilization (2570)	Eliminations	Total
Revenues			
Taxes	\$ -	\$ -	\$ 48,181,160
Intergovernmental revenues	-	-	9,570,257
Charges for services	-	-	10,161,660
Fines and forfeits	-	-	72,511
Investment earnings	-	-	310,142
Licenses and permits	-	-	386,060
Rental income	-	-	2,098,049
Other	-	-	801,070
	<u>-</u>	<u>-</u>	<u>801,070</u>
Total revenues	<u>-</u>	<u>-</u>	<u>71,580,909</u>
Expenditures			
Current operations			
Legislative	-	-	478,845
Judicial	-	-	13,381,098
General government	-	-	13,174,676
Public safety	-	-	26,951,268
Public works	-	-	5,597,262
Health and welfare	-	-	977,619
Community and economic development	-	-	1,210,268
Culture and recreation	-	-	-
Other expenditures	-	-	124,382
Debt service	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>61,895,418</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,685,491</u>
Other financing sources (uses)			
Issuance of bonds	-	-	-
Transfers from other funds	-	-	1,347,599
Transfers to other funds	-	-	(10,649,879)
	<u>-</u>	<u>-</u>	<u>(9,302,280)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(9,302,280)</u>
Net change in fund balances	-	-	383,211
Fund balances, beginning of year	<u>9,255,217</u>	<u>-</u>	<u>40,310,821</u>
Fund balances, end of year	<u>\$ 9,255,217</u>	<u>\$ -</u>	<u>\$ 40,694,032</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

Expenditures	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Current operations					
Legislative					
Commissioners	\$ 492,056	\$ 486,056	\$ 478,845	\$ 7,211	\$ 343,622
Judicial:					
20th Circuit Court	3,228,226	3,250,027	3,139,635	110,392	2,166,841
58th District Court	8,115,190	8,158,262	8,153,130	5,132	5,730,862
Probate Court	934,980	934,980	847,473	87,507	618,570
Juvenile Services Division	1,185,648	1,208,792	1,061,120	147,672	734,566
Circuit Court Adult Probation	152,238	153,738	153,312	426	118,427
All other judicial	43,738	43,738	26,428	17,310	7,691
General government:					
Administrator	1,010,312	1,088,852	941,025	147,827	685,306
Fiscal Services	1,509,337	1,509,337	1,401,599	107,738	949,217
County Clerk	2,177,838	2,277,747	2,127,224	150,523	1,558,700
Prosecuting Attorney	3,859,133	3,880,805	3,744,769	136,036	2,636,224
County Treasurer	828,959	842,729	842,495	234	601,523
Equalization	1,249,292	1,269,292	1,269,227	65	903,046
Geographic Information Systems	485,931	490,831	421,692	69,139	342,696
MSU Extension	353,435	353,435	347,063	6,372	257,296
Facilities Maintenance	4,233,201	4,252,319	3,978,325	273,994	2,861,415
Corporate Counsel	238,351	298,351	264,823	33,528	172,053
Register of Deeds	626,131	626,131	603,587	22,544	465,713
Human Resources	908,270	908,270	761,074	147,196	573,772
Water Resources Commissioner	894,033	909,080	883,895	25,185	599,482
All other general government	129,949	107,789	96,173	11,616	51,799
Allocated to other departments	(4,378,313)	(4,487,548)	(4,508,295)	20,747	(3,249,502)
Public safety:					
Sheriff	10,703,003	10,763,678	10,704,164	59,514	7,383,127
Jail	9,961,115	9,966,577	9,924,048	42,529	6,808,516
All other public safety	6,386,182	6,421,501	6,323,056	98,445	5,887,472
Public works	287,775	287,775	158,641	129,134	87,976
All other public works	5,137,772	5,137,772	5,194,109	(56,337)	5,140,325
Health and welfare:					
Substance Abuse	497,589	497,589	511,371	(13,782)	1,561,277
All other health and welfare	502,998	524,723	466,248	58,475	375,356
Culture and recreation					
All other culture and recreation				-	768,660
Community and economic development	1,578,365	1,563,675	1,210,268	353,407	-
All other community and economic development				-	-
Other expenditures:					
Insurance	125,626	125,626	124,382	1,244	94,215
Contingency	500,000	132,149	-	132,149	-
Debt service	-	-	-	-	-
Capital projects	20,000	20,000	-	20,000	-
Total expenditures	\$ 63,978,360	\$ 64,004,078	\$ 61,650,906	\$ 2,353,172	\$ 47,236,243

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 (2180) - 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.

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.

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

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

Register of Deeds Technology (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.

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.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

SPECIAL REVENUE FUNDS (continued)

Community Action Agency (2746) – This fund accounts for federal, state, and local grants received by the County's Community Action Agency. All activity was transferred to Fund 2180 in 2016.

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

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

Capital 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.

PERMANENT FUND

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

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.

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.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

INTERNAL SERVICE FUNDS (continued)

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

Compensated Absences (2980) – 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.

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, 2017

	Special Revenue					
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Community Mental Health Millage (2221)	Landfill Tipping Fees (2272)
Assets						
Cash and pooled investments	\$ 3,848,483	\$ 250	\$ -	\$ 1,325,278	\$ 1,381,589	\$ 1,157,446
Receivables (net of allowance for estimated uncollectibles)						
Taxes	3,701	-	-	-	-	-
Accounts	13,624	-	-	127,690	691	57,996
Due from other governmental units	234,058	560,195	568,812	149,649	109,574	-
Inventory of supplies	8,987	-	12,086	260,490	-	-
Prepaid expenditures	2,400	-	280	8,346	-	-
Total assets	<u>4,111,253</u>	<u>560,445</u>	<u>581,178</u>	<u>1,871,453</u>	<u>1,491,854</u>	<u>1,215,442</u>
Deferred outflows of resources						
Aggregate deferred outflows	-	-	-	-	-	-
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	616,226	84,015	174,554	247,017	107,869	16,250
Due to other governmental units	-	-	-	41,104	-	-
Due to other funds	-	-	-	-	-	-
Interfund payable	-	476,430	55,058	-	-	-
Advances from other governmental units	-	-	-	-	-	-
Unearned revenue	2,350	-	18,787	18,806	692	-
Total liabilities	<u>618,576</u>	<u>560,445</u>	<u>248,399</u>	<u>306,927</u>	<u>108,561</u>	<u>16,250</u>
Deferred inflows of resources						
Aggregate deferred inflows	5,848	-	-	109,363	-	-
Fund balances						
Nonspendable	11,387	-	12,366	268,836	-	-
Restricted	3,475,442	-	320,413	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	1,186,327	1,383,293	1,199,192
Unassigned	-	-	-	-	-	-
Total fund balances	<u>3,486,829</u>	<u>-</u>	<u>332,779</u>	<u>1,455,163</u>	<u>1,383,293</u>	<u>1,199,192</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,111,253</u>	<u>\$ 560,445</u>	<u>\$ 581,178</u>	<u>\$ 1,871,453</u>	<u>\$ 1,491,854</u>	<u>\$ 1,215,442</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2017

	Special Revenue				
	Farmland Preservation (2340)	Brownfield Redevelopment (2430)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)
Assets					
Cash and pooled investments	\$ -	\$ -	\$ 35,524	\$ 769,257	\$ -
Receivables (net of allowance for estimated uncollectibles)					
Taxes					
Accounts	2,500	-	-	-	-
Due from other governmental units	-	-	-	-	1,198,013
Inventory of supplies	-	-	-	-	-
Prepaid expenditures	-	-	-	35,893	-
Total assets	<u>2,500</u>	<u>-</u>	<u>35,524</u>	<u>805,150</u>	<u>1,198,013</u>
Deferred outflows of resources					
Aggregate deferred outflows	-	-	-	-	-
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	200	-	-	1,263	155,174
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	-	-	-
Interfund payable	965	-	-	-	564,433
Advances from other governmental units	-	-	-	-	478,406
Unearned revenue	-	-	-	-	-
Total liabilities	<u>1,165</u>	<u>-</u>	<u>-</u>	<u>1,263</u>	<u>1,198,013</u>
Deferred inflows of resources					
Aggregate deferred inflows	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	35,893	-
Restricted	-	-	35,524	767,994	-
Committed	1,335	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,335</u>	<u>-</u>	<u>35,524</u>	<u>803,887</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 35,524</u>	<u>\$ 805,150</u>	<u>\$ 1,198,013</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2017

	Special Revenue			
	Concealed Pistol Licensing (2631)	Community Action Agency (2746)	Department of Health and Human Services (2901)	Child Care (2920)
Assets				
Cash and pooled investments	\$ 121,783	\$ -	\$ 3,661	\$ 180,109
Receivables (net of allowance for estimated uncollectibles)				
Taxes	-	-	-	-
Accounts	-	-	-	470,389
Due from other governmental units	-	-	-	1,024,619
Inventory of supplies	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	<u>121,783</u>	<u>-</u>	<u>3,661</u>	<u>1,675,117</u>
Deferred outflows of resources				
Aggregate deferred outflows	-	-	-	-
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	848	-	2,991	241,281
Due to other governmental units	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>848</u>	<u>-</u>	<u>2,991</u>	<u>241,281</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	-	469,366
Fund balances				
Nonspendable	-	-	-	-
Restricted	120,935	-	-	-
Committed	-	-	-	-
Assigned	-	-	670	964,470
Unassigned	-	-	-	-
Total fund balances	<u>120,935</u>	<u>-</u>	<u>670</u>	<u>964,470</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 121,783</u>	<u>\$ -</u>	<u>\$ 3,661</u>	<u>\$ 1,675,117</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2017

	<u>Debt Service</u>		<u>Permanent</u>		<u>Total Nonmajor Governmental Funds</u>	
	<u>Debt Service (3010)</u>	<u>Capital Improvement (4020)</u>	<u>Cemetery Trust (1500)</u>	<u>2017</u>	<u>2016</u>	
Assets						
Cash and pooled investments	\$ -	\$ 4,121,438	\$ 5,817	\$ 12,950,635	\$ 13,655,487	
Receivables (net of allowance for estimated uncollectibles)				3,701	5,176	
Taxes	-	-	-	672,890	152,125	
Accounts	-	-	-	3,844,920	4,418,832	
Due from other governmental units	-	-	-	281,563	228,108	
Inventory of supplies	-	-	-	47,619	41,835	
Prepaid expenditures	700	-	-			
Total assets	<u>700</u>	<u>4,121,438</u>	<u>5,817</u>	<u>17,801,328</u>	<u>18,501,563</u>	
Deferred outflows of resources						
Aggregate deferred outflows	-	-	-	-	-	
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	-	125,971	-	1,773,659	1,189,576	
Due to other governmental units	-	-	-	41,104	68,260	
Due to other funds	-	-	-	-	-	
Interfund payable	-	-	-	1,096,886	2,018,153	
Advances from other governmental units	-	-	-	478,406	478,406	
Unearned revenue	-	-	-	40,635	120,367	
Total liabilities	<u>-</u>	<u>125,971</u>	<u>-</u>	<u>3,430,690</u>	<u>3,874,762</u>	
Deferred inflows of resources						
Aggregate deferred inflows	-	-	-	584,577	57,167	
Fund balances						
Nonspendable	700	-	5,770	334,952	275,713	
Restricted	-	3,995,467	47	8,715,822	11,565,721	
Committed	-	-	-	1,335	664	
Assigned	-	-	-	4,733,952	2,727,536	
Unassigned	-	-	-	-	-	
Total fund balances	<u>700</u>	<u>3,995,467</u>	<u>5,817</u>	<u>13,786,061</u>	<u>14,569,634</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 700</u>	<u>\$ 4,121,438</u>	<u>\$ 5,817</u>	<u>\$ 17,801,328</u>	<u>\$ 18,501,563</u>	

(Concluded)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue					
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Community Mental Health Millage (2221)	Landfill Tipping Fees (2272)
Revenues						
Taxes	\$ 3,428,114	\$ -	\$ -	\$ -	\$ 3,080,698	\$ -
Intergovernmental revenues	100,000	3,136,059	2,786,066	4,422,008	385,976	23,590
Charges for services	767,823	437,094	59,313	693,973	-	474,008
Investment earnings	1,188	-	-	-	2,111	-
Licenses and permits	-	-	-	912,356	-	-
Rental income	10,665	-	-	-	-	-
Other	291,490	-	20,849	44,591	-	-
Total revenues	<u>4,599,280</u>	<u>3,573,153</u>	<u>2,866,228</u>	<u>6,072,928</u>	<u>3,468,785</u>	<u>497,598</u>
Expenditures						
Current operations						
Judicial	-	4,566,274	996,966	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	128,615	-	-	-
Public works	-	-	139,113	-	-	419,921
Health and welfare	-	-	1,616,831	9,762,654	1,530,871	-
Culture and recreation	3,552,976	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	2,378,383	-	-	6,325	-	-
Total expenditures	<u>5,931,359</u>	<u>4,566,274</u>	<u>2,881,525</u>	<u>9,768,979</u>	<u>1,530,871</u>	<u>419,921</u>
Revenues over (under) expenditures	<u>(1,332,079)</u>	<u>(993,121)</u>	<u>(15,297)</u>	<u>(3,696,051)</u>	<u>1,937,914</u>	<u>77,677</u>
Other financing sources (uses)						
Transfers from other funds	25,000	993,121	34,849	4,330,512	-	-
Transfers to other funds	-	-	-	-	(554,621)	-
Total other financing sources (uses)	<u>25,000</u>	<u>993,121</u>	<u>34,849</u>	<u>4,330,512</u>	<u>(554,621)</u>	<u>-</u>
Net changes in fund balances	(1,307,079)	-	19,552	634,461	1,383,293	77,677
Fund balances, beginning of year, as restated	<u>4,793,908</u>	<u>-</u>	<u>313,227</u>	<u>820,702</u>	<u>-</u>	<u>1,121,515</u>
Fund balances, end of year	<u>\$ 3,486,829</u>	<u>\$ -</u>	<u>\$ 332,779</u>	<u>\$ 1,455,163</u>	<u>\$ 1,383,293</u>	<u>\$ 1,199,192</u>

