

**COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN**



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**2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2018**

COUNTY OF OTTAWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

TABLE OF CONTENTS

INTRODUCTORY	PAGE
Letter of Transmittal	i-iii
GFOA Certificate of Achievement	iv
Organizational Chart	v
Listing of Principal Officials	vi
 INDEPENDENT AUDITORS' REPORT	
Independent Auditors' Report	1-2
 MANAGEMENT'S DISCUSSION AND ANALYSIS	
Management's Discussion and Analysis	3-12
 BASIC FINANCIAL STATEMENTS	
The accompanying notes are an integral part of these financial statements.	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14-15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	17
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenue, Expenses, and Changes in Fund Net Position - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22-23
Statement of Net Position - Fiduciary Funds	24
Statement of Changes in Net Position - Other Post Employment Benefits Plan	25
Statement of Net Position - Component Units	26
Statement of Activities - Component Units	27-28
 NOTES TO THE FINANCIAL STATEMENTS	
Notes to the Financial Statements	29-94
 SUPPLEMENTARY	
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	95
Notes to Required Supplementary Information	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Mental Health Fund	97
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Substance Use Disorder Fund	98
Defined Benefit Pension Plans - Schedule of Changes in Employers Net Position Liability and Related Ratios	99
Defined Benefit Pension Plans - Schedule of Employer Contributions	100
Other Post Employment Benefit Plans - Scheduled of Funding Progress	101

(Continued)

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

TABLE OF CONTENTS

SUPPLEMENTARY (continued)	PAGE
Other Post Employment Benefit Plans - Scheduled of Employer Contributions	102
Other Supplementary Information:	
General Fund - Sub-funds Combining Balance Sheet Schedule	103-104
General Fund - Sub-funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	105-106
General Fund - Schedule of Expenditures Budget and Actual	107
Fund Descriptions	108-110
Combining Balance Sheet - Nonmajor Governmental Funds	111-114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	115-118
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - All Nonmajor Governmental Funds	119-135
Combining Statement of Net Position - Internal Service Funds	136-138
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	139-141
Combining Statement of Cash Flows - Internal Service Funds	142-143
Combining Balance Sheet - Agency Funds	144
Combining Statement of Changes in Assets and Liabilities - Agency Funds	145-147
 STATISTICAL	
Net Position by Component	148
Changes in Net Position	149-150
Fund Balances - Governmental Funds	151
Changes in Fund Balances - Governmental Funds	152-153
Assessed Value and Estimated Value of Taxable Property	154
Direct and Overlapping Property Tax Rates	155
Principal Taxpayers	156
Property Tax Levies and Collections	157
Ratios of Outstanding Debt	158
Computation of Direct and Overlapping Debt	159
Ratio of Net General Obligation Debt Outstanding and Legal Debt Margin	160
Demographic and Economic Statistics	161
Principal Employers	162
Full-time Equivalents	163
Operating Indicators	164-165
Capital Asset Statistics	166
Labor Force Statistics	167
 SINGLE AUDIT	
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 <i>Government Auditing Standards</i>	168-169
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by The Uniform Guidance	170-171
Schedule of Expenditures of Federal Awards	172-173
Notes to Schedule of Expenditures of Federal Awards	174-175
Schedule of Findings and Questioned Costs	176-177
	(Concluded)



Alan G. Vanderberg
County Administrator

John E. Shay
Deputy County Administrator

Ottawa County

Administrator's Office

March 27, 2019

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, 2018.

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 286,000 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 185%. The County's taxable values increased 4.08% in 2018. This growth continues to be limited, however, by state law as both the Headlee Amendment and Proposal A significantly limit inflationary increases.

Sustained economic growth by the County, including Gross Domestic Product and Per Capita Income, has helped attract significant business development and expansion to the area. The annual unemployment rate decreased slightly from 3.2% to 2.7% which is the lowest in the state, 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 2018 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 is undoubtedly a premiere location for outdoor recreation. During 2018, several more initiatives were pursued by the County's Planning and Performance Improvement Department to grow an already world-class catalog of outdoor recreational opportunities. Some of these initiatives include the construction of expanded road shoulders along Lakeshore Drive, which is one of the county's most popular cycling routes. The Department continued engineering of Phase II of the Spoonville Trail that will traverse the ravines of the Terra Verde Golf Course, meander to Nunica from the south-side of the Grand River and connect to the Grand River Greenway's Idema Explorers Trail. Construction of Phase II of the Spoonville Trail will begin this spring. Nearly 300 runners hit the Spoonville and Idema Explorers Trails during the fourth-annual M23.1k Run. Not only did the run raise nearly \$13,500 for the trails, but awareness of the paved paths increased as well.

The Parks and Recreation Commission continues to make progress in establishing greenways along the County's three main river corridors and the Lake Michigan coast. Completing the Grand River Greenway, which includes the Idema Explorers Trail that will cover 27 miles, remains a high priority.

The Lake Michigan Coastal Greenway received a boost when an unexpected series of events led to the purchase of 188 acres of prime recreational dune land in the cities of both Grand Haven and Ferrysburg. Combined with an additional 157 acres purchased by the Land Conservancy of West Michigan, the new 345-acre Ottawa Sands Park includes natural dunes, a beautiful 80-acre man-made lake and over a mile of frontage on the Grand River. It also fills the gap in a six-mile corridor of public land that stretches from P.J. Hoffmaster State Park south to Grand Haven's North Pier.

In 2018, the County updated miOttawa.org website applications for District Court payments, Step-it-up challenge, Parks Blog, Campaign Finance Reporting and Event Registration. Online payments can be made on miOttawa.org for 21 different services. This saves time for customers as well as allows access at a day and time convenient to them. During Fiscal Year 2018, \$2,540,274 worth of services were transacted through the County's online services. By saving staff time required for over-the-counter transactions, online services provide an additional cost-avoidance benefit. In FY2018, the number of online transactions numbered 79,791, nearly doubling the number of transactions since 2013 when there were 39,419 online transactions.

In 2018, the Ottawa County Art Trust was established with a juried exhibition. Establishing an art trust tangibly demonstrates the importance of creativity and culture to Ottawa County while preserving a legacy of assets for generations to come. A total of 58 entities were submitted to the exhibition by artists who live or work in Ottawa County. Of those entries, seven works are now part of the permanent collection.

PLANNING FOR THE FUTURE

The County began implementation of the Public Defender's Office, and Mr. Robert Hamilton was named the County's first Public Defender. This was undertaken to comply with State mandates regarding separation of the indigent function from

the Court system. We believe that the Public Defender's Office will continue the tradition of excellence for indigent defense established for many decades by the court system and judges. This coming year we will complete the implementation of the Public Defender's Office with them taking over 100% of the new cases.

Issues and initiatives that will occupy our organizational capacity over the next year include: implementation of the Diversity, Equity & Inclusion Office, completion of Facility upgrades, M-231 Bypass End Point, Southwest Ottawa Landfill, adoption of the Groundwater Plan, Grand River Greenway Fundraising, completion of the Pension Funding Plan, completion of the Robot Wayfinding System Pilot and major progress on the new 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 2019 fiscal year and beyond, the Board identified several objectives to meet these goals, including maintaining and improving current processes and implementing new strategies to retain a balanced budget. These processes and strategies include maintaining the health of the County financing tools and the Insurance Authority, and continuing to develop the Capital Improvement Plan by identifying projects needed in the future and the funding to pay for it. Together, the Board and the County continue to evaluate and adopt strategies to contain the cost of health benefits and address the outstanding pension and retiree liabilities. With the vision and action of the Board, the County continues to look very positively toward the future.

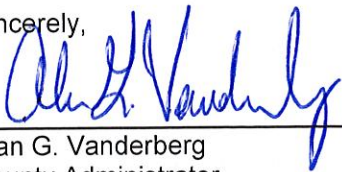
AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. 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-three consecutive years. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Sincerely,



Alan G. Vanderberg
County Administrator



Karen Karasinski, CPA
Fiscal Services Director



Government Finance Officers Association

Certificate of
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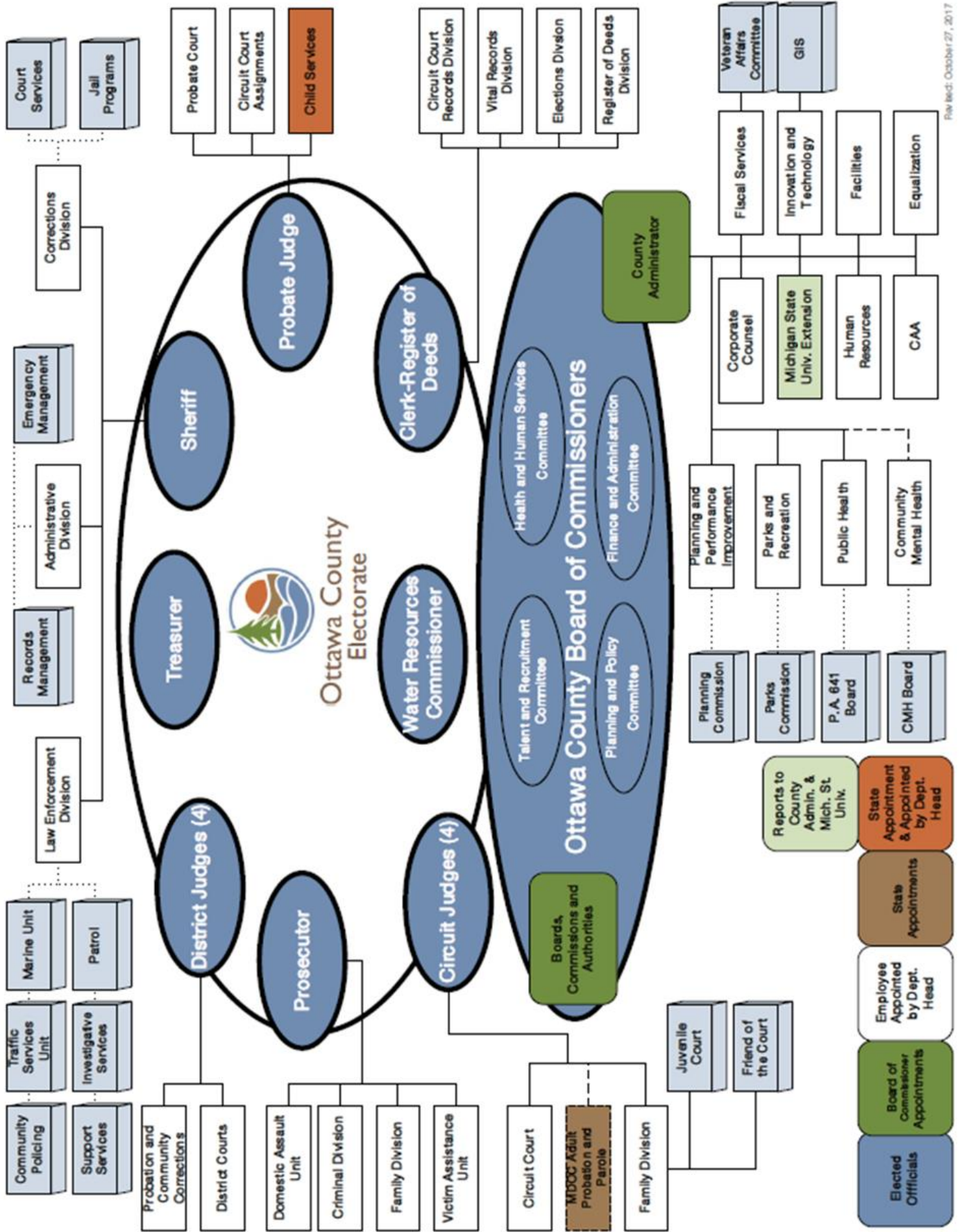
**County of Ottawa
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN

FOR THE YEAR ENDED SEPTEMBER 30, 2018

BOARD OF COMMISSIONERS

2018

GREG DEJONG, CHAIRMAN
ROGER BERGMAN, VICE-CHAIRMAN

JOSEPH BAUMANN
ALLEN DANNENBERG
DONALD DISSELKOEN
MATTHEW FENSKE
FRANCISCO GARCIA

MIKE HAVERDINK
JAMES HOLTVLUWER
KELLY KUIPER
PHILIP KUYERS

ADMINISTRATOR
ALAN G. VANDERBERG

FISCAL SERVICES DIRECTOR
KAREN KARASINSKI, CPA

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

March 27, 2019

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, 2018, 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 5.2 percent, 1.1 percent, and 27.9 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, 2018, 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 27, 2019, 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, 2018. 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 \$165,912,033, of which \$28,352,193 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Total net position decreased by \$1,774,057 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 \$51,829,233, a decrease of \$3,319,026 as a result of operations of the current fiscal year. Of the ending fund balance total, \$33,477,122 (64.6%) is subject to the underlying restrictions, commitments, or assignments of the particular general, special revenue, debt service, capital project, and permanent funds, while \$18,352,111 (35.4%) 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 \$37,775,811, a decrease of \$2,918,221 from current operations.
- The County's total bonded debt decreased by \$3,705,000 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. The following activities are accounted for in the internal service funds: innovation technology, duplicating, telecommunications, equipment pool, insurance programs, employee benefits, DB/DC conversion and compensated absences. Because these

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Fiduciary funds

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

Notes to the financial statements

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

Required supplementary information

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

Supplementary information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Over time, net position may serve as a useful indicator of a government's financial health. For the County of Ottawa, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$165,912,033 at the close of the fiscal year. 17.09% 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 72.83% 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 \$6,527,875 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 \$16,719,539. This represents resources that are subject to external restrictions on how they may be used.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 130,741,952	\$ 130,518,881	\$ 21,931,096	\$ 21,140,348	\$ 152,673,048	\$ 151,659,229
Capital assets	130,237,247	134,361,244	-	-	130,237,247	134,361,244
Total assets	260,979,199	264,880,125	21,931,096	21,140,348	282,910,295	286,020,473
Deferred outflow s of resources	24,925,621	14,288,941	-	-	24,925,621	14,288,941
Other liabilities	32,329,815	37,899,557	1,774	3,556	32,331,589	37,903,113
Long-term liabilities outstanding	106,245,959	90,036,262	-	-	106,245,959	90,036,262
Total liabilities	138,575,774	127,935,819	1,774	3,556	138,577,548	127,939,375
Deferred inflow s of resources	1,572,278	6,458,006	-	-	1,572,278	6,458,006
Net position						
Net investment in capital assets	114,312,426	120,840,301	-	-	114,312,426	120,840,301
Restricted	19,151,144	14,787,103	1,783,468	1,932,436	20,934,612	16,719,539
Unrestricted	12,293,198	9,147,837	20,145,854	19,204,356	32,439,052	28,352,193
Total net position	\$ 145,756,768	\$ 144,775,241	\$ 21,929,322	\$ 21,136,792	\$ 167,686,090	\$ 165,912,033

Statement of Activities

Total net position decreased \$1,774,057 during 2018.

Specific activity affecting the primary government's net position's decrease of \$1,774,057 during the current year, is as follows:

Revenues

Revenues increased \$3,764,506 (2.5%). Total increase is due in large part to the \$8,022,762 (14.4%) increase in operating grants.

Investment earnings, however, decreased by \$783,263 (60.3%) due to reduced income generated by the Ottawa County Insurance Authority's investments.

Charges for services decreased by \$1,885,375 (6.6%). Due to a decrease in reimbursable expenses for General Government and an adjustment in the expected collectability of Inmate Housing revenue in Public Safety.

Capital Grants and contributions decreased as well by \$1,311,181 as compared to the previous year due in large part to not receiving grant funds since projects were completed.