(Continued)

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue				
	Farmland Preservation (2340)	Brownfield Redevelopment (2430)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)
Revenues					
Taxes	\$ -	\$ -	\$ 13,660	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	7,649,698
Charges for services	-	-	-	247,010	5,750
Investment earnings	-	-	34	97	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	3,254	-	-	-	-
Total revenues	<u>3,254</u>	<u>-</u>	<u>13,694</u>	<u>247,107</u>	<u>7,655,448</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	-	1,462	183,746	-
Public safety	-	-	-	-	8,082,654
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	2,583	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	9,211	-
Total expenditures	<u>2,583</u>	<u>-</u>	<u>1,462</u>	<u>192,957</u>	<u>8,082,654</u>
Revenues over (under) expenditures	<u>671</u>	<u>-</u>	<u>12,232</u>	<u>54,150</u>	<u>(427,206)</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	427,206
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,206</u>
Net changes in fund balances	671	-	12,232	54,150	-
Fund balances, beginning of year, as restated	<u>664</u>	<u>-</u>	<u>23,292</u>	<u>749,737</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,335</u>	<u>\$ -</u>	<u>\$ 35,524</u>	<u>\$ 803,887</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, 2017

	Special Revenue			
	Concealed Pistol Licensing (2631)	Community Action Agency (2746)	Department of Health and Human Services (2901)	Child Care (2920)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	3,064,787
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Licenses and permits	95,524	-	-	-
Rental income	-	-	-	-
Other	-	-	-	1,202,860
Total revenues	<u>95,524</u>	<u>-</u>	<u>-</u>	<u>4,267,647</u>
Expenditures				
Current operations				
Judicial	-	-	-	-
General government	51,693	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	43,775	7,874,707
Culture and recreation	-	-	-	-
Community and economic development	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>51,693</u>	<u>-</u>	<u>43,775</u>	<u>7,874,707</u>
Revenues over (under) expenditures	<u>43,831</u>	<u>-</u>	<u>(43,775)</u>	<u>(3,607,060)</u>
Other financing sources (uses)				
Transfers from other funds	-	-	13,774	3,607,059
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>13,774</u>	<u>3,607,059</u>
Net changes in fund balances	43,831	-	(30,001)	(1)
Fund balances, beginning of year, as restated	<u>77,104</u>	<u>-</u>	<u>30,671</u>	<u>964,471</u>
Fund balances, end of year	<u>\$ 120,935</u>	<u>\$ -</u>	<u>\$ 670</u>	<u>\$ 964,470</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>	
	Debt Service (3010)	Qualified Energy Conservation Bonds (4010)	Capital Improvement (4020)	Cemetery Trust (1500)	2017	2016
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,522,472	\$ 3,245,944
Intergovernmental revenues	147,102	-	1,594,218	-	23,309,504	17,253,529
Charges for services	-	-	114,715	-	2,799,686	2,515,930
Investment earnings	-	-	(3,679)	77	(172)	131,753
Licenses and permits	-	-	-	-	1,007,880	988,462
Rental income	-	-	104,815	-	115,480	39,938
Other	-	-	-	-	1,563,044	1,525,525
Total revenues	<u>147,102</u>	<u>-</u>	<u>1,810,069</u>	<u>77</u>	<u>35,317,894</u>	<u>25,701,081</u>
Expenditures						
Current operations						
Judicial	-	-	-	-	5,563,240	4,797,220
General government	-	-	-	-	236,901	140,362
Public safety	-	-	-	-	8,211,269	5,817,738
Public works	-	-	-	-	559,034	359,169
Health and welfare	-	-	-	150	20,828,988	18,273,111
Culture and recreation	-	-	-	-	3,552,976	2,413,165
Community and economic development	-	-	-	-	2,583	89,089
Debt service	5,034,476	-	-	-	5,034,476	1,150,868
Capital outlay	-	-	3,796,615	-	6,190,534	1,795,627
Total expenditures	<u>5,034,476</u>	<u>-</u>	<u>3,796,615</u>	<u>150</u>	<u>50,180,001</u>	<u>34,836,349</u>
Revenues over (under) expenditures	<u>(4,887,374)</u>	<u>-</u>	<u>(1,986,546)</u>	<u>(73)</u>	<u>(14,862,107)</u>	<u>(9,135,268)</u>
Other financing sources (uses)						
Transfers from other funds	4,888,074	-	485,310	-	14,804,905	9,625,599
Transfers to other funds	-	-	(171,750)	-	(726,371)	(300,462)
Total other financing sources (uses)	<u>4,888,074</u>	<u>-</u>	<u>313,560</u>	<u>-</u>	<u>14,078,534</u>	<u>9,325,137</u>
Net changes in fund balances	700	-	(1,672,986)	(73)	(783,573)	189,869
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>5,668,453</u>	<u>5,890</u>	<u>14,569,634</u>	<u>14,379,765</u>
Fund balances, end of year	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 3,995,467</u>	<u>\$ 5,817</u>	<u>\$ 13,786,061</u>	<u>\$ 14,569,634</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,254,614	\$ 3,404,614	\$ 3,428,114	\$ 23,500	\$ 3,235,086
Intergovernmental revenues	729,000	829,000	100,000	(729,000)	53,336
Charges for services	571,380	593,880	767,823	173,943	559,092
Fines and forfeits	-	-	-	-	-
Investment earnings (loss)	68,500	68,500	1,188	(67,312)	51,293
Licenses and permits	-	-	-	-	-
Rental income	15,500	15,500	10,665	(4,835)	15,608
Other	23,400	648,785	291,490	(357,295)	428,918
Total revenues	<u>4,662,394</u>	<u>5,560,279</u>	<u>4,599,280</u>	<u>(960,999)</u>	<u>4,343,333</u>
Expenditures					
Current operations					
Personnel services	2,434,106	2,434,106	2,379,215	54,891	1,682,783
Supplies	352,945	352,945	286,912	66,033	226,807
Other services and charges	946,633	1,167,020	886,849	280,171	503,575
Debt service	-	-	-	-	-
Capital outlay	2,404,000	4,557,274	2,378,383	2,178,891	770,449
Total expenditures	<u>6,137,684</u>	<u>8,511,345</u>	<u>5,931,359</u>	<u>2,579,986</u>	<u>3,183,614</u>
Revenues over (under) expenditures	<u>(1,475,290)</u>	<u>(2,951,066)</u>	<u>(1,332,079)</u>	<u>1,618,987</u>	<u>1,159,719</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	25,000	25,000	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,475,290)	(2,926,066)	(1,307,079)	1,618,987	1,159,719
Fund balance, beginning of year	<u>4,793,908</u>	<u>4,793,908</u>	<u>4,793,908</u>	<u>-</u>	<u>3,634,189</u>
Fund balance, end of year	<u>\$ 3,318,618</u>	<u>\$ 1,867,842</u>	<u>\$ 3,486,829</u>	<u>\$ 1,618,987</u>	<u>\$ 4,793,908</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,088,433	3,088,433	3,136,059	47,626	2,959,616
Charges for services	446,873	446,873	437,094	(9,779)	413,941
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>3,535,306</u>	<u>3,535,306</u>	<u>3,573,153</u>	<u>37,847</u>	<u>3,373,557</u>
Expenditures					
Current operations					
Personnel services	3,791,125	3,791,125	3,816,831	(25,706)	3,375,501
Supplies	58,014	61,284	59,010	2,274	136,118
Other services and charges	736,167	732,897	690,433	42,464	692,454
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>4,585,306</u>	<u>4,585,306</u>	<u>4,566,274</u>	<u>19,032</u>	<u>4,204,073</u>
Revenues over (under) expenditures	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(993,121)</u>	<u>56,879</u>	<u>(830,516)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	1,050,000	1,050,000	993,121	(56,879)	830,516
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>1,050,000</u>	<u>1,050,000</u>	<u>993,121</u>	<u>(56,879)</u>	<u>830,516</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,422,483	3,014,413	2,786,066	(228,347)	2,017,695
Charges for services	86,738	86,738	59,313	(27,425)	29,285
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	11,501	20,849	9,348	3,447
Total revenues	2,509,221	3,112,652	2,866,228	(246,424)	2,050,427
Expenditures					
Current operations					
Judicial					
Personnel services	330,997	424,527	419,247	5,280	232,382
Supplies	71,809	55,538	34,720	20,818	33,611
Other services and charges	456,239	756,787	542,999	213,788	327,154
Public safety					
Personnel services	94,470	94,528	83,879	10,649	27,164
Supplies	10,000	24,834	38,579	(13,745)	7,476
Other services and charges	21,500	21,500	6,157	15,343	5,805
Public works					
Other services and charges	157,569	157,569	139,113	18,456	53,389
Health					
Personnel services	476,782	671,150	571,615	99,535	456,851
Supplies	289,217	260,117	476,475	(216,358)	406,931
Other services and charges	618,396	774,468	568,741	205,727	530,301
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	2,526,979	3,241,017	2,881,525	359,492	2,081,064
Revenues over (under) expenditures	(17,758)	(128,365)	(15,297)	113,068	(30,637)
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	39,849	34,849	34,849	-	277,665
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	39,849	34,849	34,849	-	277,665
Net change in fund balance	22,091	(93,516)	19,552	113,068	247,028
Fund balance, beginning of year	313,227	313,227	313,227	-	66,199
Fund balance, end of year	\$ 335,318	\$ 219,711	\$ 332,779	\$ 113,068	\$ 313,227

COUNTY OF OTTAWA

HEALTH (2210)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,380,461	4,582,607	4,422,008	(160,599)	3,585,415
Charges for services	996,178	771,639	693,973	(77,666)	955,244
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	923,958	923,523	912,356	(11,167)	906,204
Rental income	-	-	-	-	-
Other	83,318	77,638	44,591	(33,047)	75,639
Total revenues	<u>5,383,915</u>	<u>6,355,407</u>	<u>6,072,928</u>	<u>(282,479)</u>	<u>5,522,502</u>
Expenditures					
Current operations					
Personnel services	7,174,058	7,672,172	7,130,832	541,340	6,375,615
Supplies	973,173	1,084,458	822,831	261,627	906,384
Other services and charges	1,976,320	1,950,415	1,808,991	141,424	1,793,395
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	6,325	6,325	-	7,064
Total expenditures	<u>10,123,551</u>	<u>10,713,370</u>	<u>9,768,979</u>	<u>944,391</u>	<u>9,082,458</u>
Revenues over (under) expenditures	<u>(4,739,636)</u>	<u>(4,357,964)</u>	<u>(3,696,051)</u>	<u>(661,913)</u>	<u>(3,559,956)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	4,739,636	4,730,511	4,330,512	(399,999)	3,379,710
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>4,739,636</u>	<u>4,730,511</u>	<u>4,330,512</u>	<u>(399,999)</u>	<u>3,379,710</u>
Net change in fund balance	-	372,547	634,461	(1,061,912)	(180,246)
Fund balance, beginning of year	<u>820,702</u>	<u>820,702</u>	<u>820,702</u>	<u>-</u>	<u>1,000,948</u>
Fund balance, end of year	<u>\$ 820,702</u>	<u>\$ 1,193,249</u>	<u>\$ 1,455,163</u>	<u>\$(1,061,912)</u>	<u>\$ 820,702</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,082,367	\$ 3,082,367	\$ 3,080,698	\$ (1,669)	\$ -
Intergovernmental revenues	-	-	385,976	385,976	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings (loss)	-	-	2,111	2,111	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>3,082,367</u>	<u>3,082,367</u>	<u>3,468,785</u>	<u>386,418</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	227,076	227,076	312,596	(85,520)	-
Supplies	1,898	1,898	-	1,898	-
Other services and charges	865,430	1,309,602	1,218,275	91,327	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,094,404</u>	<u>1,538,576</u>	<u>1,530,871</u>	<u>7,705</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,987,963</u>	<u>1,543,791</u>	<u>1,937,914</u>	<u>394,123</u>	<u>-</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(1,548,108)	(1,514,755)	(554,621)	960,134	-
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(1,548,108)</u>	<u>(1,514,755)</u>	<u>(554,621)</u>	<u>960,134</u>	<u>-</u>
Net change in fund balance	439,855	29,036	1,383,293	1,354,257	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 439,855</u>	<u>\$ 29,036</u>	<u>\$ 1,383,293</u>	<u>\$ 1,354,257</u>	<u>\$ -</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	28,000	28,000	23,590	(4,410)	10,512
Charges for services	370,000	399,000	474,008	75,008	290,326
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	29,000	-	-	-	22,681
Total revenues	<u>427,000</u>	<u>427,000</u>	<u>497,598</u>	<u>70,598</u>	<u>323,519</u>
Expenditures					
Current operations					
Personnel services	291,558	291,558	258,486	33,072	197,467
Supplies	14,074	14,074	12,860	1,214	9,118
Other services and charges	169,860	169,860	148,575	21,285	99,195
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>475,492</u>	<u>475,492</u>	<u>419,921</u>	<u>55,571</u>	<u>305,780</u>
Revenues over (under) expenditures	<u>(48,492)</u>	<u>(48,492)</u>	<u>77,677</u>	<u>126,169</u>	<u>17,739</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(48,492)	(48,492)	77,677	126,169	17,739
Fund balance, beginning of year	<u>1,121,515</u>	<u>1,121,515</u>	<u>1,121,515</u>	<u>-</u>	<u>1,103,776</u>
Fund balance, end of year	<u>\$ 1,073,023</u>	<u>\$ 1,073,023</u>	<u>\$ 1,199,192</u>	<u>\$ 126,169</u>	<u>\$ 1,121,515</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 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	32,854	32,854	3,254	(29,600)	22,100
Total revenues	<u>32,854</u>	<u>32,854</u>	<u>3,254</u>	<u>(29,600)</u>	<u>22,100</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	1,346	1,346	1,234	112	490
Other services and charges	31,508	31,508	1,349	30,159	21,339
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>32,854</u>	<u>32,854</u>	<u>2,583</u>	<u>30,271</u>	<u>21,829</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>671</u>	<u>671</u>	<u>271</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	671	671	271
Fund balance, beginning of year	<u>664</u>	<u>664</u>	<u>664</u>	<u>-</u>	<u>393</u>
Fund balance, end of year	<u>\$ 664</u>	<u>\$ 664</u>	<u>\$ 1,335</u>	<u>\$ 671</u>	<u>\$ 664</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 8,245	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	67,260
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>8,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,260</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	50	-	-	-	-
Other services and charges	8,195	-	-	-	67,260
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,260</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year, as restated	<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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ 6,000	\$ 6,000	\$ 13,660	\$ 7,660	\$ 10,858
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	240	240	34	(206)	178
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>6,240</u>	<u>6,240</u>	<u>13,694</u>	<u>7,454</u>	<u>11,036</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	100	100	-	100	-
Other services and charges	1,478	1,478	1,462	16	1,449
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,578</u>	<u>1,578</u>	<u>1,462</u>	<u>116</u>	<u>1,449</u>
Revenues over (under) expenditures	<u>4,662</u>	<u>4,662</u>	<u>12,232</u>	<u>7,570</u>	<u>9,587</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,662	4,662	12,232	7,570	9,587
Fund balance, beginning of year	<u>23,292</u>	<u>23,292</u>	<u>23,292</u>	<u>-</u>	<u>13,705</u>
Fund balance, end of year	<u>\$ 27,954</u>	<u>\$ 27,954</u>	<u>\$ 35,524</u>	<u>\$ 7,570</u>	<u>\$ 23,292</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	240,000	240,000	247,010	7,010	182,742
Fines and forfeits	-	-	-	-	-
Investment earnings	9,127	9,127	97	(9,030)	7,897
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>249,127</u>	<u>249,127</u>	<u>247,107</u>	<u>(2,020)</u>	<u>190,639</u>
Expenditures					
Current operations					
Personnel services	63,054	63,054	65,988	(2,934)	36,224
Supplies	2,992	2,992	3,394	(402)	-
Other services and charges	102,171	102,171	114,364	(12,193)	68,673
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>73,400</u>	<u>73,400</u>	<u>9,211</u>	<u>64,189</u>	<u>17,900</u>
Total expenditures	<u>241,617</u>	<u>241,617</u>	<u>192,957</u>	<u>48,660</u>	<u>122,797</u>
Revenues over (under) expenditures	<u>7,510</u>	<u>7,510</u>	<u>54,150</u>	<u>46,640</u>	<u>67,842</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,510	7,510	54,150	46,640	67,842
Fund balance, beginning of year	<u>749,737</u>	<u>749,737</u>	<u>749,737</u>	<u>-</u>	<u>681,895</u>
Fund balance, end of year	<u>\$ 757,247</u>	<u>\$ 757,247</u>	<u>\$ 803,887</u>	<u>\$ 46,640</u>	<u>\$ 749,737</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	7,880,856	7,858,194	7,649,698	(208,496)	5,310,459
Charges for services	-	-	5,750	5,750	20,300
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	5,520
Total revenues	<u>7,880,856</u>	<u>7,858,194</u>	<u>7,655,448</u>	<u>(202,746)</u>	<u>5,336,279</u>
Expenditures					
Current operations					
Personnel services	7,457,150	7,427,037	7,280,685	146,352	5,123,340
Supplies	144,496	160,346	93,408	66,938	118,459
Other services and charges	836,464	834,913	708,561	126,352	535,494
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,438,110</u>	<u>8,422,296</u>	<u>8,082,654</u>	<u>339,642</u>	<u>5,777,293</u>
Revenues over (under) expenditures	<u>(557,254)</u>	<u>(564,102)</u>	<u>(427,206)</u>	<u>136,896</u>	<u>(441,014)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	557,254	564,102	427,206	(136,896)	435,114
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>557,254</u>	<u>564,102</u>	<u>427,206</u>	<u>(136,896)</u>	<u>435,114</u>
Net change in fund balance	-	-	-	-	(5,900)
Fund balance, beginning of year	-	-	-	-	5,900
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	90,000	90,000	95,524	5,524	82,258
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>95,524</u>	<u>5,524</u>	<u>82,258</u>
Expenditures					
Current operations					
Personnel services	45,070	45,070	40,405	4,665	27,363
Supplies	5,233	5,233	4,661	572	6,653
Other services and charges	2,500	8,270	6,627	1,643	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>52,803</u>	<u>58,573</u>	<u>51,693</u>	<u>6,880</u>	<u>34,016</u>
Revenues over (under) expenditures	<u>37,197</u>	<u>31,427</u>	<u>43,831</u>	<u>12,404</u>	<u>48,242</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	37,197	31,427	43,831	12,404	48,242
Fund balance, beginning of year	<u>77,104</u>	<u>77,104</u>	<u>77,104</u>	<u>-</u>	<u>28,862</u>
Fund balance, end of year	<u>\$ 114,301</u>	<u>\$ 108,531</u>	<u>\$ 120,935</u>	<u>\$ 12,404</u>	<u>\$ 77,104</u>

COUNTY OF OTTAWA

**COMMUNITY ACTION AGENCY (2746)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 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	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	43,054
Transfers to other funds	-	-	-	-	(229,196)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186,142)</u>
Net change in fund balance	-	-	-	-	(186,142)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,142</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 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	515	515	-	515	-
Other services and charges	45,743	45,743	43,775	1,968	44,104
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>46,258</u>	<u>46,258</u>	<u>43,775</u>	<u>2,483</u>	<u>44,104</u>
Revenues over (under) expenditures	<u>(46,258)</u>	<u>(46,258)</u>	<u>(43,775)</u>	<u>2,483</u>	<u>(44,104)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	16,258	16,258	13,774	(2,484)	44,104
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>16,258</u>	<u>16,258</u>	<u>13,774</u>	<u>(2,484)</u>	<u>44,104</u>
Net change in fund balance	(30,000)	(30,000)	(30,001)	(1)	-
Fund balance, beginning of year	<u>30,671</u>	<u>30,671</u>	<u>30,671</u>	<u>-</u>	<u>30,671</u>
Fund balance, end of year	<u>\$ 671</u>	<u>\$ 671</u>	<u>\$ 670</u>	<u>\$ (1)</u>	<u>\$ 30,671</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	4,367,003	4,367,003	3,064,787	(1,302,216)	3,249,236
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	<u>760,600</u>	<u>1,060,600</u>	<u>1,202,860</u>	<u>142,260</u>	<u>967,220</u>
Total revenues	<u>5,127,603</u>	<u>5,427,603</u>	<u>4,267,647</u>	<u>(1,159,956)</u>	<u>4,216,456</u>
Expenditures					
Current operations					
Personnel services	5,101,173	5,052,220	4,962,556	89,664	4,439,780
Supplies	245,260	249,760	221,185	28,575	138,871
Other services and charges	4,097,172	4,206,623	2,690,966	1,515,657	3,046,134
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,443,605</u>	<u>9,508,603</u>	<u>7,874,707</u>	<u>1,633,896</u>	<u>7,624,785</u>
Revenues over (under) expenditures	<u>(4,316,002)</u>	<u>(4,081,000)</u>	<u>(3,607,060)</u>	<u>473,940</u>	<u>(3,408,329)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	3,816,002	4,054,737	3,607,059	(447,678)	3,408,329
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>3,816,002</u>	<u>4,054,737</u>	<u>3,607,059</u>	<u>(447,678)</u>	<u>3,408,329</u>
Net change in fund balance	(500,000)	(26,263)	(1)	26,262	-
Fund balance, beginning of year	<u>964,471</u>	<u>964,471</u>	<u>964,471</u>	<u>-</u>	<u>964,471</u>
Fund balance, end of year	<u>\$ 464,471</u>	<u>\$ 938,208</u>	<u>\$ 964,470</u>	<u>\$ 26,262</u>	<u>\$ 964,471</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, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	147,101	147,102	1	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>147,101</u>	<u>147,102</u>	<u>1</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	3,515,000	3,515,000	3,515,000	-	365,000
Interest and fiscal charges	1,519,126	1,519,576	1,519,476	100	785,868
Capital outlay	-	-	-	-	-
Total expenditures	<u>5,034,126</u>	<u>5,034,576</u>	<u>5,034,476</u>	<u>100</u>	<u>1,150,868</u>
Revenues over (under) expenditures	<u>(5,034,126)</u>	<u>(4,887,475)</u>	<u>(4,887,374)</u>	<u>101</u>	<u>(1,150,868)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers from other funds	4,998,939	4,888,075	4,888,074	(1)	1,143,887
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>4,998,939</u>	<u>4,888,075</u>	<u>4,888,074</u>	<u>(1)</u>	<u>1,143,887</u>
Net change in fund balance	(35,187)	600	700	100	(6,981)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,981</u>
Fund balance, end of year	<u>\$ (35,187)</u>	<u>\$ 600</u>	<u>\$ 700</u>	<u>\$ 100</u>	<u>\$ -</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	1,083
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	(28,212)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,212)</u>
Net change in fund balance	-	-	-	-	(27,129)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,129</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2016 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,778,133	3,283,041	1,594,218	(1,688,823)	-
Charges for services	507,514	746,376	114,715	(631,661)	65,000
Fines and forfeits	-	-	-	-	-
Investment earnings	30,000	30,000	(3,679)	(33,679)	71,302
Licenses and permits	-	-	-	-	-
Rental income	76,068	76,068	104,815	28,747	24,330
Other	-	-	-	-	-
Total revenues	<u>3,391,715</u>	<u>4,135,485</u>	<u>1,810,069</u>	<u>(2,325,416)</u>	<u>160,632</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>6,193,391</u>	<u>9,414,924</u>	<u>3,796,615</u>	<u>5,618,309</u>	<u>1,000,214</u>
Total expenditures	<u>6,193,391</u>	<u>9,414,924</u>	<u>3,796,615</u>	<u>5,618,309</u>	<u>1,000,214</u>
Revenues over (under) expenditures	<u>(2,801,676)</u>	<u>(5,279,439)</u>	<u>(1,986,546)</u>	<u>3,292,893</u>	<u>(839,582)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	1,422,000	1,437,200	485,310	(951,890)	63,220
Transfers to other funds	<u>(171,750)</u>	<u>(171,750)</u>	<u>(171,750)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,250,250</u>	<u>1,265,450</u>	<u>313,560</u>	<u>(951,890)</u>	<u>63,220</u>
Net change in fund balance	(1,379,676)	(4,013,989)	(1,672,986)	2,341,003	(776,362)
Fund balance, beginning of year	<u>5,668,453</u>	<u>5,668,453</u>	<u>5,668,453</u>	<u>-</u>	<u>6,444,815</u>
Fund balance, end of year	<u>\$ 4,288,777</u>	<u>\$ 1,654,464</u>	<u>\$ 3,995,467</u>	<u>\$ 2,341,003</u>	<u>\$ 5,668,453</u>

COUNTY OF OTTAWA

CEMETERY TRUST (1500)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2016 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	35	60	77	17	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>35</u>	<u>60</u>	<u>77</u>	<u>17</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	155	150	5	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>155</u>	<u>150</u>	<u>5</u>	<u>-</u>
Revenues over (under) expenditures	<u>35</u>	<u>(95)</u>	<u>(73)</u>	<u>22</u>	<u>-</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	35	(95)	(73)	22	-
Fund balance, beginning of year	<u>5,890</u>	<u>5,890</u>	<u>5,890</u>	<u>-</u>	<u>5,890</u>
Fund balance, end of year	<u>\$ 5,925</u>	<u>\$ 5,795</u>	<u>\$ 5,817</u>	<u>\$ 22</u>	<u>\$ 5,890</u>

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2017
(with comparative totals at September 30, 2016)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)
Assets				
Current assets				
Cash and pooled investments	\$ 1,307,139	\$ 612,269	\$ 2,426,808	\$ 1,300,942
Investments	-	-	-	-
Accounts receivable	9,131	-	-	-
Accrued interest on investments	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	-	-	-	-
Interfund receivable	-	-	-	-
Advances to other funds	-	-	-	-
Due from component units	-	-	-	-
Inventory of supplies	-	-	-	-
Prepaid expenses	<u>279,963</u>	<u>-</u>	<u>8,277</u>	<u>-</u>
Total current assets	<u>1,596,233</u>	<u>612,269</u>	<u>2,435,085</u>	<u>1,300,942</u>
Noncurrent assets				
Capital assets				
Office furniture and equipment	-	-	-	7,269,723
Copy machines	-	325,439	-	-
Telephone equipment	-	-	2,295,673	-
Vehicles	-	-	-	5,556,123
Less accumulated depreciation	<u>-</u>	<u>(230,705)</u>	<u>(2,136,409)</u>	<u>(9,025,361)</u>
Net capital assets	<u>-</u>	<u>94,734</u>	<u>159,264</u>	<u>3,800,485</u>
Total assets	<u>1,596,233</u>	<u>707,003</u>	<u>2,594,349</u>	<u>5,101,427</u>
Liabilities				
Current liabilities				
Accounts payable	114,897	82	11,797	15,823
Interfund payable	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due to other governmental units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>114,897</u>	<u>82</u>	<u>11,797</u>	<u>15,823</u>
Net position				
Invested in capital assets	-	94,734	159,264	3,800,485
Restricted for managed care risk exposure	-	-	-	-
Unrestricted	<u>1,481,336</u>	<u>612,187</u>	<u>2,423,288</u>	<u>1,285,119</u>
Total net position	<u>\$ 1,481,336</u>	<u>\$ 706,921</u>	<u>\$ 2,582,552</u>	<u>\$ 5,085,604</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2017
(with comparative totals at September 30, 2016)