Expenses

Expenses increased \$2,121,404 (1.4%), this is due in large part to an increase in expenses for Community Mental Health in the Health and Welfare function.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

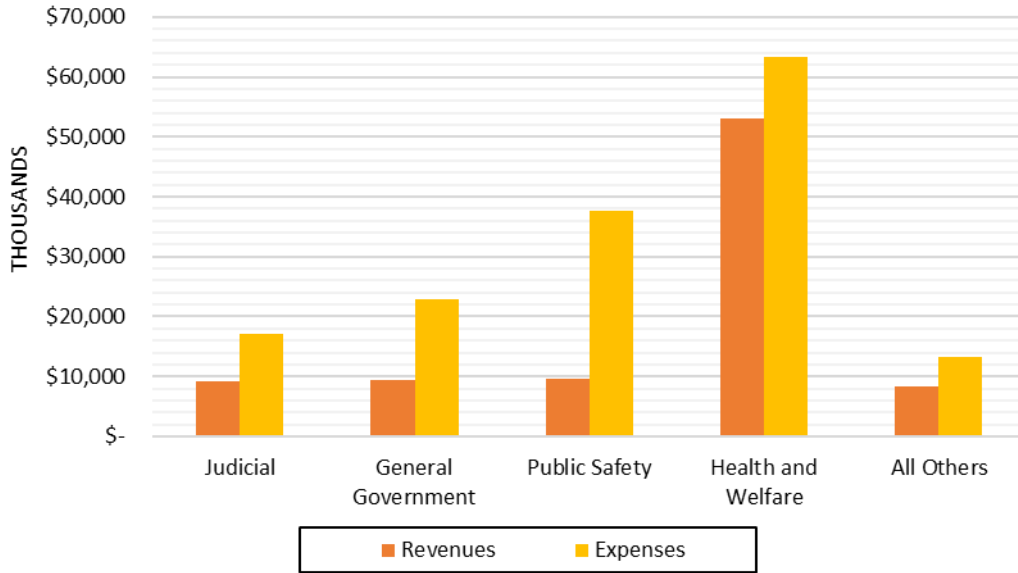
	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues						
Program revenues:						
Charges for services	\$ 27,820,727	\$ 25,838,283	\$ 893,074	\$ 990,143	\$ 28,713,801	\$ 26,828,426
Operating grants and contributions	55,720,530	63,743,292	-	-	55,720,530	63,743,292
Capital grants and contributions	1,311,181	-	-	-	1,311,181	-
General revenues:						
Property taxes	54,696,231	54,827,335	-	-	54,696,231	54,827,335
Grants and contributions not restricted to specific programs	6,036,965	5,639,410	-	-	6,036,965	5,639,410
Investment earnings	3,785,952	2,790,127	(3,584)	208,978	3,782,368	2,999,105
Miscellaneous	11,986	-	-	-	11,986	-
Total revenues	149,383,572	152,838,447	889,490	1,199,121	150,273,062	154,037,568
Expenses						
Legislative	496,618	546,898	-	-	496,618	546,898
Judicial	19,681,855	19,996,417	-	-	19,681,855	19,996,417
General government	17,297,785	16,776,198	-	-	17,297,785	16,776,198
Public safety	38,637,388	38,499,682	-	-	38,637,388	38,499,682
Public works	7,427,436	6,079,105	-	-	7,427,436	6,079,105
Health and welfare	62,398,481	65,712,292	-	-	62,398,481	65,712,292
Community and economic development	1,257,029	1,330,165	-	-	1,257,029	1,330,165
Culture and recreation	4,959,772	5,425,261	-	-	4,959,772	5,425,261
Interest on long-term debt	1,346,413	1,270,256	-	-	1,346,413	1,270,256
Business-type activities			187,444	175,351	187,444	175,351
Total expenses	153,502,777	155,636,274	187,444	175,351	153,690,221	155,811,625
Increase in net position before transfers to other funds	(4,119,205)	(2,797,827)	702,046	1,023,770	(3,417,159)	(1,774,057)
Transfers	1,814,150	1,816,300	(1,814,150)	(1,816,300)	-	-
Increase (decrease) in net position	(2,305,055)	(981,527)	(1,112,104)	(792,530)	(3,417,159)	(1,774,057)
Net position, beginning of year	148,061,823	145,756,768	23,041,426	21,929,322	171,103,249	167,686,090
Net position, end of year	\$ 145,756,768	\$ 144,775,241	\$ 21,929,322	\$ 21,136,792	\$ 167,686,090	\$ 165,912,033

COUNTY OF OTTAWA

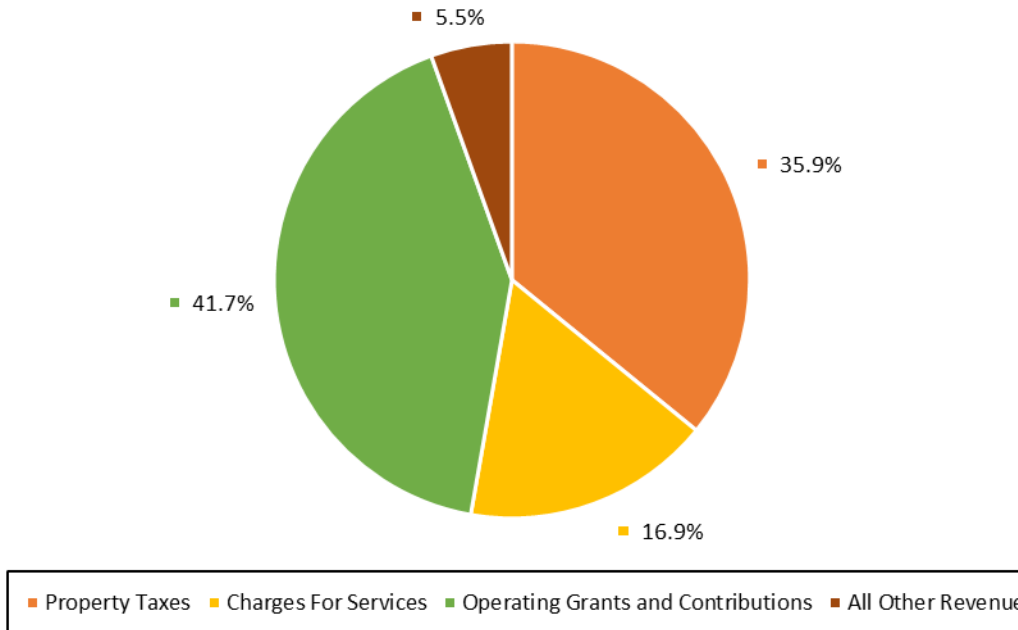
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Program Revenues and Expenses



Revenues by Source



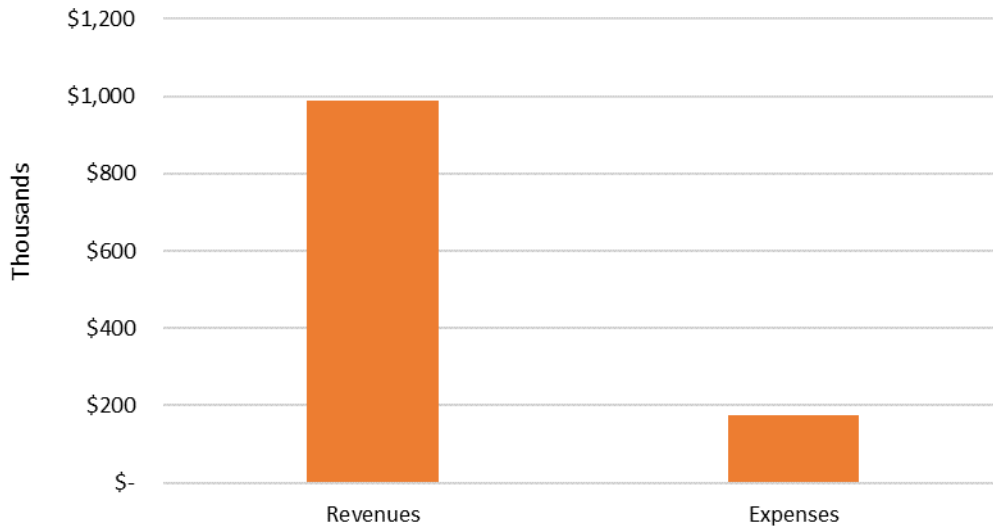
COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

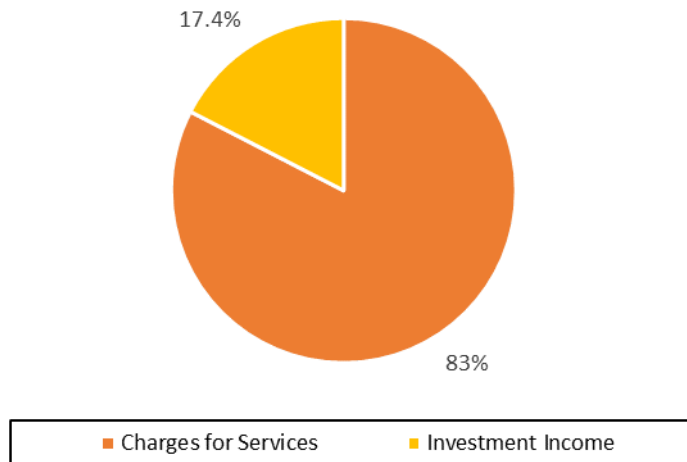
Business-type Activities

Business-type activities decreased the County's net position by an expected \$792,530 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) increased \$97,069, their investment income increased by \$212,562 and their expenses decreased \$12,093.

Program Revenues and Expenses



Revenues by Source



COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND STATEMENT FINANCIAL ANALYSIS

Governmental Funds

Of the \$51,829,233 combined governmental fund balances as of the end of the current fiscal year, \$15,750,206 (30.4%) 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 \$963,103 and \$14,787,103, respectively. The remaining \$36,079,027 (69.6%) is considered spendable fund balance, of which \$11,831,026 has been committed by the Board for specific purposes, \$5,895,890 has been assigned by the County Administrator for specific purposes, and \$18,352,111 is unassigned fund balance and is available for spending at the County's discretion. Unassigned fund balance represents 24.7% 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, 2018 had a total fund balance of \$37,775,811. 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 \$366,032. The sub-funds planned use of reserves combined with the decrease of \$2,552,189 from on-going operations resulted in the net decrease of \$2,918,221 from the previous year.

The Community Mental Health Fund (2220) had a slight decrease in fund balance of \$2,909. There was an increase in the Substance Use Disorder Fund (2225) fund balance of \$27,875 from the prior fiscal year due to interest earned on investments.

General Fund Budgetary Highlights

The original revenue and expenditure budgets (including transfers in/out) for the General Fund (1010) were \$75,196,794 and \$76,448,907, respectively. The amended revenue budget was \$75,726,425, and the amended expenditure budget was \$77,059,168.

The revenue budget (including transfers in) increased overall by \$529,631, spread throughout the County in various departments with no area having a material increase. Revenues and transfers in as a whole were \$4,358,512 under budget.

The budget for General Fund expenditures (including transfers out) increased \$610,261 in total. Expenditures and transfers out as a whole were \$3,139,066 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 \$134,361,244 as of September 30, 2018. 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 \$7,000,000.
- Approximately \$1,500,000 was spent for vehicles.
- Approximately \$75,000 was spent on carpet for Holland District Court
- Approximately \$83,000 was spent on an X-ray inspection system.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets (net of depreciation)

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

	2018	2017
Land	\$ 55,811,543	\$ 49,890,487
Construction in progress	419,737	-
Land improvements	15,179,229	15,041,420
Buildings and improvements	55,610,018	58,679,744
Equipment	7,340,717	6,625,595
Total	<u>\$ 134,361,244</u>	<u>\$ 130,237,246</u>

Long-term Debt

At the end of the current fiscal year, the County had total general obligation bonds backed by the full faith and credit of the County outstanding of \$39,100,000, which decreased by \$3,705,000 from the prior year due to a payment made in the 2018 fiscal year.

General Obligation Bonds Outstanding

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

	2018	2017
General obligation bonds	\$ 30,015,000	\$ 32,255,000
General obligation bonds - Refunding	9,085,000	10,550,000
Total	<u>\$ 39,100,000</u>	<u>\$ 42,805,000</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. As of September 30, 2018, the debt limitation for the County is \$1,338,549,494, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found on Note 8 in the notes to the financial statements section of this report.

ECONOMIC FACTORS AND THEIR IMPACT ON FUTURE BUDGETS

The following factors were considered in preparing the County's budget for the 2019 fiscal year:

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

2014	2015	2016	2017	2018
3.19%	5.59%	1.37%	3.73%	4.08%

- 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 2.9% as of September 2018, which is significantly lower than 4.2% 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and pooled investments (Note 3)	\$ 54,714,400	\$ 17,756,664	\$ 72,471,064	\$ 34,399,377
Investments	42,841,402	-	42,841,402	-
Receivables (net of allowance for estimated uncollectibles)				
Taxes	10,743,182	2,875,475	13,618,657	-
Accrued interest and penalties on delinquent taxes	-	500,872	500,872	-
Accounts	1,837,720	7,337	1,845,057	2,176,110
Accrued interest on investments	306,678	-	306,678	-
Advances to component units (Note 6)	325,000	-	325,000	-
Due from other governments	18,551,509	-	18,551,509	8,101,148
Due from component units	-	-	-	15,019
Inventory of supplies	290,641	-	290,641	1,021,119
Prepaid items	908,349	-	908,349	422,107
Total current assets	130,518,881	21,140,348	151,659,229	46,134,880
Noncurrent assets				
Due from other governments	-	-	-	110,061,067
Notes Receivable	-	-	-	120,803
Capital assets not being depreciated (Note 5)	56,231,280	-	56,231,280	3,840,876
Capital assets being depreciated, net	78,129,964	-	78,129,964	280,249,859
Total noncurrent assets	134,361,244	-	134,361,244	394,272,605
Total assets	264,880,125	21,140,348	286,020,473	440,407,485
Deferred outflows of resources				
Unamortized deferred bond refunding costs	325,965	-	325,965	3,326,743
Deferred outflow for pension plan and OPEB (Note 10 & 12)	13,962,976	-	13,962,976	4,077,616
Total deferred outflows of resources	14,288,941	-	14,288,941	7,404,359
Liabilities				
Current liabilities				
Accounts payable	19,796,955	3,346	19,800,301	7,250,507
Interest payable	563,234	-	563,234	1,266,855
Due to other governments	8,094,005	210	8,094,215	-
Notes payable	-	-	-	405,000
Current portion of long-term debt (Note 8)	8,600,711	-	8,600,711	7,609,123
Advances from primary government	-	-	-	325,000
Advances from other governments	478,406	-	478,406	884,909
Unearned revenue	366,246	-	366,246	1,792,852
Total current liabilities	37,899,557	3,556	37,903,113	19,534,246
Noncurrent liabilities				
Noncurrent portion of long-term obligations (Note 8)	38,960,850	-	38,960,850	120,916,264
Net OPEB liability (Note 12)	1,334,812	-	1,334,812	3,088,405
Net pension liability (Note 10)	49,740,600	-	49,740,600	22,743,478
Total noncurrent liabilities	90,036,262	-	90,036,262	146,748,147
Total liabilities	127,935,819	3,556	127,939,375	166,282,393
Deferred inflows of resources				
Pension/OPEB deferred inflows	6,458,006	-	6,458,006	620,272
Net position (Note 1)				
Net investment in capital assets	120,840,301	-	120,840,301	270,895,920
Restricted for				
Capital projects	2,830,609	-	2,830,609	1,690,369
Debt Service	-	-	-	2,253,076
Donations	160,334	-	160,334	-
Grants	1,206,190	-	1,206,190	-
Infrastructure maintenance	-	-	-	921,407
State of Michigan public act restrictions	10,589,970	1,932,436	12,522,406	-
Unrestricted	9,147,837	19,204,356	28,352,193	5,148,407
Total net position	\$ 144,775,241	\$ 21,136,792	\$ 165,912,033	\$ 280,909,179

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

COUNTY OF OTTAWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
Legislative	\$ 545,215	\$ 1,683	\$ -	\$ -	\$ -	\$ (546,898)
Judicial	17,204,143	2,792,274	4,637,020	4,574,767	-	(10,784,630)
General government	22,834,278	(6,058,080)	7,389,210	1,930,403	-	(7,456,585)
Public safety	37,564,501	935,181	8,786,361	729,084	-	(28,984,237)
Public works	6,055,196	23,909	509,009	226,666	-	(5,343,430)
Health and welfare	63,415,057	2,297,235	3,571,371	49,556,635	-	(12,584,286)
Community and economic development	1,327,441	2,724	187,596	162,202	-	(980,367)
Culture and recreation	5,420,187	5,074	757,716	6,563,535	-	1,895,990
Interest on long-term debt	1,270,256	-	-	-	-	(1,270,256)
Total governmental activities	155,636,274	-	25,838,283	63,743,292	-	(66,054,699)
Business-type activities						
Delinquent tax collection	175,351	-	990,143	-	-	814,792
Total primary government	\$ 155,811,625	\$ -	\$ 26,828,426	\$ 63,743,292	\$ -	\$ (65,239,907)
Component units	\$ 62,073,427	\$ -	\$ 34,820,303	\$ 33,582,219	\$ 14,634,567	\$ 20,963,662

(Continued)