	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)
Assets				
Current assets				
Cash and pooled investments	\$ 647	\$ 2,875,865	\$ 691,056	\$ 302,352
Investments	-	-	-	-
Accounts receivable	-	232,542	-	-
Accrued interest on investments	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	3,947,442	-	-	-
Interfund receivable	-	-	-	-
Advances to other funds	-	-	-	-
Due from component units	-	-	-	-
Inventory of supplies	-	-	-	-
Prepaid expenses	52,388	2,901	-	-
Total current assets	<u>4,000,477</u>	<u>3,111,308</u>	<u>691,056</u>	<u>302,352</u>
Noncurrent assets				
Capital assets				
Office furniture and equipment	-	-	-	-
Copy machines	-	-	-	-
Telephone equipment	-	-	-	-
Vehicles	-	-	-	-
Less accumulated depreciation	-	-	-	-
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,000,477</u>	<u>3,111,308</u>	<u>691,056</u>	<u>302,352</u>
Liabilities				
Current liabilities				
Accounts payable	741,067	3,554	35,563	5,463
Interfund payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Total liabilities	<u>741,067</u>	<u>3,554</u>	<u>35,563</u>	<u>5,463</u>
Net position				
Invested in capital assets	-	-	-	-
Restricted for managed care risk exposure	-	-	-	-
Unrestricted	3,259,410	3,107,754	655,493	296,889
Total net position	<u>\$ 3,259,410</u>	<u>\$ 3,107,754</u>	<u>\$ 655,493</u>	<u>\$ 296,889</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2017
(with comparative totals at September 30, 2016)

	Ottawa County, Michigan Insurance Authority			Totals	
	(6780)	DB/DC Conversion (2970)	Compensated Absences (2980)	2017	2016
Assets					
Current assets					
Cash and pooled investments	\$ 316,609	\$ 3,904,279	\$ 3,619,688	\$ 17,357,654	\$ 9,714,856
Investments	40,256,561	-	-	40,256,561	36,226,185
Accounts receivable	-	-	-	241,673	30,977
Accrued interest on investments	75,465	-	-	75,465	87,374
Due from other governmental units	-	-	-	-	-
Due from other funds	-	-	-	3,947,442	4,030,673
Interfund receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Due from component units	-	-	-	-	-
Inventory of supplies	-	-	-	-	-
Prepaid expenses	224,514	-	-	568,043	433,640
Total current assets	<u>40,873,149</u>	<u>3,904,279</u>	<u>3,619,688</u>	<u>62,446,838</u>	<u>50,523,705</u>
Noncurrent assets					
Capital assets					
Office furniture and equipment	-	-	-	7,269,723	6,779,099
Copy machines	-	-	-	325,439	281,550
Telephone equipment	-	-	-	2,295,673	2,278,719
Vehicles	-	-	-	5,556,123	5,378,884
Less accumulated depreciation	-	-	-	(11,392,475)	(10,334,833)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,054,483</u>	<u>4,383,419</u>
Total assets	<u>40,873,149</u>	<u>3,904,279</u>	<u>3,619,688</u>	<u>66,501,321</u>	<u>54,907,124</u>
Liabilities					
Current liabilities					
Accounts payable	10,985,506	-	-	11,913,752	9,322,457
Interfund payable	-	-	-	-	-
Due to other funds	3,947,442	-	-	3,947,442	4,030,673
Due to other governmental units	-	-	-	-	-
Total liabilities	<u>14,932,948</u>	<u>-</u>	<u>-</u>	<u>15,861,194</u>	<u>13,353,130</u>
Net position					
Invested in capital assets	-	-	-	4,054,483	4,383,419
Restricted for managed care risk exposure	-	-	-	-	-
Unrestricted	25,940,201	3,904,279	3,619,688	46,585,644	37,170,575
Total net position	<u>\$ 25,940,201</u>	<u>\$ 3,904,279</u>	<u>\$ 3,619,688</u>	<u>\$ 50,640,127</u>	<u>\$ 41,553,994</u>

(Concluded)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)
Operating revenues				
Charges for services	\$ 4,024,279	\$ 57,521	\$ 713,230	\$ 1,353,449
Other revenue	-	-	71	116,809
Total operating revenues	<u>4,024,279</u>	<u>57,521</u>	<u>713,301</u>	<u>1,470,258</u>
Operating expenses				
Personnel services	2,083,088	4,306	138,276	28,039
Contractual services	-	-	-	-
Supplies	84,694	10,929	588	-
Depreciation	-	45,539	118,957	1,440,213
Building and equipment rental	272,629	-	-	-
Claims and legal	-	-	-	-
Miscellaneous	1,857,304	990	318,882	6,451
Total operating expenses	<u>4,297,715</u>	<u>61,764</u>	<u>576,703</u>	<u>1,474,703</u>
Operating income (loss)	<u>(273,436)</u>	<u>(4,243)</u>	<u>136,598</u>	<u>(4,445)</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	(1,888)	(18)	163	586
Net change in the fair value of investments	-	-	-	-
Gain (loss) on retirement of capital assets	-	-	-	38,115
Total nonoperating revenues (expenses)	<u>(1,888)</u>	<u>(18)</u>	<u>163</u>	<u>38,701</u>
Income (loss) before transfers	(275,324)	(4,261)	136,761	34,256
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	(275,324)	(4,261)	(13,239)	34,256
Total net position, beginning of year	<u>1,756,660</u>	<u>711,182</u>	<u>2,595,791</u>	<u>5,051,348</u>
Total net position, end of year	<u>\$ 1,481,336</u>	<u>\$ 706,921</u>	<u>\$ 2,582,552</u>	<u>\$ 5,085,604</u>

(Continued)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)
Operating revenues				
Charges for services	\$ 212,824	\$ 12,175,170	\$ 408,028	\$ 96,666
Other revenue	-	-	-	-
Total operating revenues	<u>212,824</u>	<u>12,175,170</u>	<u>408,028</u>	<u>96,666</u>
Operating expenses				
Personnel services	174,694	216,301	65,282	13,074
Contractual services	-	-	-	-
Supplies	42	-	-	-
Depreciation	-	-	-	-
Building and equipment rental	-	-	-	-
Claims and legal	-	-	-	-
Miscellaneous	444,886	11,261,844	166,337	60,322
Total operating expenses	<u>619,622</u>	<u>11,478,145</u>	<u>231,619</u>	<u>73,396</u>
Operating income (loss)	<u>(406,798)</u>	<u>697,025</u>	<u>176,409</u>	<u>23,270</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	71,286	(1,250)	146	10
Net change in the fair value of investments	-	-	-	-
Gain (loss) on retirement of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>71,286</u>	<u>(1,250)</u>	<u>146</u>	<u>10</u>
Income (loss) before transfers	(335,512)	695,775	176,555	23,280
Transfers				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(335,512)	695,775	176,555	23,280
Total net position, beginning of year	<u>3,594,922</u>	<u>2,411,979</u>	<u>478,938</u>	<u>273,609</u>
Total net position, end of year	<u>\$ 3,259,410</u>	<u>\$ 3,107,754</u>	<u>\$ 655,493</u>	<u>\$ 296,889</u>

(Continued)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(with comparative totals for the nine-month period ended September 30, 2016)

	Ottawa County, Michigan Insurance Authority <u>(6780)</u>	DB/DC Conversion <u>(2970)</u>	Compensated Absences <u>(2980)</u>	<u>Totals</u>	
				<u>2017</u>	<u>2016</u>
Operating revenues					
Charges for services	\$ 1,601,809	\$ -	\$ 123,443	\$ 20,766,419	\$ 13,883,722
Other revenue	5,767	4,458,139	-	4,580,786	62,266
Total operating revenues	<u>1,607,576</u>	<u>4,458,139</u>	<u>123,443</u>	<u>25,347,205</u>	<u>13,945,988</u>
Operating expenses					
Personnel services	-	-	12,836	2,735,896	1,808,779
Contractual services	773,545	-	-	773,545	561,413
Supplies	-	-	-	96,253	53,641
Depreciation	-	-	-	1,604,709	1,221,234
Building and equipment rental	-	-	-	272,629	223,977
Claims and legal	2,781,460	-	-	2,781,460	1,196,769
Miscellaneous	-	-	-	14,117,016	9,853,987
Total operating expenses	<u>3,555,005</u>	<u>-</u>	<u>12,836</u>	<u>22,381,508</u>	<u>14,919,800</u>
Operating income (loss)	<u>(1,947,429)</u>	<u>4,458,139</u>	<u>110,607</u>	<u>2,965,697</u>	<u>(973,812)</u>
Nonoperating revenues (expenses)					
Investment earnings (loss)	785,439	820	153	855,447	655,790
Net change in the fair value of investments	2,620,225	-	-	2,620,225	938,412
Gain (loss) on retirement of capital assets	-	-	-	38,115	32,477
Total nonoperating revenues (expenses)	<u>3,405,664</u>	<u>820</u>	<u>153</u>	<u>3,513,787</u>	<u>1,626,679</u>
Income (loss) before transfers	1,458,235	4,458,959	110,760	6,479,484	652,867
Transfers					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(197,599)	(3,391,026)	-	(3,738,625)	(57,783)
Total transfers	<u>(197,599)</u>	<u>(3,391,026)</u>	<u>-</u>	<u>(3,738,625)</u>	<u>(57,783)</u>
Change in net position	1,260,636	1,067,933	110,760	2,740,859	595,084
Total net position, beginning of year	<u>24,679,565</u>	<u>2,836,346</u>	<u>3,508,928</u>	<u>47,899,268</u>	<u>40,958,910</u>
Total net position, end of year	<u>\$ 25,940,201</u>	<u>\$ 3,904,279</u>	<u>\$ 3,619,688</u>	<u>\$ 50,640,127</u>	<u>\$ 41,553,994</u>

(Concluded)

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COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)

	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	\$ 4,023,578	\$ 57,521	\$ 713,301	\$ 1,470,258	\$ 212,824	\$ 11,965,175
Cash payments to suppliers for goods and services	(2,329,876)	(22,742)	(310,624)	(4,837)	(197,841)	(11,272,503)
Cash payments for self-funded insurance claims	-	-	-	-	-	-
Cash payments to employees for services	(2,083,088)	(4,306)	(138,276)	(28,039)	(174,694)	(216,301)
Net cash provided by (used for) operating activities	<u>(389,386)</u>	<u>30,473</u>	<u>264,401</u>	<u>1,437,382</u>	<u>(159,711)</u>	<u>476,371</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	-	(43,889)	(16,954)	(1,214,930)	-	-
Proceeds from sale of equipment	-	-	-	38,115	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(43,889)</u>	<u>(16,954)</u>	<u>(1,176,815)</u>	<u>-</u>	<u>-</u>
Cash flow from investing activities						
Purchase of investments	-	-	-	-	-	-
Interest on investments	(1,888)	(18)	163	586	154,517	(1,250)
Proceeds from sale of investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>(1,888)</u>	<u>(18)</u>	<u>163</u>	<u>586</u>	<u>154,517</u>	<u>(1,250)</u>
Net increase (decrease) in cash and pooled investments	(391,274)	(13,434)	97,610	261,153	(5,194)	475,121
Cash and pooled investments, beginning of year	<u>1,698,413</u>	<u>625,703</u>	<u>2,329,198</u>	<u>1,039,789</u>	<u>5,841</u>	<u>2,400,744</u>
Cash and pooled investments, end of year	<u>\$ 1,307,139</u>	<u>\$ 612,269</u>	<u>\$ 2,426,808</u>	<u>\$ 1,300,942</u>	<u>\$ 647</u>	<u>\$ 2,875,865</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (273,436)	\$ (4,243)	\$ 136,598	\$ (4,445)	\$ (406,798)	\$ 697,025
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	-	45,539	118,957	1,440,213	-	-
provided by (used for) operating activities						
(Increase) decrease in receivables	(701)	-	-	-	-	(209,995)
(Increase) decrease in prepaid expenses	(108,283)	-	6,962	-	(8,124)	-
Increase (decrease) in unpaid claims liability	-	-	-	-	-	-
Increase (decrease) in accounts payable	(6,966)	(10,823)	1,884	1,614	255,211	(10,659)
Increase (decrease) in due to other funds	-	-	-	-	-	-
Increase (decrease) in due to other governmenta	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (389,386)</u>	<u>\$ 30,473</u>	<u>\$ 264,401</u>	<u>\$ 1,437,382</u>	<u>\$ (159,711)</u>	<u>\$ 476,371</u>

(Continued)

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2017
(with comparative totals for the nine-month period ended September 30, 2016)**

	Protected	Long-Term	Ottawa County,	DB/DC	Compensated	Totals	
	Self-Funded Unemployment (6772)	Disability Insurance (6775)	Michigan Insurance Authority (6780)	Conversion (2970)	Absences (2980)	2017	2016
Cash flow from operating activities							
Cash received from interfund services provided	\$ 408,028	\$ 96,666	\$ 1,607,576	\$ 4,458,139	\$ 123,443	\$ 25,136,509	\$ 14,056,448
Cash payments to suppliers for goods and services	(204,524)	(58,954)	(83,210)	(966,855)	-	(15,451,966)	(10,760,644)
Cash payments for self-funded insurance claims	-	-	(825,976)	-	-	(825,976)	(340,095)
Cash payments to employees for services	(65,282)	(13,074)	(356,155)	-	(12,836)	(3,092,051)	(1,808,779)
Net cash provided by (used for) operating activities	<u>138,222</u>	<u>24,638</u>	<u>342,235</u>	<u>3,491,284</u>	<u>110,607</u>	<u>5,766,516</u>	<u>1,146,930</u>
Cash flow from noncapital financing activities							
Transfers out to other funds	-	-	(197,599)	(3,391,026)	-	(3,738,625)	(57,783)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(197,599)</u>	<u>(3,391,026)</u>	<u>-</u>	<u>(3,738,625)</u>	<u>(57,783)</u>
Cash flow from capital and related financing activities							
Acquisition of capital assets	-	-	-	-	-	(1,275,773)	(1,047,603)
Proceeds from sale of equipment	-	-	-	-	-	38,115	32,477
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,237,658)</u>	<u>(1,015,126)</u>
Cash flow from investing activities							
Purchase of investments	-	-	(33,297,278)	-	-	(33,297,278)	(38,774,939)
Interest on investments	146	10	797,348	820	153	950,587	692,637
Proceeds from sale of investments	-	-	31,887,127	-	-	31,887,127	38,454,651
Net cash provided by (used for) investing activities	<u>146</u>	<u>10</u>	<u>(612,803)</u>	<u>820</u>	<u>153</u>	<u>(459,564)</u>	<u>372,349</u>
Net increase (decrease) in cash and pooled investments	138,368	24,648	(468,167)	101,078	110,760	330,669	446,370
Cash and pooled investments, beginning of year	<u>552,688</u>	<u>277,704</u>	<u>784,776</u>	<u>3,803,201</u>	<u>3,508,928</u>	<u>17,026,985</u>	<u>9,268,486</u>
Cash and pooled investments, end of year	<u>\$ 691,056</u>	<u>\$ 302,352</u>	<u>\$ 316,609</u>	<u>\$ 3,904,279</u>	<u>\$ 3,619,688</u>	<u>\$ 17,357,654</u>	<u>\$ 9,714,856</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ 176,409	\$ 23,270	\$ (1,947,429)	\$ 4,458,139	\$ 110,607	\$ 2,965,697	\$ (973,812)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	-	-	-	-	-	1,604,709	1,221,234
provided by (used for) operating activities							
(Increase) decrease in receivables	-	-	-	-	-	(210,696)	32,032
(Increase) decrease in prepaid expenses	-	-	(24,958)	-	-	(134,403)	(16,022)
Increase (decrease) in unpaid claims liability	-	-	2,397,853	-	-	2,397,853	929,353
Increase (decrease) in accounts payable	(38,187)	1,368	-	(966,855)	-	(773,413)	(42,694)
Increase (decrease) in due to other funds	-	-	(83,231)	-	-	(83,231)	(3,161)
Increase (decrease) in due to other governmental	-	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 138,222</u>	<u>\$ 24,638</u>	<u>\$ 342,235</u>	<u>\$ 3,491,284</u>	<u>\$ 110,607</u>	<u>\$ 5,766,516</u>	<u>\$ 1,146,930</u>
Noncash investing activities							
The change in fair value of investments for the internal service funds was \$2,620,225.							(Concluded)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2017
(with comparative totals at September 30, 2016)