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

COUNTY OF OTTAWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<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	\$ (66,054,699)	\$ 814,792	\$ (65,239,907)	\$ 20,963,662
General revenues				
Property taxes, levied for general purposes	38,506,943	-	38,506,943	21,884
Property taxes, levied for park development	3,548,324	-	3,548,324	-
Property taxes, levied for E-911 Central Dispatch	4,544,801	-	4,544,801	-
Property taxes, levied for Road Commission	5,163,236	-	5,163,236	-
Property taxes, levied for CMH Millage Fund	3,064,031	-	3,064,031	-
Grants and contributions not restricted to specific programs	5,639,410	-	5,639,410	19,906
Investment earnings	2,790,127	208,978	2,999,105	397,002
Gain from disposal of capital assets	-	-	-	265,466
Miscellaneous	-	-	-	99,017
Transfers - internal activities	<u>1,816,300</u>	<u>(1,816,300)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>65,073,172</u>	<u>(1,607,322)</u>	<u>63,465,850</u>	<u>803,275</u>
Change in net position	(981,527)	(792,530)	(1,774,057)	21,766,937
Net position, beginning of year, as restated	<u>145,756,768</u>	<u>21,929,322</u>	<u>167,686,090</u>	<u>259,142,242</u>
Net position, end of year	<u>\$ 144,775,241</u>	<u>\$ 21,136,792</u>	<u>\$ 165,912,033</u>	<u>\$ 280,909,179</u>

(Concluded)

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

COUNTY OF OTTAWA

**GOVERNMENTAL FUNDS
BALANCE SHEET**

**SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>General</u>	<u>Community Mental Health</u>	<u>Substance Use Disorder</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
					<u>2018</u>	<u>2017</u>
Assets						
Cash and pooled investments	\$ 25,854,666	\$ 1,552	\$ 496,388	\$ 12,142,827	\$ 38,495,433	\$ 50,466,462
Investments	-	-	-	-	-	-
Receivables (net of allowance for estimated uncollectibles)						
Taxes	10,740,530	-	-	2,652	10,743,182	4,115,091
Accounts	978,289	117,347	-	498,166	1,593,802	2,414,472
Accrued interest on investments	224,928	-	-	-	224,928	236,612
Due from other funds	58,501	-	-	-	58,501	-
Due from other governmental units	2,836,451	8,288,463	2,677,904	4,748,691	18,551,509	14,106,783
Interfund receivable	1,882,792	-	-	-	1,882,792	1,096,886
Advances to component units	325,000	-	-	-	325,000	325,000
Inventory of supplies	12,225	1,183	-	277,233	290,641	290,109
Prepaid expenditures	212,400	94,979	-	40,083	347,462	288,027
Total assets	<u>43,125,782</u>	<u>8,503,524</u>	<u>3,174,292</u>	<u>17,709,652</u>	<u>72,513,250</u>	<u>73,339,442</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	2,086,157	2,754,441	418,577	1,463,356	6,722,531	6,892,862
Due to other governmental units	47,119	5,065,409	2,699,128	282,349	8,094,005	5,426,095
Interfund payable	-	-	-	1,570,914	1,570,914	1,096,886
Advances from other governmental units	-	-	-	478,406	478,406	478,406
Unearned revenue	836	40,137	6,992	173,714	221,679	75,411
Total liabilities	<u>2,134,112</u>	<u>7,859,987</u>	<u>3,124,697</u>	<u>3,968,739</u>	<u>17,087,535</u>	<u>13,969,660</u>
Deferred inflows of resources						
Aggregate deferred inflows (Note 4)	3,215,859	-	-	380,623	3,596,482	4,221,523
Fund balances (Note 1)						
Nonspendable	549,625	96,162	-	317,316	963,103	908,906
Restricted	9,866,808	547,375	49,595	4,323,325	14,787,103	19,145,379
Committed	7,631,003	-	-	4,200,023	11,831,026	8,078,413
Assigned	1,376,264	-	-	4,519,626	5,895,890	8,020,103
Unassigned	18,352,111	-	-	-	18,352,111	18,995,458
Total fund balances	<u>37,775,811</u>	<u>643,537</u>	<u>49,595</u>	<u>13,360,290</u>	<u>51,829,233</u>	<u>55,148,259</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,125,782</u>	<u>\$ 8,503,524</u>	<u>\$ 3,174,292</u>	<u>\$ 17,709,652</u>	<u>\$ 72,513,250</u>	<u>\$ 73,339,442</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, 2018

Total Fund Balances - Governmental Funds	\$ 51,829,233
-------------------------------------------------	----------------------

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	56,231,280
Capital assets being depreciated, net of accumulated depreciation	73,669,628

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	50,817,890
----------------------------------------------	------------

Certain deferred inflows reported in the funds are not available but are recognized in the governmental activities.

Unavailable deferred inflows	3,596,484
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(39,100,000)
Landfill reclamation liability	(4,408,772)
Compensated absences payable	(2,960,881)
Accrued interest payable	(563,236)
Unamortized bond premium	(1,091,908)
Unamortized deferred bond refunding loss	325,965
Net OPEB Liability	(1,334,812)
Deferred Inflows OPEB	(6,458,006)
Net pension liability	(49,740,600)
Deferred outflows for pension and OPEB plans	<u>13,962,976</u>

Net Position of Governmental Activities	<u><u>\$ 144,775,241</u></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, 2018
(with comparative totals for year ended September 30, 2017)

	General	Community	Substance	Nonmajor	Total	
		Mental Health	Use Disorder	Governmental Funds	Governmental Funds	Governmental Funds
					2018	2017
Revenues						
Taxes	\$ 48,134,909	\$ -	\$ -	\$ 6,614,843	\$ 54,749,752	\$ 54,703,632
Intergovernmental revenues	9,283,389	35,492,696	2,837,985	27,269,325	74,883,395	69,962,344
Charges for services	9,321,660	451,811	-	2,651,074	12,424,545	13,356,448
Fines and forfeits	92,636	-	-	-	92,636	72,511
Investment earnings	724,108	(10,941)	31,219	141,841	886,227	306,731
Licenses and permits	379,808	-	-	1,140,251	1,520,059	1,393,940
Rental income	1,911,381	-	-	647,472	2,558,853	2,213,529
Other	801,169	169,193	10,038	3,280,780	4,261,180	2,738,759
Total revenues	70,649,060	36,102,759	2,879,242	41,745,586	151,376,647	144,747,894
Expenditures						
Current operations						
Legislative	536,062	-	-	-	536,062	478,845
Judicial	13,806,620	-	-	5,774,395	19,581,015	18,944,338
General government	13,327,091	-	-	323,590	13,650,681	13,411,577
Public safety	28,201,349	-	-	8,285,151	36,486,500	35,162,537
Public works	5,706,507	-	-	577,929	6,284,436	6,156,296
Health and welfare	1,106,546	37,529,317	2,851,367	22,811,496	64,298,726	60,406,083
Community and economic development	1,253,223	-	-	35,016	1,288,239	1,212,851
Culture and recreation	-	-	-	3,641,729	3,641,729	3,552,976
Other governmental functions	127,116	-	-	-	127,116	124,382
Debt service	-	-	-	5,120,006	5,120,006	5,034,476
Capital projects	-	-	-	9,535,767	9,535,767	6,190,534
Total expenditures	64,064,514	37,529,317	2,851,367	56,105,079	160,550,277	150,674,895
Revenues over (under) expenditures	6,584,546	(1,426,558)	27,875	(14,359,493)	(9,173,630)	(5,927,001)
Other financing sources (uses)						
Transfers from other funds	776,865	1,423,649	-	15,510,845	17,711,359	16,929,025
Transfers to other funds	(10,279,632)	-	-	(1,577,123)	(11,856,755)	(11,376,250)
Total other financing sources (uses)	(9,502,767)	1,423,649	-	13,933,722	5,854,604	5,552,775
Net change in fund balances	(2,918,221)	(2,909)	27,875	(425,771)	(3,319,026)	(374,226)
Fund balances, beginning of year	40,694,032	646,446	21,720	13,786,061	55,148,259	55,522,485
Fund balances, end of year	\$ 37,775,811	\$ 643,537	\$ 49,595	\$ 13,360,290	\$ 51,829,233	\$ 55,148,259

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, 2018

Net Change in Fund Balances - Governmental Funds	\$ (3,319,026)
---------------------------------------------------------	-----------------------

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	9,069,071
Depreciation expense	(5,280,139)
Net book value of disposed assets	(70,788)

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	(625,038)
--------------------------------	-----------

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	3,705,000
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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	362,264
Change in compensated absences payable	(123,363)
Change in accrued interest payable	45,871
Amortization of bond premium	135,482
Amortization of deferred bond refunding costs	(36,603)
Change in net pension liability	9,805,759
Change in deferred outflow for pension plan	(14,794,294)
Change in OPEB liability	658,025
Change in OPEB deferred outflow	(393,940)
Change in OPEB deferred inflow	(297,571)

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	<u>177,763</u>
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Change in Net Position of Governmental Activities	<u>\$ (981,527)</u>
----------------------------------------------------------	----------------------------

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	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	\$ 17,756,664	\$ 16,218,967
Investments	-	42,841,402
Receivables		
Delinquent taxes receivable	2,875,475	-
Accrued interest and penalties on delinquent taxes	500,872	-
Accounts	7,337	243,918
Accrued interest on investments	-	81,750
Due from other funds	-	4,110,760
Prepaid expenses	-	560,887
Total current assets	<u>21,140,348</u>	<u>64,057,684</u>
Noncurrent assets		
Capital assets		
Office furniture and equipment	-	7,570,336
Copy machines	-	290,868
Telephone equipment	-	2,295,673
Vehicles	-	6,284,116
Construction In Progress	-	419,737
Less accumulated depreciation	-	(12,400,394)
Net capital assets	-	4,460,336
Total assets	<u>21,140,348</u>	<u>68,518,020</u>
Liabilities		
Current liabilities		
Accounts payable	3,346	13,074,424
Interfund payable	-	311,878
Unearned Revenue	-	144,567
Due to other funds	-	4,169,261
Due to other governmental units	210	-
Total liabilities	<u>3,556</u>	<u>17,700,130</u>
Net position		
Invested in capital assets	-	4,460,336
Restricted for land foreclosure	1,932,436	-
Unrestricted	19,204,356	46,357,554
Total net position	<u>\$ 21,136,792</u>	<u>\$ 50,817,890</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, 2018

	<u>Business-type Activities Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Delinquent Tax Revolving Fund</u>	<u>Internal Service Funds</u>
Operating revenues		
Charges for services	\$ 263,984	\$ 21,187,717
Penalties and interest in delinquent taxes	726,159	-
Other revenue	-	2,711,384
Total operating revenues	<u>990,143</u>	<u>23,899,101</u>
Operating expenses		
Personnel services	107,215	2,810,087
Contractual services	55,031	1,013,130
Supplies	13,105	100,905
Depreciation	-	1,722,855
Building and equipment rental	-	308,268
Claims and legal	-	1,200,302
Miscellaneous	-	14,699,161
Total operating expenses	<u>175,351</u>	<u>21,854,708</u>
Operating income	<u>814,792</u>	<u>2,044,393</u>
Nonoperating revenues (expenses)		
Investment earnings	208,978	252,807
Net change in the fair value of investments	-	1,819,704
Gain on sale of capital assets	-	99,163
Total nonoperating revenues	<u>208,978</u>	<u>2,171,674</u>
Income before transfers	1,023,770	4,216,067
Transfers		
Transfers out	<u>(1,816,300)</u>	<u>(4,038,304)</u>
Total transfers	<u>(1,816,300)</u>	<u>(4,038,304)</u>
Change in net position	(792,530)	177,763
Total net position, beginning of year	<u>21,929,322</u>	<u>50,640,127</u>
Total net position, end of year	<u>\$ 21,136,792</u>	<u>\$ 50,817,890</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, 2018

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Cash flows from operating activities		
Cash received from interfund services provided	\$ -	\$ 24,353,301
Cash received from penalties and interest on delinquent taxes	1,034,945	-
Cash payments to suppliers for goods and services	(66,087)	(14,450,729)
Cash payments for self-funded insurance claims	-	(973,264)
Cash payments to employees for services	(107,215)	(3,318,213)
Purchase of delinquent tax rolls	140,029	-
Net cash provided by (used for) operating activities	<u>1,001,672</u>	<u>5,611,095</u>
Cash flows from noncapital financing activities		
Transfers out to other funds	(1,816,300)	(4,038,304)
Net cash provided by (used for) noncapital financing activities	<u>(1,816,300)</u>	<u>(4,038,304)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	-	(2,128,708)
Proceeds from sale of equipment	-	100,194
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(2,028,514)</u>
Cash flows from investing activities		
Purchase of investments	-	(18,235,978)
Interest on investments	208,978	83,204
Proceeds from sale of investments	-	17,469,810
Net cash provided by (used for) investing activities	<u>208,978</u>	<u>(682,964)</u>
Net increase (decrease) in cash and pooled investments	(605,650)	(1,138,687)
Cash and pooled investments, beginning of year	<u>18,362,314</u>	<u>17,357,654</u>
Cash and pooled investments, end of year	<u>\$ 17,756,664</u>	<u>\$ 16,218,967</u>

(Continued)

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Operating income (loss)	\$ 814,792	\$ 2,044,393
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	-	1,722,855
Change in assets and liabilities not affecting cash provided by (used for) operating activities		
(Increase) decrease in receivables	185,098	(2,245)
(Increase) decrease in prepaid expenses	-	7,156
Increase (decrease) in unpaid claims liability	-	631,929
Increase (decrease) in accounts payable	1,356	528,743
Increase (decrease) in due to other funds	-	533,697
Increase (decrease) in due to other governmental units	<u>426</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 1,001,672</u>	<u>\$ 5,611,095</u>

Noncash investing activities

The change in fair value of investments for the internal service funds was \$1,819,704.

(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, 2018
(with comparative totals at September 30, 2017)

	Other Post-Employment Benefit Plan		Agency Funds	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets				
Cash and pooled investments	\$ -	\$ -	\$ 24,769,029	\$ 37,570,186
U.S. Government securities	674,167	551,146	-	-
Corporate bonds	839,263	949,916	-	-
Mutual funds				
Money market mutual funds	419,048	248,751	-	-
Fixed income	103,947	72,834	-	-
Domestic equity	1,303,628	1,358,457	-	-
Exchange traded	375,980	1,596,577	-	-
International equity	2,089,521	427,515	-	-
Receivables				
Accounts	-	-	6,032	4,935
Due from other governmental units	23,484	-	263,753	539,014
Total assets	<u>5,829,038</u>	<u>5,205,196</u>	<u>25,038,814</u>	<u>38,114,135</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	-	-	23,146,251	37,652,470
Fines and fees due to local libraries	-	-	205,778	217,190
Agency deposits	-	-	1,686,785	244,475
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 25,038,814</u>	<u>\$ 38,114,135</u>
Net position restricted for other post-employment benefits	<u>\$ 5,829,039</u>	<u>\$ 5,205,196</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, 2018
(with comparative totals for year ended September 30, 2017)

Additions	<u>2018</u>	<u>2017</u>
Contributions		
Employer	\$ 287,527	\$ 80,471
Plan member	454,632	441,016
Investment income (loss)	<u>508,448</u>	<u>619,034</u>
Total additions	<u>1,250,607</u>	<u>1,140,521</u>
Deductions		
Administrative expense	61,690	65,751
Premiums	<u>565,074</u>	<u>952,824</u>
Total deductions	<u>626,764</u>	<u>1,018,575</u>
Total net increase (decrease)	623,843	121,946
Net position, beginning of year	<u>5,205,196</u>	<u>5,083,250</u>
Net position, end of year	<u>\$ 5,829,039</u>	<u>\$ 5,205,196</u>

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

COUNTY OF OTTAWA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	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	\$ 17,873,100	\$ 5,528,118	\$ 8,339,182	\$ 93,888	\$ 2,525,597	\$ 29,610	\$ 9,882	\$ 34,399,377
Receivables (net of allowance for Accounts	24,750	-	2,151,360	-	-	-	-	2,176,110
Due from other governments	6,624,936	401,359	-	-	1,074,853	-	-	8,101,148
Due from component units	-	-	15,019	-	-	-	-	15,019
Inventory of supplies	990,050	-	31,069	-	-	-	-	1,021,119
Prepaid items	233,042	189,065	-	-	-	-	-	422,107
Total current assets	25,745,878	6,118,542	10,536,630	93,888	3,600,450	29,610	9,882	46,134,880
Noncurrent assets								
Due from other governments	-	-	106,804,727	-	3,256,340	-	-	110,061,067
Notes Receivable	-	-	-	-	-	120,803	-	120,803
Capital assets not being depreciated	3,650,994	189,882	-	-	-	-	-	3,840,876
Capital assets being depreciated, net	225,875,672	16,994,818	-	-	37,379,369	-	-	280,249,859
Total noncurrent assets	229,526,666	17,184,700	106,804,727	-	40,635,709	120,803	-	394,272,605
Total assets	255,272,544	23,303,242	117,341,357	93,888	44,236,159	150,413	9,882	440,407,485
Deferred outflows of resources								
Unamortized deferred bond refunding costs	-	-	3,326,743	-	-	-	-	3,326,743
Deferred outflow for pension plan	3,940,926	136,690	-	-	-	-	-	4,077,616
	3,940,926	136,690	3,326,743	-	-	-	-	7,404,359
Liabilities								
Current liabilities								
Accounts payable	4,197,014	121,123	2,292,764	-	639,606	-	-	7,250,507
Interest payable	-	-	1,230,677	-	36,178	-	-	1,266,855
Notes payable	-	-	-	-	405,000	-	-	405,000
Current portion of long-term debt	141,868	580,738	6,205,000	-	681,517	-	-	7,609,123
Advances from primary government	-	-	150,000	-	175,000	-	-	325,000
Advances from other governments	884,909	-	-	-	-	-	-	884,909
Unearned revenue	-	-	1,792,852	-	-	-	-	1,792,852
Total current liabilities	5,223,791	701,861	11,671,293	-	1,937,301	-	-	19,534,246
Noncurrent liabilities								
Noncurrent portion of long-term obligations	1,241,631	8,845,894	107,844,431	-	2,863,505	120,803	-	120,916,264
Net OPEB liability	3,088,405	-	-	-	-	-	-	3,088,405
Net pension liability	22,320,659	422,819	-	-	-	-	-	22,743,478
Total noncurrent liabilities	26,650,695	9,268,713	107,844,431	-	2,863,505	120,803	-	146,748,147
Total liabilities	31,874,486	9,970,574	119,515,724	-	4,800,806	120,803	-	166,282,393
Deferred inflows of resources								
Aggregate deferred inflows	620,272	-	-	-	-	-	-	620,272
Net position								
Net investment in capital assets	229,526,666	7,939,907	-	-	33,429,347	-	-	270,895,920
Restricted for								
Debt service	-	-	-	-	2,253,076	-	-	2,253,076
Capital projects	-	-	-	-	1,690,369	-	-	1,690,369
Infrastructure maintenance	-	-	865,401	-	56,006	-	-	921,407
Unrestricted	(2,807,954)	5,529,451	286,975	93,888	2,006,555	29,610	9,882	5,148,407
Total net position	\$ 226,718,712	\$ 13,469,358	\$ 1,152,376	\$ 93,888	\$ 39,435,353	\$ 29,610	\$ 9,882	\$ 280,909,179

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, 2018

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units					
Ottawa County Road Commission	\$ 30,623,971	\$ 12,032,019	\$ 28,165,536	\$ 7,617,465	\$ 17,191,049
Ottawa County Central Dispatch Authority	5,984,327	13,745	5,416,683	-	(553,899)
Ottawa County Public Utilities	22,637,712	22,742,142	-	-	104,430
Ottawa County Land Bank Authority	218	-	-	-	(218)
Ottawa County Office of the Water Resources Commissioner	2,777,628	-	-	7,017,102	4,239,474
Ottawa County Brownfield Redevelopment Authority	49,571	32,397	-	-	(17,174)
Ottawa County Economic Development Corporation	-	-	-	-	-
Total component units	<u>62,073,427</u>	<u>34,820,303</u>	<u>33,582,219</u>	<u>14,634,567</u>	<u>20,963,662</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, 2018

	Component Units							Total
	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities System	Ottawa County Land Bank Authority	Ottawa County Office of the Water Resources Commissioner	Ottawa County Brownfield Redevelopment Authority	Ottawa County Economic Development Corporation	
Changes in net position								
Net (expense) revenue	\$ 17,191,049	\$ (553,899)	\$ 104,430	\$ (218)	\$ 4,239,474	\$ (17,174)	\$ -	\$ 20,963,662
General revenues								
Property taxes, levied for general purposes	-	-	-	841	-	21,043	-	21,884
Grants and contributions not restricted to specific programs						19,906		19,906
Investment earnings	283,909	39,534	48,109		25,362		88	397,002
Gain from disposal of capital assets	265,466							265,466
Miscellaneous	28,142	70,875						99,017
Total general revenues	577,517	110,409	48,109	841	25,362	40,949	88	803,275
Change in net position	17,768,566	(443,490)	152,539	623	4,264,836	23,775	88	21,766,937
Net position, beginning of year, as restated	<u>208,950,146</u>	<u>13,912,848</u>	<u>999,837</u>	<u>93,265</u>	<u>35,170,517</u>	<u>5,835</u>	<u>9,794</u>	<u>259,142,242</u>
Net position, end of year	<u>\$ 226,718,712</u>	<u>\$ 13,469,358</u>	<u>\$ 1,152,376</u>	<u>\$ 93,888</u>	<u>\$ 39,435,353</u>	<u>\$ 29,610</u>	<u>\$ 9,882</u>	<u>\$ 280,909,179</u>

(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, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ottawa, Michigan (the "County") was incorporated in 1837 and covers an area of approximately 565 square miles with the County seat located in the City of Grand Haven. The County operates under an 11 member-elected Board of Commissioners (the "Board") and provides services to its estimated 286,383 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

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

Reporting entity

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

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

Blended component units

The Building Authority is governed by a three-member board appointed by the Ottawa County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported in the appropriate fund categories of debt service and capital projects and has a September 30 year-end.

The Ottawa County, Michigan Insurance Authority ("OCIA") is a separate legal entity organized for the purpose of providing insurance coverage and risk management and related services to public entities in the County of Ottawa, Michigan pursuant to State of Michigan Act No. 36 of the Public Acts of 1988. The governing board consists of one appointed and four elected officials of the County and one appointed official from each other participating public entity. The County and the Building Authority are currently the only participating entities. The OCIA is reported in an internal service fund and has a September 30 year-end.

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting entity (continued)

Discretely presented component units

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

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

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

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

Complete financial statements for the OCCDA can be obtained from:

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

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

Complete financial statements for the System can be obtained from:

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting entity (continued)

Discretely presented component units (continued)

The Ottawa County Land Bank Authority (“Authority”) was established pursuant to the Michigan Land Bank Fast Track Act, 2003 P.A. 258, 124.751 and the intergovernmental agreement by and between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Ottawa. The governing board consists of the Treasurer of the County of Ottawa and eight additional members appointed by the Ottawa County Board of Commissioners. The Authority has the power to contract, to sue and be sued, to hold, manage and dispose of property, etc. Although funding for the Authority is designed to come from the eventual sale of properties, the County Board of Commission has enabled the Authority to borrow up to \$50,000 from the County’s Delinquent Tax Revolving fund as needed, interest free. The Authority has a September 30 year-end.

Complete financial statements for the Authority can be obtained from:

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

The Ottawa County Office of the Water Resources Commissioner (“WR Commissioner”) drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The WR Commissioner is considered to be a component unit of the County because the County has the ability to significantly influence operations and has accountability for fiscal matters, by formally approving the WR Commissioner’s budget and performing all financial management functions. The statutory drainage board of Chapter 20 drainage districts consists of the Water Resources Commissioner, the Chair of the County Board of Commissioners and one other member of the Board of Commissioners. The statutory drainage board of Chapter 6 and 21 drainage districts consists of the State Director of Agriculture and the Water Resources Commissioner of each county involved in the project. The Water Resources Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapter 4 and 8 of the Drain Code. The drainage board or Water Resources Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the Board. The full faith and credit of the County may be pledged for the debt of the drainage district. The Office of the Water Resources Commissioner has a September 30 year-end.

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting entity (continued)

Discretely presented component units (continued)

The Economic Development Corporation of the County of Ottawa (“EDC”) was established pursuant to the Economic Development Corporations Act (Act 338, Public Acts of 1974, as amended) and is a separate legal entity. The EDC’s governing board is appointed by the Ottawa County Board of Commissioners. The County was required to hold a public hearing and approve the bonds issued in 2011 in compliance with the Internal Revenue Code. Neither the EDC nor the County is obligated in any way for the payment of these bonds. The EDC has a September 30 year-end.

Complete financial statements for the EDC can be obtained from:

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

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

Complete financial statements for the BRA can be obtained from:

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

Government-wide and fund financial statements

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and fund financial statements

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Measurement focus, basis of accounting, and financial statement presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, landfill closure costs and compensated absences are recorded only when payment is due.

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The County reports the following major governmental funds:

General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. With the implementation of GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds which had been special revenue funds have been combined with the general fund. These funds include:

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

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

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

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

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

The County reports the following major proprietary fund:

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

The County also reports the following fund types:

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

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The **Permanent Fund** is used to record the activity of the Cemetery Trust which provides funds for perpetual care of cemetery lots. As of September 30, 2018 all funds were disbursed to the cemeteries.

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, 2018

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 fund receivables, an allowance of \$287,220 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$1,053,483 has been established. The health fund receivables also has an allowance of \$70,765.

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 non-spendable fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Inventories and prepaids

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

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and the Office of the Water Resources Commissioner component units. The capitalization threshold ranges from \$1,000 - \$25,000. Capital assets are defined by the primary government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at acquisition value (the amount that would 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, 2018

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.

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

Self-insurance claims incurred but not reported

At September 30, 2018 the County had several Internal Service funds which account for various uninsured risks. The County is self-insured up to certain limits, which vary by type of risk, and purchases reinsurance to cover claims in excess of those limits. The County records estimates of self-insurance claims incurred but not reported as of September 30 and the Road Commission based on historical trend information, claims reported subsequent to year-end, actuarial valuations and/or professional judgment. Such estimates are included in accounts payable.

Compensated absences

Substantially all County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation pay is fully vested when earned and accrued in the government-wide financial statements. Employees are granted varying amounts of sick days annually and may accumulate up to various maximums. Unused sick leave accumulated under the current plan is forfeited upon termination or retirement. Therefore, no liability for unpaid accumulated sick leave is recorded. All employees except judges and elected officials are covered under short and long-term disability benefits if an illness lasts longer than 10 working days or six months, respectively.

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

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 \$96,442 at September 30, 2018 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, 2018

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, 2018 to reflect the change in the accumulated balance to \$2,960,881.

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

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

Employee retirement plans

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

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported including bond premiums or net of discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service 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) is restricted to 1) cover a deficit, 2) prevent a reduction in the level of public services

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Restricted net position (continued)

or number of employees in the current or next fiscal year, or 3) cover expenses arising from a natural disaster.

Fund equity

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

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

1. Nonspendable fund balance cannot be spent because it is either a) not in spendable form or b) legally or contractually required to be maintained intact.
2. Restricted fund balance can only be spent for specific purposes due to a) externally imposed by grantors, creditors, and contributors, of laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance can only be spent for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The Board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
4. Assigned fund balance is constrained by the government's intent to be used for specific purposes but has not been formally committed by Board action or restricted in any way. Through the County's fund balance policy, the Board has delegated the authority to assign fund balance to the County Administrator.
5. Unassigned fund balance is the residual classification for the General Fund. Except for funds with negative fund balance, only the General Fund has unassigned fund balance.

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	\$ 224,625	\$ 96,162	\$ -	\$ 317,316	\$ 638,103
Long-term advances to component units	325,000	-	-	-	325,000
Total Nonspendable	\$ 549,625	\$ 96,162	\$ -	\$ 317,316	\$ 963,103
Restricted:					
Capital projects:					
Debt Service Fund - Fund 3010	\$ -	\$ -	\$ -	\$ 700	\$ 700
Parks and Recreation millage - Fund 2081	-	-	-	2,829,909	2,829,909
Donations:					
Canines	10,530	-	-	-	10,530
Circuit Court Learning Center	13,212	-	-	-	13,212
Dive Team	75	-	-	-	75
HAZMAT	17,521	-	-	-	17,521
Non-motorized Pathways	24,270	-	-	-	24,270
Spoonville Trail	21,587	-	-	-	21,587
Sheriff Honor Guard	1,392	-	-	-	1,392
Sheriff Monument	7,094	-	-	-	7,094
Sheriff Victim's Advocates	4,671	-	-	-	4,671
Capital Improvement - Fund 4020	-	-	-	59,982	59,982
Grants:					
IRS Asset Forfeiture	-	-	-	46,453	46,453
Marriage Counseling	121,870	-	-	-	121,870
Road Salt Management	28,326	-	-	-	28,326
Sheriff Training	28,826	-	-	-	28,826
Community Mental Health - Fund 2220	-	547,375	-	-	547,375
Substance Use Disorder - Fund 2225	-	-	49,595	-	49,595
Other Governmental Grants - Fund 2180	-	-	-	383,744	383,744
Sheriff Grants & Contracts Fund - Fund 263	-	-	-	1	1
State of Michigan Public Act Restrictions:					
Jail Booking Fees	332,217	-	-	-	332,217
Stabilization - Fund 2570	9,255,217	-	-	-	9,255,217
Concealed Pistol Licensing - Fund 2631	-	-	-	156,869	156,869
Homestead Property Tax - Fund 2550	-	-	-	36,928	36,928
Register of Deeds Technology - Fund 2560	-	-	-	808,739	808,739
Total Restricted	\$ 9,866,808	\$ 547,375	\$ 49,595	\$ 4,323,325	\$ 14,787,103

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	\$ 338,864	\$ -	\$ -	\$ -	\$ 338,864
Infrastructure - Fund 2444	1,355,744	-	-	-	1,355,744
Innovation Fund	703,637	-	-	-	703,637
Mental Health Programs	581,275	-	-	-	581,275
Red Pine Timber Sales	167,909	-	-	-	167,909
Solid Waste Clean-Up - Fund 2271	3,255,366	-	-	-	3,255,366
Substance Abuse	799,480	-	-	-	799,480
Technology Improvements	329,427	-	-	-	329,427
Voting Machines	99,301	-	-	-	99,301
Capital Improvement - Fund 4020	-	-	-	4,199,573	4,199,573
Farmland Preservation - Fund 2340	-	-	-	450	450
Total Committed	\$ 7,631,003	\$ -	\$ -	\$ 4,200,023	\$ 11,831,026
Assigned					
4 C Program	\$ 99,565	\$ -	\$ -	\$ -	\$ 99,565
Community Corrections	106,696	-	-	-	106,696
Hope College Bond Issue Reimbursement	23,456	-	-	-	23,456
M231 Race	740	-	-	-	740
Memorial Garden	1,302	-	-	-	1,302
Planning Commission	151,888	-	-	-	151,888
Strategic Planning Consultant Fees	250	-	-	-	250
Succeeding Year's Budget Deficit	985,393	-	-	-	985,393
Technology Forum	6,266	-	-	-	6,266
Water Quality Forum	708	-	-	-	708
Child Care - Fund 2920	-	-	-	924,999	924,999
Health - Fund 2210	-	-	-	623,316	623,316
CMH Millage - Fund 2221	-	-	-	1,672,385	1,672,385
Landfill Tipping Fees - Fund 2272	-	-	-	1,298,926	1,298,926
Total Assigned	\$ 1,376,264	\$ -	\$ -	\$ 4,519,626	\$ 5,895,890

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, 2018

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The General, Special Revenue, Debt Service, Capital Projects, and Permanent funds are under formal budgetary control. Formal budgetary integration is used as a management control device during the year for governmental funds. While formal budget integration is not used for other funds, informational summaries are prepared and presented to the Board for consideration for internal service and proprietary fund types. The County adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget. Budgets, as presented for these funds in the accompanying financial statements, were prepared on the modified accrual basis of accounting.

The Fiscal Services Director presents the budget requests for the succeeding fiscal year to the County Administrator in July. The County Administrator, Fiscal Services Director and Assistant Fiscal Services Director meet with department heads and elected officials during July to review and discuss the requested revenue and expenditures levels. A proposed budget with balancing options for all funds is presented to the Finance Committee in August, then made available to the public to review. A public hearing and formal budget presentation is held at the first board meeting in September to provide any county resident with the opportunity to discuss the budget with the Board prior to approval. The budget, and an appropriation ordinance implementing it, is approved by the Finance Committee and forwarded to the Board for approval at the last Board meeting in September.

Budgetary control over expenditures is maintained on a departmental basis, which is the legal level of control. Expenditures may not legally exceed budgeted amounts and certain Special Revenue fund expenditures must be in accordance with the respective agreements with Federal and State grantor agencies. All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken.