	<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>2017</u>	<u>2016</u>
Assets							
Cash and pooled investments	\$ 36,187,563	\$ 1,308	\$ 110,874	\$ 1,075,979	\$ 194,462	\$ 37,570,186	\$ 37,049,710
Accounts receivable	4,935	-	-	-	-	4,935	8,031
Due from other governmental units	432,698	-	106,316	-	-	539,014	16,667
Total assets	<u>\$ 36,625,196</u>	<u>\$ 1,308</u>	<u>\$ 217,190</u>	<u>\$ 1,075,979</u>	<u>\$ 194,462</u>	<u>\$ 38,114,135</u>	<u>\$ 37,074,408</u>
Liabilities							
Due to other governmental units:							
Due to State of Michigan	\$ 36,618,236	\$ -	\$ -	\$ 1,034,234	\$ -	\$ 37,652,470	\$ 34,351,697
Fines and fees due to local libraries	-	-	217,190	-	-	217,190	101,961
Agency deposits	6,960	1,308	-	41,745	194,462	244,475	2,620,750
Total liabilities	<u>\$ 36,625,196</u>	<u>\$ 1,308</u>	<u>\$ 217,190</u>	<u>\$ 1,075,979</u>	<u>\$ 194,462</u>	<u>\$ 38,114,135</u>	<u>\$ 37,074,408</u>

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Trust and agency fund (7010)

	Balance October 1, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2017</u>
Assets				
Cash and pooled investments	\$ 35,425,360	\$ 119,572,611	\$ 118,810,408	\$ 36,187,563
Accounts receivable	8,031	25,778,786	25,781,882	4,935
Due from other governmental units	<u>16,667</u>	<u>15,262,857</u>	<u>14,846,826</u>	<u>432,698</u>
Total assets	<u>\$ 35,450,058</u>	<u>\$ 160,614,254</u>	<u>\$ 159,439,116</u>	<u>\$ 36,625,196</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 34,351,697	\$ 147,019,487	\$ 144,752,948	\$ 36,618,236
Agency deposits	<u>1,098,361</u>	<u>100,988,670</u>	<u>102,080,071</u>	<u>6,960</u>
Total liabilities	<u>\$ 35,450,058</u>	<u>\$ 248,008,157</u>	<u>\$ 246,833,019</u>	<u>\$ 36,625,196</u>

Juvenile Court fund (7015)

Assets				
Cash and pooled investments	\$ -	\$ 1,308	\$ -	\$ 1,308
Total assets	<u>\$ -</u>	<u>\$ 1,308</u>	<u>\$ -</u>	<u>\$ 1,308</u>
Liabilities				
Due to other governmental units				
Fines and fees due to local libraries	\$ -	\$ -	\$ -	\$ -
Agency deposits	<u>-</u>	<u>1,308</u>	<u>-</u>	<u>1,308</u>
Total liabilities	<u>\$ -</u>	<u>\$ 1,308</u>	<u>\$ -</u>	<u>\$ 1,308</u>

(Continued)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Library penal fine fund (7210)

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
Assets				
Cash and pooled investments	\$ 101,961	\$ 844,104	\$ 835,191	\$ 110,874
Due from other governmental units	<u>-</u>	<u>106,316</u>	<u>-</u>	<u>106,316</u>
Total assets	<u>\$ 101,961</u>	<u>\$ 950,420</u>	<u>\$ 835,191</u>	<u>\$ 217,190</u>
Liabilities				
Due to other governmental units				
Fines and fees due to local libraries	\$ 101,961	\$ 840,937	\$ 725,708	\$ 217,190
Total liabilities	<u>\$ 101,961</u>	<u>\$ 840,937</u>	<u>\$ 725,708</u>	<u>\$ 217,190</u>

Imprest payroll fund (7040)

Assets				
Cash and pooled investments	\$ 1,277,947	\$ 15,415,892	\$ 15,617,860	\$ 1,075,979
Total assets	<u>\$ 1,277,947</u>	<u>\$ 15,415,892</u>	<u>\$ 15,617,860</u>	<u>\$ 1,075,979</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ -	\$ 8,289,850	\$ 7,255,616	\$ 1,034,234
Agency deposits	<u>1,277,947</u>	<u>35,678,138</u>	<u>36,914,340</u>	<u>41,745</u>
Total liabilities	<u>\$ 1,277,947</u>	<u>\$ 43,967,988</u>	<u>\$ 44,169,956</u>	<u>\$ 1,075,979</u>

(Continued)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Inland lake improvement (8725)

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
Assets				
Cash and pooled investments	\$ 244,442	\$ 352,928	\$ 402,908	\$ 194,462
Total assets	<u>\$ 244,442</u>	<u>\$ 352,928</u>	<u>\$ 402,908</u>	<u>\$ 194,462</u>
Liabilities				
Due to other governmental units				
Agency deposits	\$ 244,442	\$ 377,465	\$ 427,445	\$ 194,462
Total liabilities	<u>\$ 244,442</u>	<u>\$ 377,465</u>	<u>\$ 427,445</u>	<u>\$ 194,462</u>

Total agency funds

Assets				
Cash and pooled investments	\$37,049,710	\$ 136,186,843	\$ 135,666,367	\$ 37,570,186
Accounts receivable	8,031	25,778,786	25,781,882	4,935
Due from other governmental units	<u>16,667</u>	<u>15,369,173</u>	<u>14,846,826</u>	<u>539,014</u>
Total assets	<u>\$37,074,408</u>	<u>\$ 177,334,802</u>	<u>\$ 176,295,075</u>	<u>\$ 38,114,135</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$34,351,697	\$ 155,309,337	\$ 152,008,564	\$ 37,652,470
Fines and fees due to local libraries	101,961	840,937	725,708	217,190
Agency deposits	<u>2,620,750</u>	<u>137,045,581</u>	<u>139,421,856</u>	<u>244,475</u>
Total liabilities	<u>\$37,074,408</u>	<u>\$ 293,195,855</u>	<u>\$ 292,156,128</u>	<u>\$ 38,114,135</u>

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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.

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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.	149
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	155
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.	159
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.	162
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.	165

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									
	2017	2016*	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 114,312,426	\$ 111,255,538	\$ 112,970,569	\$ 112,174,398	\$ 104,330,730	\$ 113,151,478	\$ 112,014,491	\$ 109,387,852	\$ 110,087,094	\$ 96,135,351
Unrestricted	19,151,144	22,089,108	22,685,963	20,170,121	20,227,256	19,273,135	17,801,312	19,421,942	23,416,355	33,748,813
Total Governmental Activities Net Position	<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>54,493,996</u>	<u>60,985,302</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>	<u>187,997,445</u>	<u>190,869,466</u>
Business-Type Activities										
Net investment in capital assets										2,025
Restricted	1,783,468	1,777,050	1,682,228	1,489,576	1,170,787	530,943	447,167	222,198	232,381	
Unrestricted	20,145,854	21,264,376	20,599,457	21,646,866	22,579,168	23,478,259	23,576,310	24,049,598	24,494,919	24,560,157
Total Business-Type Activities Net Position	<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>	<u>24,727,300</u>	<u>24,562,182</u>
Primary Government										
Net investment in capital assets	114,312,426	111,255,538	112,970,569	112,174,398	104,330,730	113,151,478	112,014,491	109,387,852	110,087,094	96,137,376
Restricted	20,934,612	23,866,158	24,368,191	21,659,697	21,398,043	19,804,078	18,248,479	19,644,140	23,648,736	33,748,813
Unrestricted	32,439,052	36,481,400	36,647,643	89,543,420	100,297,438	92,148,801	88,496,835	83,496,633	78,988,915	85,545,459
Total Primary Government Net Position	<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>	<u>\$ 212,724,745</u>	<u>\$ 215,431,648</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									
	2017	2016*	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental Activities:										
Legislative	\$ 496,618	\$ 386,596	\$ 467,155	\$ 441,294	\$ 399,151	\$ 459,777	\$ 428,578	\$ 476,002	\$ 547,466	\$ 548,719
Judicial	19,681,855	15,951,012	16,995,782	16,209,766	15,693,406	15,783,718	14,502,573	13,855,839	14,519,351	14,215,044
General government	17,297,785	13,037,515	14,214,900	14,509,005	14,013,699	13,580,523	15,447,894	16,425,170	17,110,266	15,345,245
Public safety	38,637,388	30,498,813	32,905,190	33,036,226	31,265,686	30,932,957	28,476,232	28,915,634	29,113,616	27,231,508
Public works	7,427,436	5,936,308	1,113,013	1,717,110	956,091	300,235	2,446,691	1,625,519	2,153,528	(739,191)
Health and welfare	62,398,481	60,825,404	64,251,700	66,399,041	63,709,147	67,589,332	63,874,693	63,388,274	60,438,578	58,762,909
Community and economic development	1,257,029	953,552	1,090,188	807,476	710,324	742,845	621,591	572,601	638,164	624,254
Culture and recreation	4,959,772	3,931,818	5,059,018	3,559,748	3,502,223	3,103,891	3,218,940	2,979,627	2,810,712	2,263,151
Interest on long-term debt	1,346,413	1,045,275	1,578,129	1,163,255	942,708	959,132	1,039,869	1,120,937	1,215,945	1,308,463
Total Governmental Activities Expenses	153,502,777	132,566,293	137,675,135	137,842,921	131,192,415	133,462,410	130,057,061	129,357,603	128,547,626	119,560,102
Business-Type Activities:										
Delinquent tax collection	187,444	153,157	2,004,536	2,025,379	2,110,897	2,088,653	2,565,380	2,619,364	2,637,015	2,602,228
Total Business-Type Activities Expenses	187,444	153,157	2,004,536	2,025,379	2,110,897	2,088,653	2,565,380	2,619,364	2,637,015	2,602,228
Total Primary Government Expenses	\$ 153,690,221	\$ 132,719,450	\$ 139,679,671	\$ 139,868,300	\$ 133,303,312	\$ 135,551,063	\$ 132,622,441	\$ 131,976,967	\$ 131,184,641	\$ 122,162,330
Program Revenues										
Governmental Activities:										
Charges for services:										
Judicial	\$ 4,632,745	\$ 3,515,097	\$ 4,258,011	\$ 4,131,540	\$ 4,298,591	\$ 4,428,208	\$ 4,321,400	\$ 4,264,283	\$ 3,664,644	\$ 3,802,269
General government	8,226,407	5,998,183	7,531,480	7,755,264	8,261,854	7,936,150	7,212,417	6,889,492	6,742,345	7,281,714
Public safety	9,550,539	6,216,667	7,549,221	7,310,998	6,726,691	7,833,957	6,012,143	6,394,977	6,191,172	6,032,691
Public works	474,008	308,126	376,166	378,009	337,849	363,870	389,376	349,904	344,926	405,175
Health and welfare	3,804,723	3,449,260	3,421,008	2,994,799	2,810,393	2,910,475	2,882,631	2,453,458	2,534,330	2,784,887
Community and economic development	188,780	62,968	225,426	52,968	35,830	2,873	22,095	18,552	441	10,901
Culture and recreation	943,525	628,278	716,220	600,025	788,511	480,470	470,163	474,325	522,197	522,973
Interest on long-term debt	-	-	2,044,122	1,821,294	1,815,585	1,822,460	2,382,030	2,388,298	2,779,913	2,774,563
Operating grants and contributions	55,720,530	52,522,855	61,175,917	60,350,883	58,200,664	62,917,831	61,739,527	59,359,989	53,071,822	51,809,963
Capital grants and contributions	1,311,181	-	-	-	92,595	2,293,472	1,653,505	446,900	2,213,859	613,507
Total Governmental Activities Program Revenues	84,852,438	72,701,434	87,297,571	85,395,780	83,368,563	90,969,766	87,085,287	83,040,178	78,065,649	76,038,643
Business-Type Activities:										
Charges for services:										
Delinquent tax collection	893,074	915,284	1,162,809	1,300,687	2,015,105	2,064,177	2,307,223	2,113,782	2,795,750	2,201,594
Total Business-Type Activities Program Revenues	893,074	915,284	1,162,809	1,300,687	2,015,105	2,064,177	2,307,223	2,113,782	2,795,750	2,201,594
Total Primary Government Program Revenues	\$ 85,745,512	\$ 73,616,718	\$ 88,460,380	\$ 86,696,467	\$ 85,383,668	\$ 93,033,943	\$ 89,392,510	\$ 85,153,960	\$ 80,861,399	\$ 78,240,237