Budgets for the current year are continually reviewed for any required revisions of original estimates. Proposed increases or reductions in appropriations may not be made without review by the Finance Committee and approval by the Board, with certain exceptions. The Board has delegated authority to the County Administrator to approve budget transfers between departments within a fund if the amount to be transferred does not exceed \$50,000. The Board amends the general appropriation act as soon as it becomes apparent this action is necessary. The budgetary information as presented herein has been amended by official actions of the Board.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Excess of expenditures over appropriations

During the year ended September 30, 2018, the County incurred the following expenditures in budgetary funds which were in excess of the amounts appropriated:

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Sheriff	11,051,149	11,067,813	11,189,236	(121,423)

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	\$ 72,471,064	\$ 34,399,377	\$ 24,769,029	\$131,639,470
Investments	42,841,402	-	5,805,554	48,646,956
Total	115,312,466	34,399,377	30,574,583	180,286,426
Separate disclosure				
Ottawa County Road Commission	-	(17,873,100)	-	(17,873,100)
Ottawa County Central Dispatch Authority	-	(5,528,118)	-	(5,528,118)
Ottawa County Other Post- Employment Benefit Plan	-	-	(5,805,554)	(5,805,554)
Ottawa County Insurance Authority	(43,793,129)	-	-	(43,793,129)
Year end and custodial difference				
Ottawa County Public Utilities System	-	(8,339,182)	-	(8,339,182)
Balance in disclosure	\$ 71,519,337	\$ 2,658,977	\$ 24,769,029	\$ 98,947,343
Cash on hand				\$ 15,550
Deposits				53,585,490
Investments				45,346,303
Disclosure				\$ 98,947,343

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, 2018, \$60,838,138 of the County's bank balance (including certificates of deposit) of \$63,643,445 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, 2018

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, 2018:

- 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, 2018, the County had the following investments:

Investment Type	Fair Value	S&P Rating	Weighted Average Maturity (years)	Level
MBIA Michigan Class	\$ 9,956,534	AAAm	N/A	2
Municipal Bonds	5,808,526	A	1.3562	2
Agency - FAMCA	977,130	AA+	2.4685	2
Agency - FFCB	2,729,964	AA+	3.611	2
Agency - FNMA	3,885,880	AA+	1.9781	2
Agency - FHLB	2,593,762	AA+	3.2329	2
Agency - FHLMC	3,343,727	AA+	3.3096	2
Treasury Note	<u>16,050,780</u>	AAA	3.811	2
	<u><u>\$ 45,346,303</u></u>			

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018, 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 \$9,956,534 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, 2018:

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

3. DEPOSITS AND INVESTMENTS (continued)

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

	Investment Maturities (fair value by years)				
	Fair Value	Less Than 1	1-5	6-10	Over 10
Certificates of deposit					
U.S. Treasuries	\$ 674,167	\$ -	\$ 359,002	\$ 315,165	\$ -
Corporate bonds	839,263	100,571	637,025	75,445	26,222
	1,513,430	\$ 100,571	\$ 996,027	\$ 390,610	\$ 26,222
Mutual funds:					
Money market	419,048				
Fixed income	103,947				
Domestic equity	1,303,628				
International equity	375,980				
Exchange traded	2,089,522				
Total investments held by the OPEB Plan	\$ 5,805,554				

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 \$5,805,554 of investments, the County has custodial credit risk of \$1,513,430 because the related securities are uninsured, unregistered and held by the government’s brokerage firm which is also the counterparty for these particular securities. Of the above investments, \$4,292,124 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, 2018, the balance of investments of the OPEB Plan in fixed income mutual funds was \$103,947 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	\$ 24,213
AA+ to AA-	921,826
A+ to A-	419,879
BBB+ to BBB-	251,458
BB+ - BB-	-
NR	-
	\$1,617,376

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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 \$375,980 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, 2018:

- 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")

The OCIA's investments, including its cash and cash equivalents, are held in a trust account at local banks. Public Act 218 of 1956 (the Insurance Code of 1956) establishes asset requirements for domestic insurers. Qualified assets as defined thereunder include investments in domestic and foreign stocks, bonds, and other indebtedness of solvent corporations as approved by the insurer's governing body entrusted with its investments, subject to certain percentage of portfolio limitations. Generally, the statute does not prohibit investments in any asset otherwise permitted to be held by any other person or corporation under Michigan laws. All of the OCIA's investments comply with State statutes.

Custodial Credit Risk. The OCIA's cash and cash equivalents are money market funds that amounted to \$960,906 and \$316,609 at September 30, 2018 and 2017, respectively. The money market funds are rated AAAM by S&P and are not subject to custodial risk categorization because they are not evidenced by a specific security. At September 30, 2018 and 2017, the OCIA did not have any custodial credit risk on its remaining investments.

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (“OCIA”)

The cost and estimated fair values of unrestricted investments in debt securities and mutual funds at September 30, 2018 are summarized as follows:

	Cost	Unrealized		Fair Value
		Gains	Losses	
Debt securities				
Federal agency mortgage-backed	\$ 311,792	\$ -	\$ 16,223	\$ 295,569
Federal agency collateralized mortgage obligation	205,495	-	9,635	195,860
Federal agency notes	793,752	-	7,434	786,318
U.S. Treasury notes	2,158,167	-	63,877	2,094,290
Asset-backed	1,314,533	-	15,146	1,299,387
Bank notes	74,858	-	235	74,623
Commercial paper	196,144	1,562	-	197,706
Corporate notes	5,450,917	-	150,607	5,300,310
Mutual funds				
Bond	4,039,659	-	157,735	3,881,924
Equity Exchange Trade Funds	17,289,575	4,920,353	-	22,209,928
Equity	1,474,963	130,359	-	1,605,322
Total	\$ 33,309,855	\$ 5,052,274	\$ 420,892	\$ 37,941,237

Net realized gains on the sale of investments for the year ended September 30, 2018 was \$4,631,382, 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, 2018:

	Cost	Fair Value	Investment Maturities (fair value by year)			
			Less Than 1	1-5	6-10	Over 10
Federal agency mortgage-backed	\$ 311,972	\$ 295,569	\$ -	\$ -	\$ 187,428	\$ 108,141
Federal agency collateralized mortgage obligation	205,495	195,860	-	195,860	-	-
Federal agency notes	793,752	786,318	-	786,318	-	-
U.S. Treasury notes	2,158,167	2,094,290	484,876	1,609,414	-	-
Asset-backed	1,314,533	1,299,387	-	1,049,619	249,768	-
Bank note	74,585	74,623	-	74,623	-	-
Commercial paper	196,144	197,706	197,706	-	-	-
Corporate notes	5,450,917	5,300,310	1,019,911	4,280,399	-	-
Total	\$ 10,505,658	\$ 10,244,063	\$ 1,702,493	\$ 7,996,233	\$ 437,169	\$ 108,141

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018, 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 (unless otherwise noted):

Rating	Fair Value
AAA	\$ 215,961
AA3	234,503
AA2	570,900
AA1	199,937
A3	916,567
A2	678,968
A1	1,187,436
BAA3	252,074
BAA2	218,351
BAA1	754,495
BBB (S&P)	71,120
	\$5,300,310

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, 2018.

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, 2018, the OCIA had International Equity mutual funds with a total fair market value of \$4,647,320.

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, 2018:

- 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, 2018

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, 2018, are as summarized below:

Description	Maturity Date	Interest Rate	Face Value	Fair Value
U.S. Treasury Notes	02/15/19	2.750%	440,000	440,605
U.S. Treasury Notes	10/31/19	1.250%	920,000	905,981
U.S. Treasury Notes	04/30/20	1.375%	500,000	489,203
U.S. Treasury Notes	08/15/20	2.625%	445,000	443,436
U.S. Treasury Notes	05/15/21	3.125%	445,000	447,882
U.S. Treasury Notes	08/31/21	2.000%	470,000	458,485
U.S. Treasury Notes	10/31/21	1.200%	440,000	418,818
U.S. Treasury Notes	11/15/21	2.000%	340,000	330,982
U.S. Treasury Notes	04/30/22	1.875%	1,000,000	964,773
				<u>\$4,900,165</u>

Discretely Presented Component Units

Ottawa County Road Commission (“Road Commission”)

The Road Commission reported cash and pooled investments of \$17,873,100 at September 30 2018. 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	\$ 1,274,706
Investments	16,598,394
Total cash and investments	<u>\$17,873,100</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, \$1,845,242 of the Road Commission’s bank balance of \$2,345,242 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	\$16,598,394	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, 2018

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 \$5,528,118 at December 31 2017. The balance consisted of the following:

Deposits	\$1,604,496
Investments	3,923,522
Petty cash	100
Total	\$5,528,118

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, \$945,762 of the OCCDA’s bank balance of \$1,695,762 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, 2018

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	\$ 132,005	AAAm	S&P
Asset Backed Securities:				
FNMA 2.5%	11/25/47	357,371	Unrated	
FNMA 2.0%	06/25/39	204,339	Unrated	
FNMA 3.0%	03/25/44	371,470	Unrated	
FNMA 2%	06/01/23	541,991	Unrated	
FNMA 3%	03/25/42	128,290	Unrated	
FNMA 2%	12/25/42	187,964	Unrated	
FHLMC 3.0%	07/15/31	240,008	Unrated	
FHLMC 3.5%	4/15/44	279,631	Unrated	
FHLMC 3.5%	4/15/44	226,011	Unrated	
GNMA 3.0%	7/16/40	201,879	Unrated	
GNMA 3.5%	4/16/41	272,435	Unrated	
GNMA 2.5%	3/20/44	191,133	Unrated	
GNMA 2.25%	3/20/47	240,461	Unrated	
FHLMC 1.25%	10/28/19	348,534	Unrated	
Total		<u>\$3,923,522</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, 2018

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 \$3,791,517 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 \$132,005 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 \$10,998,159 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, 2018 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 – 12/31/2017	\$ 8,339,182
Ottawa County Land Bank Authority – 9/30/18	93,888
Ottawa County Office of the Water Resources Commissioner – 9/30/18	2,525,597
Ottawa County Brownfield Redevelopment Authority – 9/30/18	29,610
Ottawa County Economic Development Corporation – 9/30/18	<u>9,882</u>
 Total	 <u><u>\$10,998,159</u></u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018

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
	<u> </u>	<u> </u>
2018 Property Taxes:		
Primary Government	\$ 1,453,192	\$ -
Delinquent Property Taxes:		
Primary Government	41,379	4,497
Ottawa County Road Commission	2,322	-
Ottawa County Central Dispatch Authority	5,012	-
Survey & Remonumentation	1,049,437	-
Unavailable Receivables	<u>664,517</u>	<u>376,126</u>
 Total	 <u>\$ 3,215,859</u>	 <u>\$ 380,623</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

Primary government

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land	\$ 49,890,488	\$5,921,055	\$ -	\$ 55,811,543
Construction in progress	-	419,737	-	419,737
Total capital assets, not being depreciated	49,890,488	6,340,792	-	56,231,280
Capital assets, being depreciated:				
Land improvements	28,514,167	1,374,380	-	29,888,547
Buildings and improvements	100,773,578	349,162	-	101,122,740
Equipment	26,590,003	3,167,802	(1,413,082)	28,344,723
Total assets, being depreciated	155,877,748	4,891,344	(1,413,082)	159,356,010
Less accumulated depreciation for:				
Land improvements	(13,472,747)	(1,236,571)	-	(14,709,318)
Buildings and improvements	(42,093,834)	(3,418,888)	-	(45,512,722)
Equipment	(19,964,408)	(2,348,567)	1,308,969	(21,004,006)
Total accumulated depreciation	(75,530,989)	(7,004,026)	1,308,969	(81,226,046)
Net capital assets, being depreciated	80,346,759	(2,112,682)	(104,113)	78,129,964
Net governmental activities capital assets	\$130,237,247	\$4,228,110	\$ (104,113)	\$134,361,244

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

Governmental activities:

Judicial	\$ 4,337
General Government	3,809,923
Public Safety	67,663
Public Works	148,030
Health and Welfare	81,912
Culture and Recreation	1,168,275
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>1,723,886</u>
Total depreciation expense - governmental activities	<u>\$7,004,026</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

5. CAPITAL ASSETS (continued)

Discretely presented component units

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land	\$ 3,286,517	\$ 175,398	\$ -	\$ 3,461,915
Construction in progress	16,601,002	189,079	16,411,120	378,961
Total capital assets, not being depreciated	<u>19,887,519</u>	<u>364,477</u>	<u>16,411,120</u>	<u>3,840,876</u>
Capital assets, being depreciated:				
Buildings	14,975,848	2,727,449	35,869	17,667,428
Equipment	30,113,279	16,216,401	785,807	45,543,873
Infrastructure	423,411,688	28,460,668	-	451,872,356
Total assets, being depreciated	<u>468,500,815</u>	<u>47,404,518</u>	<u>821,676</u>	<u>515,083,657</u>
Less accumulated depreciation for:				
Buildings	4,788,711	256,833	-	5,045,544
Equipment	26,442,317	2,776,314	821,456	28,397,175
Infrastructure	188,309,588	13,081,491	-	201,391,079
Total accumulated depreciation	<u>219,540,616</u>	<u>16,114,638</u>	<u>821,456</u>	<u>234,833,798</u>
Net capital assets, being depreciated	<u>248,960,199</u>	<u>31,289,880</u>	<u>220</u>	<u>280,249,859</u>
Net component units activities capital assets	<u>\$268,847,718</u>	<u>\$31,654,357</u>	<u>\$16,411,340</u>	<u>\$284,090,735</u>

Commitments

The Ottawa County Road Commission had construction and contract commitments of approximately \$1,065,000 at their September 30, 2018 year-end. The Ottawa County Public Utilities System had construction and contract commitments of approximately \$1,180,000 at their December 31, 2017 year-end.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

6. INTERFUND, RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of September 30, 2018 are as follows:

Amounts due to and from other funds

	Due from	Due to	
	<u>Other Funds</u>	<u>Other Funds</u>	
Primary Government			
General Fund	\$ 58,501	\$ -	
Ottawa Cty Insurance Auth		58,501	
Internal Service Funds	<u>4,110,760</u>	<u>4,110,760</u>	
	<u>\$ 4,169,261</u>	<u>\$ 4,169,261</u>	

Included in the Internal Service funds is \$4,110,760 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, 2018, certain funds that are a part of the County's pooled cash report negative cash balances. Accordingly, an interfund payable is established in the amount of the negative cash balance and a corresponding interfund receivable is established in the General Fund.

	Interfund Receivable	Interfund Payable	
	<u> </u>	<u> </u>	
General Fund	\$ 1,882,792	\$ -	
Nonmajor Governmental Funds		1,570,914	
Internal Service Funds		311,878	
	<u>\$ 1,882,792</u>	<u>\$ 1,882,792</u>	

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

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

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

Interfund transfers within the primary government

	Transfer In:			
	General	Community Mental Health	Nonmajor Governmental Funds	Total
Primary Government				
Transfer out:				
Major Funds:				
General Fund	\$ -	\$ 476,500	\$ 9,803,132	\$ 10,279,632
Delinquent Tax Revolving Fund	-	-	1,816,300	1,816,300
Internal Service Funds	776,865	-	3,261,439	4,038,304
Nonmajor Governmental Funds	-	947,149	629,974	1,577,123
	<u>\$ 776,865</u>	<u>\$ 1,423,649</u>	<u>\$ 15,510,845</u>	<u>\$ 17,711,359</u>
TOTAL	<u>\$ 776,865</u>	<u>\$ 1,423,649</u>	<u>\$ 15,510,845</u>	<u>\$ 17,711,359</u>

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018 amounted to \$62,131. Future minimum lease payments for these leases are as follows:

Year Ending September 30	Amount
2019	\$ 39,256
2020	46,645
2021	28,590
	<u>\$114,491</u>

The County is also a lessor under various operating lease agreements for office space and marinas. At September 30, 2018 the original cost of these assets was \$7,769,738 and the accumulated depreciation totals \$3,080,091 leaving a carrying value of \$4,689,647. Lease revenue for the year ended September 30, 2018 was \$874,703. Future lease revenues for these leases are as follows:

Year Ending September 30	Amount
2019	\$ 537,341
2020	537,543
2021	524,457
2022	479,150
2023	450,000
2024 - 2030	<u>3,562,500</u>
	<u>\$6,090,991</u>

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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%	\$30,015,000	\$ 53,183,501	\$ 1,793,064	\$ 84,991,565
Governmental activities - refunding	0.95 - 5.000%	9,085,000	54,275,000	-	63,360,000
Total		<u>\$39,100,000</u>	<u>\$107,458,501</u>	<u>\$ 1,793,064</u>	<u>\$148,351,565</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
2019	\$ 2,815,000	\$ 1,318,077	\$ 7,467,254	\$ 5,402,795
2020	3,145,000	1,229,405	7,039,236	4,697,781
2021	3,530,000	1,124,473	6,225,713	3,991,725
2022	4,010,000	1,001,306	6,454,115	3,767,938
2023	4,700,000	855,679	6,873,729	3,043,445
2024-2028	18,620,000	2,077,324	34,845,106	13,886,676
2029-2033	2,280,000	42,180	32,401,163	7,494,722
2034-2038	-	-	15,315,750	2,115,859
2039-2041	-	-	3,626,250	328,875
Total	<u>\$39,100,000</u>	<u>\$ 7,648,444</u>	<u>\$120,248,316</u>	<u>\$ 44,729,816</u>

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

8. LONG-TERM DEBT (continued)

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2018 was as follows:

Primary Government

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds					
OCBA 2007 bonds	\$ 475,000	\$ -	\$ 475,000	\$ -	\$ -
QECB 2013 bonds	4,035,000	-	365,000	3,670,000	365,000
Pension 2014 bonds	27,745,000	-	1,400,000	26,345,000	1,645,000
2015 Refunding bonds	10,550,000	-	1,465,000	9,085,000	805,000
Bond Premium	1,227,390	-	135,482	1,091,908	
Landfill reclamation	4,771,036	-	362,264	4,408,772	2,921,272
Compensated absences	2,837,519	131,627	8,265	2,960,881	2,864,439
Total	\$ 51,640,945	\$ 131,627	\$ 4,211,011	\$ 47,561,561	\$ 8,600,711

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

The reporting entity's legal debt margin at September 30, 2018 is \$1,338,549,494.

Discretely Presented Component Units

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$ 114,367,332	\$ -	\$ 6,585,767	\$ 107,781,565	\$ 6,235,767
Special assessment bonds	1,565,000	-	95,000	1,470,000	95,000
Notes payable	1,749,609	363,000	360,651	1,751,958	555,750
Claims payable	196,896	203,813	196,896	203,813	-
Compensated absences	1,421,431	323,707	383,613	1,361,525	141,868
Capital lease	9,806,944	-	562,151	9,244,793	580,738
Total	\$ 129,107,212	\$ 890,520	\$ 8,184,078	\$ 121,813,654	\$ 7,609,123

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. As of December 31, 2017, \$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, 2018

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 2018:

Discretely Presented Component Units

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018
Governmental activities:				
Various Drain notes payable, principal payments ranging from \$30,000 to \$150,000, due in 2019, plus interest of 1.69%	\$ -	\$435,000	\$ 30,000	\$ 405,000

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, 2018, \$4,165,000 was still outstanding.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

9. LANDFILL RECLAMATION

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

The pump and filter system were not effective in containing the plume of contaminants in the groundwater down gradient from the landfill. As a result, contaminants have escaped past the outer purge wells and are migrating southwest towards Lake Michigan. Even though the contaminated water meets drinking water standards, the County provided municipal water infrastructure to property owners in the path of the plume, and is working with the local unit of government to place institutional controls on future users moving into the area. The County has completed negotiations with the Michigan Department of Environmental Quality ("MDEQ"), formerly known as the DNR, with a revised plan to contain the contamination. The County recapped the landfill and enhanced the water filtration system with a project started in 2006. The County is reviewing the feasibility of a soil/bentonite onsite slurry wall and treatment system improvements to minimize additional contamination. Landfill post closure cost estimates are subject to change based on inflation, deflation, technology or changes to applicable laws or regulations.

The County's estimate of the costs of operating, maintaining and improvements to the landfill containment and treatment system are as follows:

Year Ending September 30	Present Value of Estimated Cost
2019	\$2,921,271
2020	413,543
2021	168,225
2022	113,791
2023	116,871
2024-2028	<u>675,071</u>
Total	<u>\$4,408,772</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

10. DEFINED BENEFIT PENSION PLAN

County of Ottawa

Plan description

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

Benefits provided

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

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2017):

Inactive employees or beneficiaries currently receiving benefits	586
Inactive employees entitled but not yet receiving benefits	183
Active employees	536
Total	1,305

Contributions

The County is required to contribute at an actuarially determined rate, which for the current year was \$467 to \$226,703 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date. Amounts due for pension liabilities are liquidated by the Governmental or Proprietary funds from which the related employees' compensation is paid.

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

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Net pension liability (continued)

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

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

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

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

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/16	\$273,495,148	\$213,948,789	\$59,546,359
Changes for the year:			
Service cost	4,292,728	-	4,292,728
Interest	21,530,960	-	21,530,960
Change in benefits	-	-	-
Differences between expected and actual experience	(314,505)	-	(314,505)
Change in assumptions	-	-	-
Employer contributions	-	5,820,947	(5,820,947)
Employee contributions	-	1,749,987	(1,749,987)
Net investment income	-	28,190,453	(28,190,453)
Benefit payments, including refunds	(13,008,781)	(13,008,781)	-
Administrative expense	-	(446,434)	446,434
Other changes	11	-	11
Net changes	12,500,413	22,306,172	(9,805,759)
Balance at 12/31/17	\$285,995,561	\$236,254,961	\$49,740,600

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	\$320,994,687	\$285,995,561	\$256,573,433
Fiduciary Net Position	236,254,961	236,254,961	236,254,961
Net Pension Liability	\$ 84,739,726	\$ 49,740,600	\$ 20,318,472

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018, the employer recognized pension expense of \$11,668,312. 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	\$ 135,950	\$ -
Differences in assumptions	5,706,189	-
Excess(deficit) investment returns	-	4,588,157
Contributions subsequent to the measurement date*	5,224,632	-
Total	<u>\$11,066,771</u>	<u>\$ 4,588,157</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 2019.

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

2019	\$ 4,028,701
2020	3,180,951
2021	(3,693,686)
2022	(2,261,984)
2022	-
Thereafter	<u>-</u>
Total	<u>\$1,253,982</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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 3 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2017):

Inactive employees or beneficiaries currently receiving benefits	140
Inactive employees entitled but not yet receiving benefits	14
Active employees	83
Total	237

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, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

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

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

Salary Increases: 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, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission (continued)

Net pension liability (continued)

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

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

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

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission (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 1/1/17	\$55,068,361	\$30,643,532	\$24,424,829
Changes for the year:			
Service cost	488,561	-	488,561
Interest	4,267,557	-	4,267,557
Change in benefits	-	-	-
Differences between expected and actual experience	4,281	-	4,281
Change in assumptions	-	-	-
Employer contributions	-	2,722,802	(2,722,802)
Employee contributions	-	220,722	(220,722)
Net investment income	-	3,984,142	(3,984,142)
Benefit payments, including refunds	(3,936,348)	(3,936,348)	-
Administrative expense	-	(63,097)	63,097
Other changes	-	-	-
Net changes	824,051	2,928,221	(2,104,170)
Balance at 12/31/17	\$55,892,412	\$33,571,753	\$22,320,659

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

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

	1% Decrease	Current Discount rate	1% Increase
Total Pension Liability	\$61,261,816	\$55,892,412	\$51,254,310
Fiduciary Net Position	33,571,753	33,571,753	33,571,753
Net Pension Liability	\$27,690,063	\$22,320,659	\$17,682,557

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018 the employer recognized pension expense of \$2,968,217. 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	\$ -	\$ 34,940
Differences in assumptions	606,975	-
Excess(deficit) investment returns	-	567,757
Contributions subsequent to the measurement date*	2,105,032	-
Total	\$2,712,007	\$ 602,697

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

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

2019	\$778,968
2020	44,614
2021	(504,324)
2022	(314,980)
2023	-
Thereafter	-
Total	\$ 4,278

Ottawa County Central Dispatch Authority

Plan description

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2016):

Active plan members	6
Inactive employees entitled but not yet receiving benefits	1
Inactive employees or beneficiaries currently receiving benefits	<u>10</u>
Total	17

Contributions

The Authority is required to contribute at an actuarially determined rate of \$8,921 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, 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:	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, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

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

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

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/15	\$2,284,124	\$1,774,438	\$509,686
Changes for the Year:			
Service Cost	29,487	-	29,487
Interest	179,505	-	179,505
Change in benefits	-	-	-
Differences between expected and actual experience	(28,378)	-	(28,378)
Change in assumptions	-	-	-
Contributions: employer	-	63,216	(63,216)
Contributions: employee	-	6,597	(6,597)
Net Investment income	-	201,649	(201,649)
Benefit payments, incl refunds	(110,099)	(110,099)	-
Administrative expense	-	(3,980)	3,980
Other Changes	1	-	1
Net Changes	70,516	157,383	(86,867)
Balance at 12/31/15	<u>\$2,354,640</u>	<u>\$1,931,821</u>	<u>\$422,819</u>

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

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

	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	\$ 2,576,295	\$ 2,354,640	\$ 2,161,808
Fiduciary Net Position	1,931,821	1,931,821	1,931,821
Net Pension Liability	<u>\$ 644,474</u>	<u>\$ 422,819</u>	<u>\$ 229,987</u>

Pension expense and deferred outflows of resources related to pensions

For the year ended December 31, 2017 the employer recognized pension expense of \$67,768. 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, 2018

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Central Dispatch Authority (continued)

	Deferred Outflows of Resources
Differences in experience	(\$14,189)
Differences in assumptions	-
Excess (deficit) investment returns	70,995
Contributions subsequent to the measurement date*	<u>79,884</u>
Total	<u>\$136,690</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, 2018.

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:

2018	\$15,766
2019	29,955
2020	23,378
2021	(12,293)
2022	-
Thereafter	<u>-</u>
Total	<u>\$56,806</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

11. DEFINED CONTRIBUTION PENSION PLAN

Primary Government

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

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes 3% of each participant's base salary to the plan. Employees are required to contribute a minimum of 3% of base pay to the plan. The County also matches employee contributions another 3% for a maximum County contribution of 6%. Participating employees are vested 50% after 3 years of service, 75% after 4 years of service, and 100% after 5 years of service. The plan provisions and contribution amounts were established by the Board and may be amended by the Board. The plan is administered by MERS. The County and member contributions were \$883,045 and \$924,023, respectively, for the current year.

Deferred compensation plan

The County offers to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to County employees with various options and employer contribution requirements depending on which bargaining unit the employee is a member. All plans permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County employee contributions for the year ended September 30, 2018 were \$2,114,395 and the County match was \$304,516.

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 \$85,658 and \$85,658, respectively, for the current year.

The Ottawa County Road Commission ("Commission") provides a defined contribution pension plan for eligible employees excluded from the defined benefit pension plan (externally managed), which provides pension benefits to qualified employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Commission's contribution for employees eligible to participate in the plans vests immediately. The Commission and employees contribute from 3 to 5% of participant coverage wages. Commission contributions were \$78,047 and participant contributions were \$65,497 to the plan during the year. The plan provisions and contribution amounts were established and may be amended by the Commission.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

11. DEFINED CONTRIBUTION PENSION PLAN (continued)

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 \$65,084 and OCCDA match was \$15,138 for the current year.

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

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

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2016, rolled forward to 2018:

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, 2018. The total OPEB liability was determined by an actuarial valuation as of October 1, 2016, projected to September 30, 2017 and rolled forward to September 30, 2018. Amounts due for OPEB liabilities are liquidated by the Governmental or Proprietary funds from which the related employees' compensation is paid. 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, 2018

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. The discount rate used for September 30, 2017 actuarial liability was 5.28%.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2017	\$7,198,033	\$5,205,196	\$1,992,837
Changes during the Year			
Service cost	76,635	-	76,635
Interest	381,186	-	381,186
Experience (gains)/losses	(381,561)	-	(381,561)
Change in actuarial assumptions	-	-	-
Contributions-employer, including receivable	-	174,677	(174,677)
Contributions-employee	-	-	-
Contribution to OPEB trust	-	-	-
Contributions/expenses paid from general operating funds	-	2,408	(2,408)
Contributions/benefit paid from general operating funds	-	110,442	(110,442)
Net investment income	-	508,448	(508,448)
Benefit payments; including refunds of employee contributions	(110,442)	(110,442)	-
Administrative expenses	-	(61,690)	61,690
Other changes	-	-	-
Total changes	(34,182)	623,843	(658,025)
Balanced at September 30, 2018	\$7,163,851	\$5,829,039	\$1,334,812

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

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

<u>Discount</u>	1% Decrease	Current Discount Rate	1% Increase
	4.28%	5.28%	6.28%
Total OPEB liability	\$7,931,376	\$7,163,851	\$6,512,111
Plan fiduciary net position	5,829,039	5,829,039	5,829,039
Net OPEB Liability	<u>\$2,102,337</u>	<u>\$1,334,812</u>	<u>\$ 683,072</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	\$6,366,430	\$7,163,851	\$8,117,493
Plan fiduciary net position	5,829,039	5,829,039	5,829,039
Net OPEB liability	<u>\$ 537,391</u>	<u>\$1,334,812</u>	<u>\$2,288,454</u>

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

For the year ended September 30, 2018 the County recognized OPEB expense of \$321,013. The County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$2,896,205	\$ 339,014
Differences in assumptions	-	1,138,463
Excess (deficit) invest returns	-	392,372
Total	<u>\$2,896,205</u>	<u>\$1,869,849</u>

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

<u>Year Ended 30-Sep</u>	<u>Amount Recognized</u>
2019	\$ 81,011
2020	81,011
2021	81,013
2022	150,753
2023	196,540
Thereafter	<u>436,028</u>
Total	<u>\$1,026,356</u>

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission

Plan Description and Benefits Provided

The Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides of health insurance premiums for retirees until age 65 (Medicare eligible). The plan was closed to non-bargaining employees hired after September 12, 2013 and bargaining employees hired after May 31, 2016. Benefit provisions are established through negotiations between the Commission and bargaining units and employee groups. The Commission makes 80% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan. During the year, the retiree contribution was changed from 16% to 20% and a benefit freeze was put in place for bargaining employees hired after May 31, 2016 and non-bargaining employees hired after September 12, 2013.

Membership of the Retiree Health plan consisted of the following at the date of the latest actuarial valuation (September 30, 2018):

Inactive employees or beneficiaries currently receiving benefits	20
Active plan members	<u>86</u>
Total	<u>106</u>

Contributions

The contribution requirements of Plan members and the Commission are established and may be amended by the Commission. The actuarially determined contributions are based on the actuarial valuation of the plan. The actual contributions to the plan are based on required pay-as-you-go contributions of 80% and 20% made by the Commission and employees respectively.

Net OPEB Liability

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

The total OPEB liability in the September 30, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: implicit in expected payroll increases Salary Increases: 2.0%

Discount rate: 3.0%

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

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

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study. The mortality rates, healthcare cost trend rate, the implicit subsidy, and the discount rate assumptions were all changed in the current actuarial valuation and a marital assumption was added.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

Discount rate. The discount rate used to measure the total OPEB liability is 3.0%. Because the plan does not have a dedicated OPEB trust, there are not assets projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long term expected rate would be used to discount the projected benefits. From the year projected benefits are not projected to be covered by the projected assets (the "depletion date"), projected benefits would be discounted at a discount rate reflecting a 20 year AA/Aa tax exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB Liability. September 30, 2018 is the first year of required compliance with GASB 75, so there is no required discount rate change to disclose.

Changes in the Net OPEB Liability	Total OPEB Liability (a)
Balance at September 30, 2017	\$1,809,780
Changes for the Year:	
Service cost	103,618
Interest	55,911
Change in benefits	(161,811)
Differences between expected and actual experience	(20,026)
Change in assumptions	1,400,314
Contributions: employer	-
Contributions: employee	-
Net investment income	-
Benefit payments, including refunds	(99,381)
Administrative expense	-
Other changes	-
Net changes	1,278,625
Balance at September 30, 2018	\$ 3,088,405

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

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

	1% Decrease	Current Discount rate	1 % increase
Total OPEB liability	\$3,257,218	\$3,088,405	\$2,927,399

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

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

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

	1% Decrease	Current Healthcare rate	1 % increase
Total OPEB liability	\$2,817,920	\$3,088,405	\$3,400,899

For the year ended September 30, 2018 the employer recognized OPEB expense of \$166,662.

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

For the year ended September 30, 2018 the employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 17,575
Differences in assumptions	1,228,919	-
Excess(deficit) investment returns	-	-
Total	\$ 1,228,919	\$ 17,575

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

2019	\$ 168,944
2020	168,944
2021	168,944
2022	168,944
2023	168,944
Thereafter	366,624
Total	\$ 1,211,344

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018 are based on the requirements of GASB Statement No.10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

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

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

The OCIA purchases municipal excess liability, auto liability, professional liability and property coverage. Property coverage carries a \$50,000 deductible and the liability coverages attach above a \$1 million self-insured retention for all other coverages. The liability policy provides coverage of up to \$5 million for liability protection. In addition, the OCIA provides coverage above the \$5 million for total aggregate coverage of \$20 million. The property coverage, including loss of income, is \$141,700,000, which is \$3,500,000 more than the prior year. Coverage was adjusted to reflect updated property values.

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

The changes in the claims liability for the fiscal year ended September 30, 2018 and the fiscal year ended September 30, 2017 as recorded in the OCIA are as follows:

	Current Year			
	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2018	\$10,985,506	\$ 1,200,294	\$ 560,988	\$11,624,812
2017	\$ 8,587,653	\$ 2,781,460	\$ 383,607	\$10,985,506

COUNTY OF OTTAWA, MICHIGAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

13. SELF-INSURANCE (continued)

The County's self-insured worker's compensation program provides Michigan statutorily required coverage for worker's compensation claims. It also provides employer's liability coverage of \$5 million above the \$750,000 self-insured retention. An independent third party administrator administers the program for an annual fee. The claim liability for known claims and incurred but not reported claims are determined by an actuary. The changes in worker's compensation liability for the fiscal year ended September 30, 2018 and the fiscal year ended September 30, 2017:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2018	\$266,296	\$156,295	\$144,671	\$277,920
2017	\$155,168	\$371,942	\$260,814	\$266,296

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 \$11,897 and \$45,836 for the fiscal year ended September 30, 2018 and the fiscal year ended September 30, 2017.