*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									
	2017	2016*	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental activities	\$ (68,650,339)	\$ (59,864,859)	\$ (50,377,564)	\$ (52,447,141)	\$ (47,823,852)	\$ (42,492,644)	\$ (42,971,774)	\$ (46,317,425)	\$ (50,481,977)	\$ (43,521,459)
Business-type activities	705,630	762,127	(841,727)	(724,692)	(95,792)	(24,476)	(258,157)	(505,582)	158,735	(400,634)
Total Primary Government Net Expense	\$ (67,944,709)	\$ (59,102,732)	\$ (51,219,291)	\$ (53,171,833)	\$ (47,919,644)	\$ (42,517,120)	\$ (43,229,931)	\$ (46,823,007)	\$ (50,323,242)	\$ (43,922,093)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 54,696,231	\$ 49,877,687	\$ 44,583,727	\$ 42,185,402	\$ 41,102,695	\$ 40,693,219	\$ 41,220,281	\$ 42,348,687	\$ 43,680,112	\$ 43,141,153
Unrestricted grants and contributions	6,036,965	4,462,913	4,729,722	4,124,536	3,180,245	3,659,304	6,003,393	51,346	52,393	29,044
Investment earnings	3,785,952	2,135,192	1,090,878	2,717,490	3,509,045	3,233,155	1,362,564	3,206,795	3,305,967	1,342,489
Miscellaneous	11,986	21,727	472,033	1,234,530	1,448,322	1,113,633	701,587	780,973	368,669	379,989
Transfers	1,814,150	226,145	150,000	150,000	152,440	152,160	163,448	189,008	202,815	176,960
Total Governmental Activities	\$ 66,345,284	\$ 56,723,664	\$ 51,026,360	\$ 50,411,958	\$ 49,392,747	\$ 48,851,471	\$ 49,451,273	\$ 46,576,809	\$ 47,609,956	\$ 45,069,635
Business-Type Activities:										
Unrestricted grants	\$ -	\$ -	\$ -	\$ -	\$ 89	\$ -	\$ -	\$ -	\$ -	\$ 3,577
Investment earnings	(3,584)	223,759	136,970	261,179	(13,544)	160,201	159,838	200,078	157,817	702,619
Miscellaneous	-	-	-	-	-	-	-	-	(1,434)	-
Transfers	(1,814,150)	(226,145)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total Business-Type Activities	(1,817,734)	(2,386)	(13,030)	111,179	(163,455)	10,201	9,838	50,078	6,383	556,196
Total Primary Government	\$ 64,527,550	\$ 56,721,278	\$ 51,013,330	\$ 50,523,137	\$ 49,229,292	\$ 48,861,672	\$ 49,461,111	\$ 46,626,887	\$ 47,616,339	\$ 45,625,831
Changes in Net Position										
Governmental activities	\$ (2,305,055)	\$ (3,141,195)	\$ 648,796	\$ (2,035,183)	\$ 1,568,895	\$ 6,358,827	\$ 6,479,499	\$ 259,384	\$ (2,872,021)	\$ 1,548,176
Business-type activities	(1,112,104)	759,741	(854,757)	(613,513)	(259,247)	(14,275)	(248,319)	(455,504)	165,118	155,562
Total Primary Government	\$ (3,417,159)	\$ (2,381,454)	\$ (205,961)	\$ (2,648,696)	\$ 1,309,648	\$ 6,344,552	\$ 6,231,180	\$ (196,120)	\$ (2,706,903)	\$ 1,703,738

*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									
	2017	2016*	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved									\$ 2,463,646	\$ 2,399,141
Unreserved									14,249,311	19,685,285
Nonspendable	\$ 430,204	\$ 424,706	\$ 444,102	\$ 642,649	\$ 816,756	\$ 952,893	\$ 1,063,101	\$ 1,211,907		
Restricted	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	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	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	18,995,458	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>\$ 40,694,032</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>	<u>\$ 16,712,957</u>	<u>\$ 22,084,426</u>
All Other Governmental Funds										
Reserved									\$ 9,311,357	\$ 17,787,698
Unreserved, reported in:										
Special revenue funds									27,151,539	30,712,913
Capital projects funds										
Permanent funds									581	484
Debt service funds										10,488
Nonspendable	\$ 478,702	\$ 385,645	\$ 374,645	\$ 509,221	\$ 468,989	\$ 675,596	\$ 480,256	\$ 234,865		
Restricted	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	1,335	664	2,246	415	897	1,871	1,500	1,000		
Assigned	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>\$ 14,454,227</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>	<u>\$ 36,463,477</u>	<u>\$ 48,511,583</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				
	2017	2016*	2015	2014	2013
Revenues					
Taxes	\$ 54,703,632	\$ 49,288,581	\$ 43,736,614	\$ 42,185,402	\$ 41,102,695
Intergovernmental	69,962,344	60,867,666	70,964,433	69,894,252	67,009,472
Charges for services	13,356,448	10,353,455	13,137,167	11,504,844	11,581,189
Fines and forfeits	72,511	61,440	69,428	74,400	60,548
Investment earnings (loss)	306,731	813,997	318,138	721,442	(77,480)
Licenses and permits	1,393,940	1,292,215	1,271,158	1,179,701	1,193,107
Rental Income	2,213,529	1,581,580	4,272,100	4,958,509	5,273,139
Other revenues	2,738,759	2,884,674	3,086,381	3,241,866	2,832,192
Total Revenues	144,747,894	127,143,608	136,855,419	133,760,416	128,974,862
Expenditures					
Legislative	478,845	343,622	465,069	443,624	395,482
Judicial	18,944,338	14,174,177	16,881,469	16,172,323	15,698,396
General government	13,411,577	9,552,325	12,713,706	42,393,192	10,978,892
Public safety	35,162,537	25,896,853	32,092,116	31,928,910	30,990,804
Public works	6,156,296	5,787,870	861,849	1,285,200	916,331
Health and welfare	60,406,083	57,712,387	63,182,493	63,162,724	63,281,014
Community and economic development	1,212,851	3,270,914	1,088,435	813,518	704,966
Culture and recreation	3,552,976	-	2,936,867	2,627,130	3,076,797
Other governmental functions	124,382	94,215	120,695	252,124	130,386
Capital outlay	6,190,534	1,795,627	4,405,545	5,273,866	2,293,633
Debt service					
Interest and fiscal charges	1,519,476	785,868	634,278	1,019,424	927,990
Principal	3,515,000	365,000	3,595,000	2,140,000	1,690,000
Total Expenditures	150,674,895	119,778,858	138,977,522	167,512,035	131,084,691
Excess of Revenues					
Over (Under) Expenditures	(5,927,001)	7,364,750	(2,122,103)	(33,751,619)	(2,109,829)
Other Financing Sources (Uses)					
Transfers from other funds	16,929,025	10,129,099	13,996,966	12,970,917	10,149,065
Transfers to other funds	(11,376,250)	(9,845,171)	(13,451,466)	(12,520,917)	(9,736,625)
Proceeds from capital lease	-	-	-	-	-
Issuance of land contract	-	-	-	-	-
Issuance of bonds	-	-	11,955,000	29,285,000	5,495,000
Refunding bonds issued	-	-	-	-	-
Premium(Discount) on bonds issued	-	-	1,744,362	(145,726)	-
Payment to refunding bond escrow agent	-	-	(13,557,781)	-	-
Total Other Financing Sources (Uses)	5,552,775	283,928	687,081	29,589,274	5,907,440
Net Change in Fund Balances	\$ (374,226)	\$ 7,648,678	\$ (1,435,022)	\$ (4,162,345)	\$ 3,797,611
Debt Service as a					
Percentage of Noncapital Expenditures (1)	3.48%	0.98%	3.14%	1.95%	2.03%

*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.

(Continued)

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Revenues					
Taxes	\$ 40,693,219	\$ 41,220,280	\$ 42,348,687	\$ 43,680,112	\$ 43,141,153
Intergovernmental	75,638,236	73,502,034	64,864,135	60,128,208	56,434,209
Charges for services	11,158,863	9,416,373	9,182,235	8,512,541	9,964,645
Fines and forfeits	79,085	1,094,561	1,059,777	1,008,906	943,444
Investment earnings (loss)	540,901	565,297	686,816	598,424	3,470,029
Licenses and permits	1,043,694	923,264	682,162	652,886	639,978
Rental Income	5,260,790	5,776,717	5,888,783	6,372,474	6,272,068
Other revenues	2,643,273	3,059,623	1,872,377	1,514,342	1,665,938
Total Revenues	137,058,061	135,558,149	122,467,893	122,531,464	121,917,141
Expenditures					
Legislative	453,693	424,362	486,009	540,483	559,364
Judicial	15,743,611	14,520,814	14,069,261	14,357,862	14,485,029
General government	10,404,481	11,807,932	13,293,991	13,303,007	13,068,576
Public safety	31,023,756	28,472,398	28,961,133	28,255,423	27,511,087
Public works	1,220,024	1,131,288	1,267,255	1,137,666	807,457
Health and welfare	67,406,382	64,304,327	63,515,125	59,250,617	58,809,002
Community and economic development	737,947	619,453	579,516	634,793	633,980
Culture and recreation	2,394,183	2,517,148	2,234,518	2,123,869	1,774,863
Other governmental functions	129,846	176,388	225,829	149,627	272,874
Capital outlay	3,106,519	5,485,160	2,556,903	17,165,013	20,669,867
Debt service					
Interest and fiscal charges	950,360	1,034,730	1,115,198	1,207,113	1,302,601
Principal	1,738,499	2,110,000	2,035,000	2,335,000	2,235,000
Total Expenditures	132,604,000	132,604,000	140,460,473	142,129,700	125,393,397
Excess of Revenues					
Over (Under) Expenditures	4,454,061	2,954,149	(17,992,580)	(19,598,236)	(3,476,256)
Other Financing Sources (Uses)					
Transfers from other funds	10,200,577	9,016,885	15,888,171	26,901,059	28,937,698
Transfers to other funds	(9,748,417)	(8,153,437)	(15,435,158)	(26,398,244)	(24,360,738)
Proceeds from capital lease	-	-	35,995	70,190	-
Issuance of land contract	-	91,500	-	-	-
Issuance of bonds	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total Other Financing Sources (Uses)	452,160	954,948	573,005	4,576,960	10,132,075
Net Change in Fund Balances	\$ 4,906,221	\$ 3,909,097	\$ (17,419,575)	\$ (15,021,276)	\$ 6,655,819
Debt Service as a					
Percentage of Noncapital Expenditures (1)	2.08%	2.47%	2.28%	2.83%	3.38%

*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.

(Concluded)

**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
2008	\$ 8,454,588,788	\$ 1,592,147,608	\$ 1,183,541,453	\$ 767,449,246	\$ 11,997,727,095	4.3572	\$ 9,898,685,191	\$ 24,198,304,107	49.58%
2009	8,170,901,810	1,554,014,430	1,193,763,947	787,679,437	11,706,359,624	4.3572	10,018,437,711	23,614,026,941	49.57%
2010	7,618,003,419	1,493,136,163	1,105,242,878	774,492,392	10,990,874,852	4.3565	9,612,697,661	22,131,690,729	49.66%
2011	7,348,848,650	1,358,447,695	1,050,128,006	734,285,453	10,491,709,804	4.3565	9,405,987,828	21,107,443,588	49.71%
2012	7,139,399,451	1,315,140,102	1,080,595,641	725,875,775	10,261,010,969	4.3565	9,316,153,677	20,639,625,256	49.72%
2013	7,273,964,717	1,288,721,092	1,086,596,997	736,291,306	10,385,574,112	4.3565	9,450,229,465	20,882,404,189	49.73%
2014	7,694,150,150	1,317,239,300	1,181,977,000	758,937,100	10,952,303,550	4.3565	9,752,001,895	21,997,982,694	49.79%
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%

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rates										
Operating	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000
Parks	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3148	0.3277
E-911	0.4407	0.4407	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.4377	0.4346
Roads								0.5000	0.4974	0.4939
Community Mental Health									0.2984	0.2963
Total Direct Rate (1)	4.3572	4.3572	4.3565	4.3565	4.3565	4.3565	4.3565	4.8565	5.1483	5.1525
City and Village Rates										
Coopersville	15.1987	14.4594	14.4928	14.5294	14.4403	14.4432	14.3554	14.2923	14.5490	14.5356
Ferrysburg	11.5027	10.3377	10.2377	10.1377	10.5377	10.4518	10.9518	10.9474	10.7773	10.6553
Grand Haven	14.3642	14.3609	14.6124	15.3612	15.3565	15.3609	15.3613	15.1810	15.1541	15.7509
Holland	15.9894	15.9904	16.3913	16.3350	17.3658	17.3639	17.5051	17.4522	17.4627	17.5421
Hudsonville	11.2623	11.2639	11.2848	11.2779	11.2785	11.2719	11.2729	11.2876	11.2952	11.2938
Zeeland	11.4854	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354
Spring Lake Village	11.8619	11.6619	11.6619	11.6619	11.6619	11.6619	11.6619	10.3600	10.3600	10.3600
Township Rates	1.35-7.97	1.35-7.97	1.45-7.97	1.45-7.91	1.45-8.07	1.38-8.07	1.38-8.21	1.45-8.17	1.45-6.73	2.02-6.72
School Rates										
Homestead	2.8 - 9.25	3.0 - 9.25	2.97 - 9.25	2.97 - 9.25	2.97 - 9.25	3.00 - 10.59	3.00 - 10.87	3.00 - 10.94	3.00 - 10.94	4.12-12.00
Non-Homestead	20.80 - 27.25	21.00 - 27.25	20.97 - 27.25	20.97 - 27.25	20.97 - 27.25	21.00 - 28.59	21.00 - 28.49	21.00 - 28.94	21.00 - 28.94	22.12-30.00