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, 2018

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 fiscal year ended September 30, 2018 and the fiscal year ended September 30, 2017 are as follows:

		Beginning of Year	Current Year	Claim	End of Year
		Liability	Claims and Changes	Payments	Liability
MCRCSIP Liability Plan					
	2018	\$ 3,900	\$ 59,670	\$ 63,570	\$ -
	2017	\$ -	\$ 3,900	\$ -	\$ 3,900
Workers' Compensation Plan					
	2018	\$192,996	\$ 84,446	\$ 73,629	\$203,813
	2017	\$ 15,417	\$222,973	\$ 45,394	\$192,996

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2018

15. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2018, the County provided OCCDA operating grants of \$4,585,748 from the 2017 levy.

During the year ended September 30, 2018, the County provided OCRC operating grants of \$4,072,398 from the 2017 levy.

Ottawa County Public Utilities System ("System") incurred expenses of \$675,000 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 \$15,019 for these goods and services.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

16. PRIOR PERIOD ADJUSTMENT

Discretely presented component units

Beginning net position for the Ottawa County Roads Commission was reduced by \$578,867 to record the beginning net OPEB liability and related deferred items required to implement GASB Statement No.75.

COUNTY OF OTTAWA, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

17. TAX ABATEMENTS

The County receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions. Industrial Facilities Tax Exemptions (IFT), entered into under the Plant Rehabilitation and Industrial Development Districts Act PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%. The amount of IFT Exemptions for the year ended September 30, 2018 was approximately \$765,000. Of the \$765,000 abated, approximately \$413,000 of the abatements were initiated by various townships in the County and \$352,000 were initiated by various cities in the County.

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, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 49,704,136	\$ 49,704,136	\$ 48,134,909	\$ (1,569,227)	\$ 48,181,160
Intergovernmental revenues	9,801,555	9,795,464	9,283,389	(512,075)	9,570,257
Charges for services	9,561,731	9,974,833	9,321,660	(653,173)	10,161,660
Fines and forfeits	90,600	90,600	92,636	2,036	72,511
Investment earnings (loss)	309,400	309,400	666,096	356,696	311,408
Licenses and permits	338,300	338,300	379,808	41,508	386,060
Rental income	2,022,271	2,022,271	1,911,381	(110,890)	2,098,049
Other	716,584	838,204	801,169	(37,035)	801,070
Total revenues	<u>72,544,577</u>	<u>73,073,208</u>	<u>70,591,048</u>	<u>(2,482,160)</u>	<u>71,582,175</u>
Expenditures					
Current operations					
Legislative	537,711	537,711	536,062	1,649	478,845
Judicial	13,987,201	14,290,087	13,806,620	483,467	13,381,098
General government	14,619,097	14,336,961	13,327,091	1,009,870	13,174,676
Public safety	27,916,118	28,457,844	28,201,349	256,495	26,951,268
Public works	5,414,155	5,414,155	5,407,463	6,692	5,352,750
Health and welfare	1,099,928	1,125,289	1,106,546	18,743	977,619
Community and economic development	1,497,517	1,258,290	1,253,223	5,067	1,210,268
Other expenditures	528,387	147,607	127,116	20,491	124,382
Total expenditures	<u>65,600,114</u>	<u>65,567,945</u>	<u>63,765,470</u>	<u>1,802,475</u>	<u>61,650,906</u>
Revenues over (under) expenditures	<u>6,944,463</u>	<u>7,505,263</u>	<u>6,825,578</u>	<u>(679,685)</u>	<u>9,931,269</u>
Other financing sources (uses)					
Transfers from other funds	2,652,217	2,653,217	776,865	(1,876,352)	1,347,599
Transfers to other funds	<u>(10,848,793)</u>	<u>(11,491,223)</u>	<u>(10,154,632)</u>	<u>1,336,591</u>	<u>(10,524,879)</u>
Total other financing sources (uses)	<u>(8,196,576)</u>	<u>(8,838,006)</u>	<u>(9,377,767)</u>	<u>(539,761)</u>	<u>(9,177,280)</u>
Net change in fund balance	(1,252,113)	(1,332,743)	(2,552,189)	(1,219,446)	753,989
Fund balance, beginning of year	<u>26,461,673</u>	<u>26,461,673</u>	<u>26,461,673</u>	<u>-</u>	<u>25,707,684</u>
Fund balance, end of year	<u>\$ 25,209,560</u>	<u>\$ 25,128,930</u>	<u>\$ 23,909,484</u>	<u>\$ (1,219,446)</u>	<u>\$ 26,461,673</u>

COUNTY OF OTTAWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2018

1. Budgets and budgetary accounting

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

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

The adjustments necessary to reconcile actual revenues and expenditures reported on a budgetary basis to actual revenues and expenditures reported in accordance with generally accepted accounting 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	\$ 71,367,913	\$ 73,920,102	\$ (2,552,189)
Funds classified with the general fund for purposes of GASB Statement #54			
Solid Waste Clean-up (2271)	41,148	299,044	(257,896)
Infrastructure (2444)	16,864	125,000	(108,136)
Stabilization (2570)	-	-	-
Eliminations	-	-	-
Statement of revenues, expenditures and changes in fund balance	<u>\$ 71,425,925</u>	<u>\$ 74,344,146</u>	<u>\$ (2,918,221)</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental revenues	\$ 35,247,401	\$ 35,597,332	\$ 35,492,696	\$ (104,636)	\$ 34,786,445
Charges for services	94,953	54,654	451,811	397,157	395,102
Investment earnings (loss)	-	-	(10,941)	(10,941)	(1,961)
Other	106,132	339,917	169,193	(170,724)	374,645
Total revenues	<u>35,448,486</u>	<u>35,991,903</u>	<u>36,102,759</u>	<u>110,856</u>	<u>35,554,231</u>
Expenditures					
Current operations					
Personnel services	9,763,106	9,530,151	9,170,469	359,682	9,071,923
Supplies	151,005	175,997	-	175,997	-
Other services and charges	27,658,325	28,082,286	28,358,848	(276,562)	27,232,693
Total expenditures	<u>37,572,436</u>	<u>37,788,434</u>	<u>37,529,317</u>	<u>259,117</u>	<u>36,304,616</u>
Revenues over (under) expenditures	<u>(2,123,950)</u>	<u>(1,796,531)</u>	<u>(1,426,558)</u>	<u>369,973</u>	<u>(750,385)</u>
Other financing sources (uses)					
Transfers from other funds	<u>2,123,950</u>	<u>1,865,386</u>	<u>1,423,649</u>	<u>(441,737)</u>	<u>776,521</u>
Total other financing sources (uses)	<u>2,123,950</u>	<u>1,865,386</u>	<u>1,423,649</u>	<u>(441,737)</u>	<u>776,521</u>
Net change in fund balance	-	68,855	(2,909)	(71,764)	26,136
Fund balance, beginning of year	<u>646,446</u>	<u>646,446</u>	<u>646,446</u>	<u>-</u>	<u>620,310</u>
Fund balance, end of year	<u>\$ 646,446</u>	<u>\$ 715,301</u>	<u>\$ 643,537</u>	<u>\$ (71,764)</u>	<u>\$ 646,446</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, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental revenues	\$ 2,464,297	\$ 2,992,114	\$ 2,837,985	\$ (154,129)	\$ 2,296,138
Investment earnings	-	29,974	31,219	1,245	(1,278)
Other	-	3,160	10,038	6,878	-
Total revenues	<u>2,464,297</u>	<u>3,025,248</u>	<u>2,879,242</u>	<u>(146,006)</u>	<u>2,294,860</u>
Expenditures					
Current operations					
Personnel services	398,281	304,218	296,785	7,433	265,729
Supplies	-	5,983	-	5,983	-
Other services and charges	<u>2,066,016</u>	<u>2,715,047</u>	<u>2,554,582</u>	<u>160,465</u>	<u>2,029,131</u>
Total expenditures	<u>2,464,297</u>	<u>3,025,248</u>	<u>2,851,367</u>	<u>173,881</u>	<u>2,294,860</u>
Revenues over (under) expenditures	-	-	27,875	(27,875)	-
Net change in fund balance	-	-	27,875	(27,875)	-
Fund balance, beginning of year	<u>21,720</u>	<u>21,720</u>	<u>21,720</u>	<u>-</u>	<u>21,720</u>
Fund balance, end of year	<u>\$ 21,720</u>	<u>\$ 21,720</u>	<u>\$ 49,595</u>	<u>\$ (27,875)</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, 2018

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

Notes to schedule:

Above amounts are based on December 31 of the prior year measurement dates.

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

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Notes to schedule

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

Notes to schedule:

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

COUNTY OF OTTAWA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 76,635	\$ 67,735
Interest	381,186	265,458
Changes in benefit terms	-	-
Difference between expected and actual experience	(381,561)	3,684,085
Changes in assumptions	-	(1,448,169)
Benefit payments including employee refunds	(110,442)	(511,808)
Other	-	-
Net change in total OPEB liability	<u>(34,182)</u>	<u>2,057,301</u>
Total OPEB liability, beginning of year	<u>7,198,033</u>	<u>5,140,732</u>
Total OPEB liability, ending of year	<u>\$ 7,163,851</u>	<u>\$ 7,198,033</u>
Plan Fiduciary Net Position		
Contributions-employer	\$ 174,677	\$ 80,471
Contributions-employee	112,850	-
Net Investment income	508,448	619,034
Benefit payments including employee refunds	(110,442)	(511,808)
Administrative expense	<u>(61,690)</u>	<u>(65,751)</u>
Net change in plan fiduciary net position	<u>623,843</u>	<u>121,946</u>
Plan fiduciary net position, beginning of year	<u>5,205,196</u>	<u>5,083,250</u>
Plan fiduciary net position, ending of year	<u>\$ 5,829,039</u>	<u>\$ 5,205,196</u>
Employer net OPEB liability	<u>\$ 1,334,812</u>	<u>\$ 1,992,837</u>
Plan fiduciary net position as a percentage of the total OPEB liability	81.4%	72.3%
Covered payroll	\$ 27,536,712	\$ 31,032,203
Employer's net OPEB liability as a percentage of employee payroll	5%	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.

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Notes to schedule:

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

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2018

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)
Assets			
Cash and pooled investments	\$ 11,964,612	\$ 3,279,093	\$ 1,355,744
Receivables (net of allowance for estimated uncollectibles)			
Taxes	10,740,530	-	-
Accounts	978,289	-	-
Accrued interest on investments	224,928	-	-
Due from other funds	58,501	-	-
Interfund receivable	1,882,792	-	-
Advances to component units	325,000	-	-
Due from other governmental units	2,836,451	-	-
Inventory of supplies	12,225	-	-
Prepaid expenditures	212,400	-	-
Total assets	<u>29,235,728</u>	<u>3,279,093</u>	<u>1,355,744</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	2,062,430	23,727	-
Due to other governmental units	47,119	-	-
Unearned revenue	836	-	-
Total liabilities	<u>2,110,385</u>	<u>23,727</u>	<u>-</u>
Deferred inflows of resources			
Aggregate deferred inflows	3,215,859	-	-
Fund balances			
Nonspendable	549,625	-	-
Restricted	611,591	-	-
Committed	3,019,893	3,255,366	1,355,744
Assigned	1,376,264	-	-
Unassigned	18,352,111	-	-
Total fund balances	<u>23,909,484</u>	<u>3,255,366</u>	<u>1,355,744</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,235,728</u>	<u>\$ 3,279,093</u>	<u>\$ 1,355,744</u>

(Continued)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2018

	Stabilization (2570)	Eliminations	Total
Assets			
Cash and pooled investments	\$ 9,255,217	\$ -	\$ 25,854,666
Receivables (net of allowance for estimated uncollectibles)			
Taxes	-	-	10,740,530
Accounts	-	-	978,289
Accrued interest on investments	-	-	224,928
Due from other funds	-	-	58,501
Interfund receivable	-	-	1,882,792
Advances to component units	-	-	325,000
Due from other governmental units	-	-	2,836,451
Inventory of supplies	-	-	12,225
Prepaid expenditures	-	-	212,400
	<u>-</u>	<u>-</u>	<u>212,400</u>
Total assets	<u>9,255,217</u>	<u>-</u>	<u>43,125,782</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	-	-	2,086,157
Due to other governmental units	-	-	47,119
Unearned revenue	-	-	836
	<u>-</u>	<u>-</u>	<u>836</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>2,134,112</u>
Deferred inflows of resources			
Aggregate deferred inflows	-	-	3,215,859
	<u>-</u>	<u>-</u>	<u>3,215,859</u>
Fund balances			
Nonspendable	-	-	549,625
Restricted	9,255,217	-	9,866,808
Committed	-	-	7,631,003
Assigned	-	-	1,376,264
Unassigned	-	-	18,352,111
	<u>-</u>	<u>-</u>	<u>18,352,111</u>
Total fund balances	<u>9,255,217</u>	<u>-</u>	<u>37,775,811</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,255,217</u>	<u>\$ -</u>	<u>\$ 43,125,782</u>

(Concluded)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)
Revenues			
Taxes	\$ 48,134,909	\$ -	\$ -
Intergovernmental revenues	9,283,389	-	-
Charges for services	9,321,660	-	-
Fines and forfeits	92,636	-	-
Investment earnings	666,096	41,148	16,864
Licenses and permits	379,808	-	-
Rental income	1,911,381	-	-
Other	801,169	-	-
Total revenues	<u>70,591,048</u>	<u>41,148</u>	<u>16,864</u>
Expenditures			
Current operations			
Legislative	536,062	-	-
Judicial	13,806,620	-	-
General government	13,327,091	-	-
Public safety	28,201,349	-	-
Public works	5,407,463	299,044	-
Health and welfare	1,106,546	-	-
Community and economic development	1,253,223	-	-
Other expenditures	127,116	-	-
Total expenditures	<u>63,765,470</u>	<u>299,044</u>	<u>-</u>
Revenues over (under) expenditures	<u>6,825,578</u>	<u>(257,896)</u>	<u>16,864</u>
Other financing sources (uses)			
Transfers from other funds	776,865	-	-
Transfers to other funds	<u>(10,154,632)</u>	<u>-</u>	<u>(125,000)</u>
Total other financing sources (uses)	<u>(9,377,767)</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	(2,552,189)	(257,896)	(108,136)
Fund balances, beginning of year	<u>26,461,673</u>	<u>3,513,262</u>	<u>1,463,880</u>
Fund balances, end of year	<u>\$ 23,909,484</u>	<u>\$ 3,255,366</u>	<u>\$ 1,355,744</u>

(Continued)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Stabilization (2570)	Eliminations	Total
Revenues			
Taxes	\$ -	\$ -	\$ 48,134,909
Intergovernmental revenues	-	-	9,283,389
Charges for services	-	-	9,321,660
Fines and forfeits	-	-	92,636
Investment earnings	-	-	724,108
Licenses and permits	-	-	379,808
Rental income	-	-	1,911,381
Other	-	-	801,169
	<u>-</u>	<u>-</u>	<u>801,169</u>
Total revenues	<u>-</u>	<u>-</u>	<u>70,649,060</u>
Expenditures			
Current operations			
Legislative	-	-	536,062
Judicial	-	-	13,806,620
General government	-	-	13,327,091
Public safety	-	-	28,201,349
Public works	-	-	5,706,507
Health and welfare	-	-	1,106,546
Community and economic development	-	-	1,253,223
Other expenditures	-	-	127,116
	<u>-</u>	<u>-</u>	<u>64,064,514</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>64,064,514</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>6,584,546</u>
Other financing sources (uses)			
Transfers from other funds	-	-	776,865
Transfers to other funds	-	-	(10,279,632)
	<u>-</u>	<u>-</u>	<u>(9,502,767)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(9,502,767)</u>
Net change in fund balances	-	-	(2,918,221)
Fund balances, beginning of year	<u>9,255,217</u>	<u>-</u>	<u>40,694,032</u>
Fund balances, end of year	<u>\$ 9,255,217</u>	<u>\$ -</u>	<u>\$ 37,775,811</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