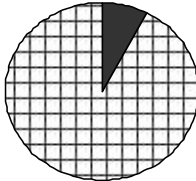
(1) In October of 2004, the State of Michigan suspended State Revenue Sharing payments to counties. To assist counties in preventing the loss of key services, the county property tax levy was gradually moved up from December to July over three years. Effective December 2004 through 2006 tax collection, 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	2017			2008		
		Assessed Valuation	Rank	Percentage of Total County Assessed Value	Assessed Valuation	Rank	Percentage of Total County Assessed Value
Consumers Energy	Utility	\$ 653,126,711	1	6.03%	\$ 395,755,305	1	4.00%
ARC Holland Real Estate Holdings	Real Estate Holdings	33,446,699	2	0.31%			
Request Foods Inc.	Food Products	26,089,214	3	0.24%			
Mead Johnson and Co.	Food Products	23,489,449	4	0.22%	41,850,332	2	0.42%
Michigan Electric Transmission	Utility	23,112,300	5	0.21%			
DTE Gas	Utility	21,973,786	6	0.20%			
Alden GV Owner LLC		19,415,000	7	0.18%			
Herman Miller Inc.	Office Furnature	18,702,124	8	0.17%	19,514,397	4	0.20%
Gentex	Automotive Components	18,691,516	9	0.17%	13,526,568	9	0.14%
Shape Corp.	Metal Extrusion	15,597,337	10	0.14%	28,922,295	3	0.29%
SEMCO Energy					18,301,350	5	0.18%
Meijer Inc	Retail				16,741,499	6	0.17%
Macatawa Bank	Banking				15,400,053	7	0.16%
Parke-Davis Co.	Pharmaceutical				14,620,762	8	0.15%
Copper Beach Townhome Communities	Real Estate Holdings				12,815,468	10	0.13%
		<u>\$ 853,644,136</u>		<u>7.88%</u>	<u>\$ 577,448,029</u>		<u>5.83%</u>

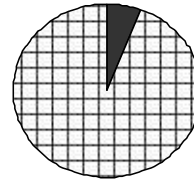
Source: Ottawa County Equalization Department. The 2017 and 2008 total Taxable Values were \$10,827,868,387 and \$9,898,685,191.

**Concentration of Taxpayers in
Ottawa County - 2017**



■ Top Ten Taxpayers □ All Other Taxpayers

**Concentration of Taxpayers in
Ottawa County - 2008**



■ Top Ten Taxpayers □ All Other Taxpayers

**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
12/31/2008	\$ 43,144,926	\$ 41,437,107	96.04%	\$ 1,519,725	\$ 42,956,832	99.56%
12/31/2009	43,598,505	42,093,132	96.55%	1,611,711	43,704,843	100.24%
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	38,035,925	33,970,838	89.31%	3,262,377	37,233,215	97.89%

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

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

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

Fiscal Year	General Obligation Bonds	Parks & Recreation Land Contract	Capital Leases	Total (1)	Percent of Personal Income	Personal Income (2)	(rounded)	Population (2)	Direct Per Capita Debt	Assessed Value (3)	Bonds
							Per Capita Personal Income (2)				Percent of Assessed Value
2008	\$ 27,445,000	n/a	\$ 70,826	\$ 27,515,826	0.31%	\$ 8,839,900	\$ 33,752	261,906	105	\$ 11,997,727,095	0.23%
2009	25,110,000	n/a	79,204	25,189,204	0.30%	8,505,525	32,355	262,879	96	11,706,359,624	0.21%
2010	23,075,000	n/a	47,391	23,122,391	0.26%	8,777,522	33,233	263,801	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%

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

**COUNTY OF OTTAWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2017**

	Net Debt Outstanding	Percentage Applicable To County of Ottawa	Amount Applicable To County of Ottawa (2)
Direct:			
County at large	\$ 42,805,000	100.0%	\$ 42,805,000
Total Direct	42,805,000		42,805,000
Overlapping:			
Townships Debt Guaranteed by County (1)	101,563,592	100.0%	101,563,592
School districts	1,013,004,474	77.8%	788,114,266
Cities and villages (1)	113,811,139	82.6%	93,961,289
Grand Rapids Community College	45,570,000	1.5%	683,550
Library	7,885,000	100.0%	7,885,000
Holland Area Swimming Pool	1,155,000	69.4%	801,108
Total Overlapping	1,282,989,205		993,008,805
Grand Total	\$ 1,325,794,205		\$ 1,035,813,805

(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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Value of Property	\$ 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	\$ 11,706,359,624	\$ 11,997,727,095
Debt Limit 10% of Assessed Value	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	1,170,635,962	1,199,772,710
Amount of Debt Applicable to Limit										
General Obligation Bond Debt:										
Primary Government	42,805,000	46,320,000	46,685,000	50,280,000	23,135,000	19,330,000	20,965,000	23,075,000	25,110,000	27,445,000
Component Units Guaranteed by County (1)	115,932,332	121,261,099	119,591,501	106,474,501	113,574,060	115,904,572	121,358,501	121,659,501	107,590,501	95,398,501
Other Debt							103,499	-	-	-
Less: Resources Restricted to										
Paying Principal	(412,898)	(451,461)	(490,774)	(530,837)	(451,878)	(611,843)	(636,892)	(684,327)	(225,925)	(147,515)
Total Net debt applicable to Limit	<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>	<u>132,474,576</u>	<u>122,695,986</u>
Legal Debt Margin	<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>	<u>\$ 1,038,161,386</u>	<u>\$ 1,077,076,724</u>
Total Net Debt applicable to the Limit as a percentage of Debt Limit	11.83%	13.44%	14.04%	14.26%	13.12%	13.12%	13.51%	13.11%	11.32%	10.23%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.183%	1.344%	1.404%	1.426%	1.312%	1.312%	1.351%	1.311%	1.132%	1.023%
Debt Per Capita of Total Net General Obligation Debt	\$560.94	n/a	\$592.19	\$564.80	\$498.96	\$499.31	\$532.19	\$546.06	\$503.94	\$468.47
Primary Government Net Debt applicable to the Limit as a percentage of Debt Limit	3.20%	3.72%	3.95%	4.59%	2.23%	1.88%	2.00%	2.10%	2.14%	2.29%
Ratio of Primary Government Net General Obligation Bond Debt to Estimated Actual Value of Property (2)	0.16%	0.18%	0.20%	0.23%	0.11%	0.09%	0.10%	0.10%	0.11%	0.11%
Primary Government Debt Per Capita of Net General Obligation Bond Debt (3)	\$151.66	n/a	\$166.76	\$181.78	\$84.72	\$71.69	\$78.69	\$87.47	\$95.52	\$104.79

(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 (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2008	261,906	\$ 8,978,264	\$ 34,280	33.8	46,485	6.8%
2009	262,879	8,573,927	32,615	34.6	47,521	12.5%
2010	263,801	9,056,489	34,286	34.7	47,913	10.3%
2011	266,387	9,722,620	36,498	34.9	48,548	8.0%
2012	270,146	10,293,927	38,105	35.4	48,422	6.6%
2013	273,531	10,576,410	38,666	34.7	48,657	6.1%
2014	276,963	11,284,331	40,743	34.7	48,799	4.8%
2015	280,023	12,021,741	42,931	35.0	48,744	3.5%
2016	282,250	12,428,750	44,035	35.0	49,009	3.2%
2017	n/a	n/a	n/a	n/a	n/a	n/a

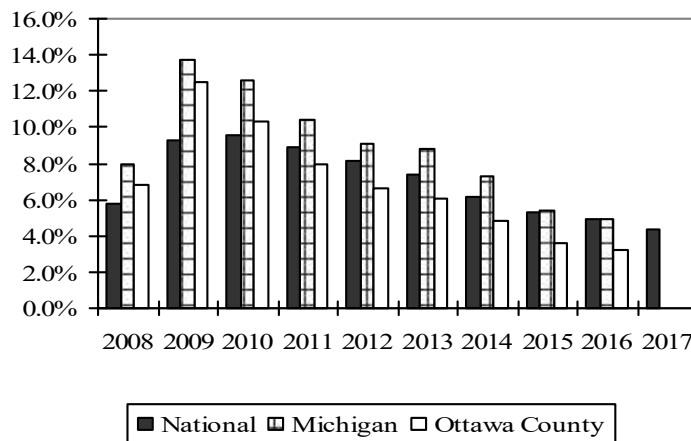
n/a: Final information is unavailable.

Information for 2008-2016 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	2017			2008		
		Employees (1)	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	5,394	1	3.5%	2,298	3	1.8%
Herman Miller	Office Furniture	3,778	2	2.5%	4,206	1	3.3%
Grand Valley State University (3)	Higher Education	3,523	3	2.3%	2,893	2	2.3%
Holland Hospital	Health Care	2,382	4	1.6%	1,806	4	1.4%
Haworth, Inc. (2)	Office Furniture	2,220	5	1.5%	1,753	5	1.4%
Shape Corporation	Metal Roll Forming	2,072	6	1.4%	1,274	7	1.0%
Magna Mirrors (2)	Automotive Mirrors	1,741	7	1.1%	1,227	9	1.0%
YanFeng	Automotive Interiors	1,636	8	1.1%			
Meijer	Retailer	1,412	9	0.9%	1,303	6	1.0%
Grand Haven Public Schools	Education	1,219	10	0.8%			
Johnson Controls (2)	Automotive Interiors				1,259	8	1.0%
County of Ottawa	Government				1,189	10	0.9%
		<u>25,377</u>		<u>16.6%</u>	<u>19,208</u>		<u>15.0%</u>

(1) Excludes temporary employment agencies

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

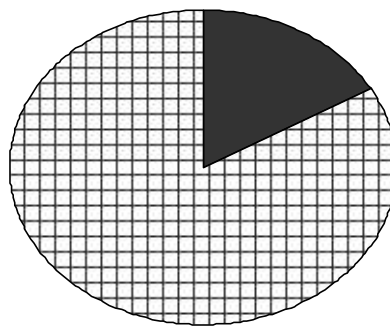
(3) Total of all facilities (Ottawa, Kent & Muskegon Counties)

Sources:

Lakeshore Advantage

Michigan Department of Technology Management & Budget, 2017 Total Employment Based on December 2017 Data, 2008 Based on 2008 Annual Data

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Legislative	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Judicial	139.180	139.180	136.020	128.570	126.081	127.060	128.185	125.025	132.075	126.775
General Government	171.165	171.165	170.950	168.090	165.780	166.000	164.482	166.075	180.500	179.650
Public Safety	235.200	236.200	235.200	224.200	219.200	219.200	219.870	219.893	222.200	218.950
Public Works	4.250	4.250	4.250	4.300	3.800	3.400	3.720	4.420	4.720	4.720
Health and welfare	282.030	282.030	344.320	376.460	377.089	344.863	350.175	342.755	366.954	375.455
Community and economic development	8.400	8.400	7.900	6.400	5.900	5.953	5.850	5.950	6.950	6.950
Culture and recreation	19.750	19.750	17.750	17.250	17.250	15.750	16.000	15.000	15.000	13.000
Total	870.975	871.975	927.390	936.270	926.100	893.226	899.282	890.118	939.399	936.500

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Judicial										
Circuit Court										
Total Civil Filings		318	328	411	363	443	423	524	572	595
Total Criminal Filings		849	930	922	884	928	918	1,007	1,040	1,087
Total Appeals Filings		59	56	70	60	58	53	49	47	43
Domestic Relations Filings		1,742	1,593	1,468	1,587	1,556	1,524	1,473	1,539	1,566
Personal Protection Filings		628	550	580	598	747	783	706	803	648
Juvenile Code Filings		921	1,055	1,023	1,209	1,337	1,413	1,479	1,560	1,578
Adoption Filings		143	118	112	139	120	142	147	149	163
Misc. Family Filings		90	81	71	76	71	67	72	50	65
District Court										
Felony Cases		1,309	1,385	1,390	1,281	1,411	1,378	1,420	1,419	1,542
Misdemeanor Cases		7,715	7,216	8,136	8,669	9,087	8,630	9,314	9,646	10,301
General Civil Cases		4,556	4,633	4,210	4,806	6,225	5,672	6,292	6,367	7,067
Probate Court										
Estates, Trusts Filings		391	417	425	371	404	373	372	704	371
Civil, Other Filings		19	16	23	11	15	10	13	26	17
Guardianships, Conservators et al		589	611	612	545	516	548	519	1,020	501
Public Safety										
Jail:										
Subjects Admitted	6,525	6,365	5,899	6,776	7,015	7,453	7,136	7,622	7,864	8,079
Average daily population	297.0	286.0	301.0	317.0	338.0	352.0	327.8	330.7	352.0	366.6
Police:										
Calls for Service		70,555	69,830	67,334	65,179	66,683	65,596	64,773	67,754	72,665
Criminal Arrests		6,760	6,403	6,893	6,307	6,943	6,989	7,748	8,616	9,177
Traffic Violations		17,034	19,630	19,984	21,494	22,867	21,423	21,321	24,886	24,170
Health and welfare										
Public Health										
# of Fixed Food Service Inspections	1,721	1,617	1,188	1,201	1,183	968	1,047	1,065	1,022	1,124
% of new entrants enrolled in school immunized	96%	96%	96%	99%	99%	99%	99%	99%	99%	99%
Maternal/Infant Health Services										
# of Visits	2,183	2,047	2,026	2,587	3,065	2,804	3,216	3,146	3,645	4,155
# of Dental Services with Miles of Smiles and Sealant Program	8,482	8,754	8,989	8,776	10,163	10,476	9,630	8,981	8,498	8,940
Mental Health										
# of Persons Served	3,750	3,443	2,848	2,798	2,784	3,513	3,276	3,205	3,203	3,064
Culture and recreation										
Parks:										
# of Operating Days	95	99	103	96	98	97	101	98	101	99
Daily Permits	42,924	42,211	41,214	32,693	33,004	36,511	33,267	38,576	30,670	31,524
Annual Permits	9,406	8,734	6,934	7,017	5,981	6,516	5,845	6,420	5,431	5,115

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

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Register of Deeds:										
# of Deeds Recorded	12,172	12,120	11,707	11,099	11,898	11,210	9,559	9,633	8,933	9,428
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	19,908	19,360	20,173	21,206	20,173	20,076	17,757	19,382	19,016	21,096
County Treasurer:										
# of Receipts Written - General	n/a	n/a	n/a	n/a	n/a	n/a	19,581	16,729	18,357	14,239
# of Receipts Written - Tax Collections (including online)	5,007	4,563	5,575	6,302	6,525	7,295	7,738	8,946	9,620	8,141
Real Properties Returned Delinquent	3,675	3,728	3,991	4,092	4,772	5,396	5,891	6,800	7,493	7,179
Fiscal Services:										
# of A/P Checks/ACH Processed	17,341	19,580	21,471	21,403	23,006	25,074	27,529	24,330	24,399	25,278
# of Invoices Issued	12,715	10,092	9,921	9,227	9,392	12,031	10,526	11,087	10,839	15,200
Facilities Maintenance:										
# of Work Orders Processed	6,188	7,317	5,843	9,890	27,886	39,818	40,540	39,223	45,054	44,211

Source: Ottawa County Departments

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

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety:										
Vehicular Patrol Units	139	139	139	139	135	134	133	133	136	137
Sheriff's Substations	10	10	10	10	8	8	8	8	8	8
Health and welfare										
Number of Clinics	3	3	3	3	3	3	3	3	3	4
Culture and recreation										
Total Park Acres (1)	3,992	3,991	3,542	3,542	3,542	3,542	3,542	3,542	3,429	3,560
General Government										
Total Square Footage of Buildings	637,810	637,810	637,810	644,220	644,220	642,020	642,020	647,104	647,104	728,033
Number of IT Servers	175	149	124	124	88	77	62	57	49	33

Source: Ottawa County Departments

(1) Does not include Park Open Space

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

The County has approximately 865 full-time equivalent employees, approximately 352 of whom are members of the seven unions. The details of membership and states of their agreements are as follows:

	Fiscal Year	
	2017	
	Number of Employees	Expiration Date of Contract
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible) Road Patrol/Detectives	117	12/31/2020
Police Officers Association of Michigan (POAM Non-312) (P.A. 312 Non-Eligible)	80	12/31/2020
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible)	20	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)	51	12/31/2020
Friend of the Court Employees Association	35	12/31/2020
O.C. Juvenile Court Employees Association	43	12/31/2020
Non-union County employees	513	n/a
Total	865	

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

Source: Ottawa County Human Resources Department

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SINGLE AUDIT



Vredeveld Haefner LLC

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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 29, 2018

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, 2017, 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 29, 2018. Our report includes a reference to other auditors who audited the financial statements of the Community Mental Health Special Revenue Fund as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a material weakness.

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*.

County's response to finding

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

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.

Uredexold 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 29, 2018

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, 2017. 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 nine-month period ended September 30, 2017.

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Uredaxeld Haefner LLC

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Agency/Cluster/Program Title</u>	<u>CFDA Number</u>	<u>Pass Through</u>	<u>Cluster</u>	<u>Pass-through number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>					
School Breakfast Program	10.553	MDE	Child Nutrition	171970	\$ 22,269
National School Lunch Program	10.555	MDE	Child Nutrition	171960	34,512
National School Lunch Program	10.555	MDE	Child Nutrition	171980	9,086
					<u>43,598</u>
Total Child Nutrition Cluster					<u>65,867</u>
Commodity Supplemental Food Program	10.565	MDE	Food Distribution	160930	27,712
Commodity Supplemental Food Program - Commodities	10.565	MDE	Food Distribution	160930	88,641
					<u>116,353</u>
Emergency Food Assistance Program (Food Commodities)	10.568	MDE	Food Distribution	160990	180,810
Emergency Food Assistance Program (Administrative Costs)	10.568	MDE	Food Distribution	160990	44,478
					<u>225,288</u>
Total Food Distribution Cluster					<u>341,641</u>
Total U.S. Department of Agriculture					<u>407,508</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Continuum of Care Program - HUD 1	14.267	Direct			365,342
Continuum of Care Program - HUD 4	14.267	Direct			12,134
					<u>377,476</u>
Community Development Block Grants	14.228	MSHDA		MSC-2012-5826-HOA	23,003
Total U.S. Department of Housing and Urban Development					<u>400,479</u>
<u>U.S. Department of the Interior:</u>					
Outdoor Recreation Acquisition, Development & Planning	15.916	Direct			100,000
Total U.S. Department of the Interior					<u>100,000</u>
<u>U.S. Department of Justice:</u>					
National Juvenile Justice Information Sharing, Training and Technical Assistance Program	16.540	Direct			119,000
Drug Court Discretionary Grant Program	16.585	Direct			62,753
State Criminal Alien Assistance Program	16.606	Direct			12,374
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	Direct			16,964
Edward Byrne Memorial Competitive Grant Program	16.751	Direct			10,705
Total U.S. Department of Justice					<u>221,796</u>
<u>U.S. Department of Transportation:</u>					
Transportation Alternatives Program	20.205	MDOT	Highway Planning and Const.	70139-1266288	618,227
Hazardous Materials Emergency Preparedness Planning	20.703	MDSP		HM-HMP-0558-16-01-00	2,170
State and Community Highway Safety	20.600	MDSP	Highway Safety	PT-17-24	41,339
National Priority Safety Programs	20.616	MDSP	Highway Safety	AL-17-15	34,877
					<u>76,216</u>
Total Highway safety cluster					<u>76,216</u>
Total U.S. Department of Transportation					<u>696,613</u>
<u>U.S. Environmental Protection Agency:</u>					
Capitalization Grants for Drinking Water State Revolving Funds - A1	66.468	MDEQ	Drinking Water State Revolving	FS97548715	438
Capitalization Grants for Drinking Water State Revolving Funds - A3	66.468	MDEQ	Drinking Water State Revolving	FS97548715	900
					<u>1,338</u>
Total Drinking Water State Revolving Cluster					<u>1,338</u>
Beach Monitoring and Notification Program Implementation Grants	66.472	MDEQ		CU00E993O5	6,285
Total U.S. Environmental Protection Agency					<u>7,623</u>
<u>U.S. Department of Energy:</u>					
Weatherization Assistance for Low-Income Persons	81.042	MDHHS		DOE-13-70025-3	34,864
Weatherization Assistance for Low-Income Persons	81.042	MDHHS		DOE-16-70025-1	205,161
					<u>240,025</u>
Total U.S. Department of Energy					<u>240,025</u>
<u>U.S. Election Assistance Commission:</u>					
Help America Vote Act	90.401	MDOS		071B7700128	692,954
Total U.S. Election Assistance Commission					<u>692,954</u>

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Agency/Cluster/Program Title</u>	<u>CFDA Number</u>	<u>Pass Through</u>	<u>Cluster</u>	<u>Pass-through number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:					
Public Health Emergency Preparedness	93.069	MDHHS		U90TP000528	\$ 125,323
Public Health Emergency Preparedness	93.069	MDHHS		U90TP000528	8,678
					<u>134,001</u>
Preparedness and Public Health Emergency Prep	93.074	MDHHS		NU90TP921906	34,132
ASPR, Region 6 Healthcare Coalition Hospital Prep	93.074	MDHHS			1,499
					<u>35,631</u>
Adopting the Learning Management Style	93.103	MDARD		5U18FDD00467805	5,000
Tuberculosis Control Programs	93.116	MDHHS		1U52PS00469301	100
Substance Abuse and Mental Health Services_Projcts of Regional and National Significance	93.243	Direct			251,754
Family Planning_Services	93.217	MDHHS		FPHPA056144	107,930
Family Planning_Services	93.217	MDHHS		FPHPA056287	61,235
					<u>169,165</u>
Immunization Cooperative Agreements	93.268	MDHHS		NH23IP000752	16,502
Immunization Cooperative Agreements	93.268	MDHHS		NH23IP000752	34,653
Immunization Cooperative Agreements	93.268	MDHHS		none issued	382,649
Immunization Cooperative Agreements	93.268	MDHHS		NH23IP000752	8,050
					<u>441,854</u>
Zika Virus Mosquito Surveillance	93.323	MDHHS		NU50CK000369	10,000
Zika Virus Community Support	93.323	MDHHS		NU50CK000369	10,000
					<u>20,000</u>
PPHF Capacity Bldg. Asst. to Stengthen Public Health Immunization Infrastructure and Performance	93.539	MDHHS		6NH23IP000752	52,260
PPHF Capacity Bldg. Asst. to Stengthen Public Health Immunization Infrastructure and Performance	93.539	MDHHS		6NH23IP000752	34,110
					<u>86,370</u>
Child Support Enforcement - CRP Combined	93.563	MDHHS		CSCOM16-70001	2,402,246
Child Support Enforcement - FOC Incentives	93.563	MDHHS		CSCOM16-70001	408,530
					<u>2,810,776</u>
Low-Income Home Energy Assistance	93.568	MDHHS		LIHEAP13-70025-3	99,978
Low-Income Home Energy Assistance	93.568	MDHHS		LCA16-70025	15,196
Low-Income Home Energy Assistance	93.568	MCA		none issued	70,414
					<u>185,588</u>
Community Service Block Grant	93.569	MDHHS		CSBG14-70025	446,517
Grants to States for Access and Visitation Programs	93.597	MSC		SCAO-2017-20	2,860
Preventive Health and Health Svcs. Block Grant Prevention and Public Health Funds	93.758	MDHHS		NB01OT009112	43,962
Medical Assistance Program	93.778	MDHHS	Medicaid	1705MI5ADM	86,000
Medical Assistance Program	93.778	MDHHS	Medicaid	1705MI5ADM	61,679
Medical Assistance Program	93.778	MDHHS	Medicaid	1705MI5MAP	2,217
Medical Assistance Program	93.778	MDHHS	Medicaid	1705MI5ADM	142,592
Medical Assistance Program	93.778	MDHHS	Medicaid	2017035-00	32,769
Medical Assistance Program	93.778	MDHHS	Medicaid	2017035-00	61,253
					<u>386,510</u>
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (16)	5,586
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (16)	36,926
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (16)	2,914
Block Grants for Community Mental Health Services	93.958	MDHHS			7,189
					<u>52,615</u>
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	831,261
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	66,000
Block Grant for Prevention and Treatment of Substance Abuse	93.959	SMBHRE		none issued	70,151
					<u>967,412</u>
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC30620	5,533
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC30620	34,695
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC30620	7,238
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC30620	23,790
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC30620	59,653
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC30620	24,818
					<u>155,727</u>
Total U.S. Department of Health and Human Services					<u>6,195,842</u>
Executive Office of the President:					
Passed through West Michigan Enforcement Team: High Intensity Trafficking Areas Program HIDTA	95.001	WMET		G16SM0002A/G17SM0002A	16,793
Total Executive Office of the President					<u>16,793</u>
U.S. Department of Agriculture:					
Passed through Michigan Department of Education: Emergency Food and Shelter National Board Program	97.024	MDE		456100-005	4,000
Emergency Food and Shelter National Board Program	97.024	MDE		456100-005	1,711
Total U.S. Department of Agriculture					<u>5,711</u>

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Agency/Cluster/Program Title</u>	<u>CFDA Number</u>	<u>Pass Through</u>	<u>Cluster</u>	<u>Pass-through number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security:</u>					
Passed through Michigan Department of Natural Resources: Boating Safety Financial Assistance	97.012	DNR		MS17-036	16,100
Passed through Michigan Department of State Police: Emergency Management Performance Grant	97.042	MDSP		EMC-2017-EP-00001-S01	45,639
Passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB: Homeland Security Grant Program	97.067	SRDC		EMW-2015-SS-00033	102,072
Homeland Security Grant Program	97.067	SRDC		EMW-2016-SS-00033	25,952
					<u>128,024</u>
Total U.S. Department of Homeland Security					<u>189,763</u>
Total Expenditures of Federal Awards					<u>\$ 9,175,107</u>

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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
Southwest Michigan Behavioral Health Regional Entity	SMBHRE
Michigan Department of Environmental Quality	MDEQ
Michigan Department of State Police	MSP
Michigan Department of Transportation	MDOT
Michigan State Housing Development Authority	MSHDA
Shoreline Regional Development Commission	SRDC
Michigan Department of Agriculture and Regional Development	MDARD
Michigan Supreme Court	MSC

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
State and Community Highway Safety	20.600	\$ 16,518
National Priority Safety Programs – Youth Alcohol Enforcement	20.616	5,123
Homeland Security Grant Program	97.067	368
Total		\$ 22,009

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:

	<u>CFDA #10.565 Commodities</u>
Expenditures as reported	\$ 88,641
Less - inventory at beginning of year	(12,726)
Add - inventory at end of year	12,086
Commodities received per State of Michigan	\$ 88,001

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:

	<u>CFDA #93.268 Vaccines</u>
Expenditures as reported	\$ 382,649
Less - inventory at beginning of year	(107,196)
Add - inventory at end of year	141,106
Vaccines received per State of Michigan	\$ 416,559

(Concluded)

OTTAWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

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

SECTION II - FINANCIAL STATEMENT FINDINGS

2017-001

Condition and Criteria: The County's procedures for the preparation of the financial statements and related note disclosures in accordance with generally accepted accounting principles (GAAP) do not allow sufficient time for analytical review and the identification of necessary adjusting entries.

Cause: The County's system of controls over the financial reporting process did not provide for the adjustment of all balances necessary to prepare financial statements in accordance with GAAP. Auditing standards state that identification of significant audit adjustments during the audit process is indicative of a material weakness in the financial reporting process.

Effect: Material audit adjustments were proposed to, and posted by, management to prepare the financial statements in accordance with GAAP.

Recommendation: The County's system of controls should include procedures to provide for the review and adjustment of financial statements to accurately make all adjustments and disclosures necessary to prepare its financial statements in accordance with GAAP.

Management Response: The County has filled vacant positions and added a financial statement review process to prevent this finding in future audits.

OTTAWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2016-001

This finding was repeated as finding 2017-001 above

2016-002 - CFDA #93.959

This finding was addressed by management

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