Expenditures	Budget Amounts		Actual Amount	Variance Positive (Negative)	2017 Actual
	Original	Final			
Current operations					
Legislative					
Commissioners	\$ 537,711	\$ 537,711	\$ 536,062	\$ 1,649	\$ 478,845
Judicial:					
20th Circuit Court	3,304,028	3,340,715	3,294,297	46,418	3,139,635
58th District Court	8,440,549	8,698,658	8,371,149	327,509	8,153,130
Probate Court	928,587	924,036	867,398	56,638	847,473
Juvenile Services Division	1,118,194	1,118,035	1,088,048	29,987	1,061,120
Circuit Court Adult Probation	146,111	147,611	143,888	3,723	153,312
All other judicial	49,732	61,032	41,840	19,192	26,428
General government:					
Administrator	995,038	970,316	944,354	25,962	941,025
Fiscal Services	1,672,116	1,543,718	1,487,974	55,744	1,401,599
County Clerk	2,343,108	2,322,945	2,174,160	148,785	2,127,224
Prosecuting Attorney	3,996,864	3,970,560	3,832,862	137,698	3,744,769
County Treasurer	888,984	889,189	878,237	10,952	842,495
Equalization	1,334,202	1,322,967	1,318,914	4,053	1,269,227
Geographic Information Systems	525,305	524,066	491,091	32,975	421,692
MSU Extension	362,159	361,191	350,084	11,107	347,063
Facilities Maintenance	4,365,101	4,308,607	4,053,547	255,060	3,978,325
Corporate Counsel	248,313	246,849	233,759	13,090	264,823
Register of Deeds	668,832	661,637	588,457	73,180	603,587
Human Resources	998,614	990,902	811,326	179,576	761,074
Water Resources Commissioner	936,218	928,688	927,463	1,225	883,895
All other general government	111,902	122,985	96,034	26,951	96,173
Public safety:					
Sheriff	11,051,149	11,067,813	11,189,236	(121,423)	10,704,164
Jail	10,291,907	10,742,661	10,555,068	187,593	9,924,048
All other public safety	6,573,062	6,647,370	6,457,045	190,325	6,323,056
Public works	207,100	207,100	202,609	4,491	158,641
All other public works	5,207,055	5,207,055	5,204,854	2,201	5,194,109
Health and welfare:					
Substance Abuse	544,580	544,580	528,771	15,809	511,371
All other health and welfare	555,348	580,709	577,775	2,934	466,248
Community and economic development	1,497,517	1,258,290	1,253,223	5,067	1,210,268
Other expenditures:					
Insurance	128,387	128,387	127,116	1,271	124,382
Contingency	400,000	19,220	-	19,220	-
Transfers to Other Funds	10,848,793	11,491,223	10,154,632	1,336,591	10,524,879
Total	\$ 81,276,566	\$ 81,886,827	\$ 78,781,273	\$ 3,105,554	\$ 76,684,080
Allocated to other departments	(4,827,659)	(4,827,659)	(4,861,171)	33,512	(4,508,295)
Total Expenditures	\$ 76,448,907	\$ 77,059,168	\$ 73,920,102	\$ 3,139,066	\$ 72,175,785

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

SPECIAL REVENUE FUNDS

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

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

Friend of the Court (2160) - This fund accounts for the operations of the Friend of the Court including the Cooperative Reimbursement Grant, the Friend of the Court incentive payments established under Act 297 of 1982, Section 2530.

Other Governmental Grants (2180) - This fund was opened in 2012 and accounts for various grants, including judicial, public safety, and Community Action Agency grants.

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

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.

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

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

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

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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 (6810) – this fund was established by the County Board to set aside funds needed for startup costs associated with moving new hires to a defined contribution retirement system.

Compensated Absences (6800) – This fund is used to account for the future payments of accumulated sick pay of County employees under the sick days/short and long-term disability plan. This fund is also used to accrue vacation pay.

FIDUCIARY FUNDS

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

Agency Funds

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

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

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

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

SPECIAL REVENUE FUNDS (continued)

Department of Health and Human Services (2901) - This fund accounts for County appropriations to assist with the welfare program which offers aid to disadvantaged individuals of Ottawa County.

Child Care Funds (2920) - This fund is used to account for foster child care in the County, including the operating costs of the Ottawa County Detention Center, which is a facility that houses juveniles on a short-term basis and is funded by both the State and a County appropriation.

DEBT SERVICE FUND

Building Authority (3517) and Debt Service (3010, 3600) - These funds were established to account for the accumulation of resources for payment of principal and interest on bonds issued to finance building projects for the County of Ottawa. Financing is provided by cash rental payments pursuant to lease agreements with the County of Ottawa.

CAPITAL PROJECTS FUND

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

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
COMBINING BALANCE SHEET

SEPTEMBER 30, 2018

	Special Revenue				
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Community Mental Health Millage (2221)
Assets					
Cash and pooled investments	\$ 2,773,289	\$ 250	\$ -	\$ 607,708	\$ 1,931,745
Receivables (net of allowance for estimated uncollectibles)					
Taxes	2,652	-	-	-	-
Accounts	27,432	-	643	193,634	1,008
Due from other governmental units	420,000	588,664	878,410	212,533	131,631
Inventory of supplies	13,491	-	7,045	256,697	-
Prepaid expenditures	-	-	1,682	5,600	32,801
Total assets	3,236,864	588,914	887,780	1,276,172	2,097,185
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	298,002	81,108	129,695	222,971	122,032
Due to other governmental units	-	-	-	13,390	268,959
Interfund payable	-	507,806	345,099	-	-
Advances from other governmental units	-	-	-	-	-
Unearned revenue	90,965	-	20,515	380	1,008
Total liabilities	388,967	588,914	495,309	236,741	391,999
Deferred inflows of resources					
Aggregate deferred inflows	4,497	-	-	153,818	-
Fund balances					
Nonspendable	13,491	-	8,727	262,297	32,801
Restricted	2,829,909	-	383,744	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	623,316	1,672,385
Total fund balances	2,843,400	-	392,471	885,613	1,705,186
Total liabilities, deferred inflows of resources and fund balances	\$ 3,236,864	\$ 588,914	\$ 887,780	\$ 1,276,172	\$ 2,097,185

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2018

	Special Revenue			
	Landfill Tipping Fees (2272)	Farmland Preservation (2340)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)
Assets				
Cash and pooled investments	\$ 1,258,979	\$ 457	\$ 36,928	\$ 810,071
Receivables (net of allowance for estimated uncollectibles)				
Taxes	-	-	-	-
Accounts	53,141	-	-	-
Due from other governmental units	-	-	-	-
Inventory of supplies	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	<u>1,312,120</u>	<u>457</u>	<u>36,928</u>	<u>810,071</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	13,194	7	-	1,332
Due to other governmental units	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>13,194</u>	<u>7</u>	<u>-</u>	<u>1,332</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	-	36,928	808,739
Committed	-	450	-	-
Assigned	1,298,926	-	-	-
Total fund balances	<u>1,298,926</u>	<u>450</u>	<u>36,928</u>	<u>808,739</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,312,120</u>	<u>\$ 457</u>	<u>\$ 36,928</u>	<u>\$ 810,071</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2018

	Special Revenue			
	Federal Forfeiture (2620)	Sheriff Grants & Contracts (2630)	Concealed Pistol Licensing (2631)	Department of Health and Human Services (2901)
Assets				
Cash and pooled investments	\$ 46,453	\$ -	\$ 158,028	\$ 2,985
Receivables (net of allowance for estimated uncollectibles)				
Taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governmental units	-	1,358,163	-	-
Inventory of supplies	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	<u>46,453</u>	<u>1,358,163</u>	<u>158,028</u>	<u>2,985</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	-	161,747	1,159	2,985
Due to other governmental units	-	-	-	-
Interfund payable	-	718,009	-	-
Advances from other governmental units	-	478,406	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>1,358,162</u>	<u>1,159</u>	<u>2,985</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	46,453	1	156,869	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>46,453</u>	<u>1</u>	<u>156,869</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,453</u>	<u>\$ 1,358,163</u>	<u>\$ 158,028</u>	<u>\$ 2,985</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2018

	<u>Debt Service</u>		<u>Permanent</u>		<u>Total Nonmajor</u>	
	<u>Child Care</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Cemetery</u>	<u>Governmental Funds</u>	
	<u>(2920)</u>	<u>(3010)</u>	<u>Improvement</u>	<u>Trust</u>	<u>2018</u>	<u>2017</u>
Assets						
Cash and pooled investments	\$ 39,598	\$ 61,546	\$ 4,414,790	\$ -	\$ 12,142,827	\$ 12,950,635
Receivables (net of allowance for estimated uncollectibles)						
Taxes	-	-	-	-	2,652	3,701
Accounts	222,308	-	-	-	498,166	672,890
Due from other governmental units	1,159,290	-	-	-	4,748,691	3,844,920
Inventory of supplies	-	-	-	-	277,233	281,563
Prepaid expenditures	-	-	-	-	40,083	47,619
Total assets	<u>1,421,196</u>	<u>61,546</u>	<u>4,414,790</u>	<u>-</u>	<u>17,709,652</u>	<u>17,801,328</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	273,889	-	155,235	-	1,463,356	1,773,659
Due to other governmental units	-	-	-	-	282,349	41,104
Interfund payable	-	-	-	-	1,570,914	1,096,886
Advances from other governmental units	-	-	-	-	478,406	478,406
Unearned revenue	-	60,846	-	-	173,714	40,635
Total liabilities	<u>273,889</u>	<u>60,846</u>	<u>155,235</u>	<u>-</u>	<u>3,968,739</u>	<u>3,430,690</u>
Deferred inflows of resources						
Aggregate deferred inflows	222,308	-	-	-	380,623	584,577
Fund balances						
Nonspendable	-	-	-	-	317,316	334,952
Restricted	-	700	59,982	-	4,323,325	8,715,822
Committed	-	-	4,199,573	-	4,200,023	1,335
Assigned	924,999	-	-	-	4,519,626	4,733,952
Total fund balances	<u>924,999</u>	<u>700</u>	<u>4,259,555</u>	<u>-</u>	<u>13,360,290</u>	<u>13,786,061</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,421,196</u>	<u>\$ 61,546</u>	<u>\$ 4,414,790</u>	<u>\$ -</u>	<u>\$ 17,709,652</u>	<u>\$ 17,801,328</u>

(Concluded)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue				
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Community Mental Health Millage (2221)
Revenues					
Taxes	\$ 3,548,324	\$ -	\$ -	\$ -	\$ 3,064,031
Intergovernmental revenues	5,006,961	3,306,058	2,824,291	4,365,076	528,474
Charges for services	714,211	433,267	74,224	650,523	-
Investment earnings	55,259	-	-	-	31,242
Licenses and permits	-	-	-	1,027,568	-
Rental income	18,946	-	-	-	-
Other	1,525,874	-	10,086	81,322	24,168
Total revenues	<u>10,869,575</u>	<u>3,739,325</u>	<u>2,908,601</u>	<u>6,124,489</u>	<u>3,647,915</u>
Expenditures					
Current operations					
Judicial	-	4,801,950	972,445	-	-
General government	-	-	-	-	-
Public safety	-	-	169,379	-	-
Public works	-	-	160,126	-	-
Health and welfare	-	-	1,569,920	10,265,720	2,128,873
Culture and recreation	3,641,729	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	7,877,275	-	-	11,313	-
Total expenditures	<u>11,519,004</u>	<u>4,801,950</u>	<u>2,871,870</u>	<u>10,277,033</u>	<u>2,128,873</u>
Revenues over (under) expenditures	<u>(649,429)</u>	<u>(1,062,625)</u>	<u>36,731</u>	<u>(4,152,544)</u>	<u>1,519,042</u>
Other financing sources (uses)					
Transfers from other funds	6,000	1,062,625	22,961	3,582,994	-
Transfers to other funds	-	-	-	-	(1,197,149)
Total other financing sources (uses)	<u>6,000</u>	<u>1,062,625</u>	<u>22,961</u>	<u>3,582,994</u>	<u>(1,197,149)</u>
Net changes in fund balances	(643,429)	-	59,692	(569,550)	321,893
Fund balances, beginning of year	<u>3,486,829</u>	<u>-</u>	<u>332,779</u>	<u>1,455,163</u>	<u>1,383,293</u>
Fund balances, end of year	<u>\$ 2,843,400</u>	<u>\$ -</u>	<u>\$ 392,471</u>	<u>\$ 885,613</u>	<u>\$ 1,705,186</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue				
	Landfill Tipping Fees (2272)	Farmland Preservation (2340)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Federal Forfeiture (2620)
Revenues					
Taxes	\$ -	\$ -	\$ 2,488	\$ -	\$ -
Intergovernmental revenues	8,528	-	-	-	-
Charges for services	509,009	-	-	236,140	-
Investment earnings	-	-	409	9,229	180
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	34,131	-	-	-
Total revenues	<u>517,537</u>	<u>34,131</u>	<u>2,897</u>	<u>245,369</u>	<u>180</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	-	1,493	240,348	5,000
Public safety	-	-	-	-	-
Public works	417,803	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	35,016	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	169	-
Total expenditures	<u>417,803</u>	<u>35,016</u>	<u>1,493</u>	<u>240,517</u>	<u>5,000</u>
Revenues over (under) expenditures	<u>99,734</u>	<u>(885)</u>	<u>1,404</u>	<u>4,852</u>	<u>(4,820)</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	51,273
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,273</u>
Net changes in fund balances	99,734	(885)	1,404	4,852	46,453
Fund balances, beginning of year	<u>1,199,192</u>	<u>1,335</u>	<u>35,524</u>	<u>803,887</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,298,926</u>	<u>\$ 450</u>	<u>\$ 36,928</u>	<u>\$ 808,739</u>	<u>\$ 46,453</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue				Debt Service
	Sheriff Grants & Contracts (2630)	Concealed Pistol Licensing (2631)	Department of Health and Human Services (2901)	Child Care (2920)	Debt Service (3010)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	7,717,496	-	-	3,376,625	135,816
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	112,683	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	1,589,127	-
Total revenues	<u>7,717,496</u>	<u>112,683</u>	<u>-</u>	<u>4,965,752</u>	<u>135,816</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	76,749	-	-	-
Public safety	8,115,772	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	43,450	8,797,645	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	5,120,006
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,115,772</u>	<u>76,749</u>	<u>43,450</u>	<u>8,797,645</u>	<u>5,120,006</u>
Revenues over (under) expenditures	<u>(398,276)</u>	<u>35,934</u>	<u>(43,450)</u>	<u>(3,831,893)</u>	<u>(4,984,190)</u>
Other financing sources (uses)					
Transfers from other funds	398,277	-	42,780	3,792,422	4,984,190
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>398,277</u>	<u>-</u>	<u>42,780</u>	<u>3,792,422</u>	<u>4,984,190</u>
Net changes in fund balances	1	35,934	(670)	(39,471)	-
Fund balances, beginning of year	<u>-</u>	<u>120,935</u>	<u>670</u>	<u>964,470</u>	<u>700</u>
Fund balances, end of year	<u>\$ 1</u>	<u>\$ 156,869</u>	<u>\$ -</u>	<u>\$ 924,999</u>	<u>\$ 700</u>

(Continued)

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Permanent		Total Nonmajor Governmental Funds	
	Capital Improvement (4020)	Cemetery Trust (1500)	2018	2017
Revenues				
Taxes	\$ -	\$ -	\$ 6,614,843	\$ 6,522,472
Intergovernmental revenues	-	-	27,269,325	23,309,504
Charges for services	33,700	-	2,651,074	2,799,686
Investment earnings	45,451	71	141,841	(172)
Licenses and permits	-	-	1,140,251	1,007,880
Rental income	628,526	-	647,472	115,480
Other	16,072	-	3,280,780	1,563,044
Total revenues	723,749	71	41,745,586	35,317,894
Expenditures				
Current operations				
Judicial	-	-	5,774,395	5,563,240
General government	-	-	323,590	236,901
Public safety	-	-	8,285,151	8,211,269
Public works	-	-	577,929	559,034
Health and welfare	-	5,888	22,811,496	20,828,988
Culture and recreation	-	-	3,641,729	3,552,976
Community and economic development	-	-	35,016	2,583
Debt service	-	-	5,120,006	5,034,476
Capital outlay	1,647,010	-	9,535,767	6,190,534
Total expenditures	1,647,010	5,888	56,105,079	50,180,001
Revenues over (under) expenditures	(923,261)	(5,817)	(14,359,493)	(14,862,107)
Other financing sources (uses)				
Transfers from other funds	1,567,323	-	15,510,845	14,804,905
Transfers to other funds	(379,974)	-	(1,577,123)	(726,371)
Total other financing sources (uses)	1,187,349	-	13,933,722	14,078,534
Net changes in fund balances	264,088	(5,817)	(425,771)	(783,573)
Fund balances, beginning of year	3,995,467	5,817	13,786,061	14,569,634
Fund balances, end of year	\$ 4,259,555	\$ -	\$ 13,360,290	\$ 13,786,061

(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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,613,705	\$ 3,613,705	\$ 3,548,324	\$ (65,381)	\$ 3,428,114
Intergovernmental revenues	2,919,465	7,301,315	5,006,961	(2,294,354)	100,000
Charges for services	593,300	613,300	714,211	100,911	767,823
Investment earnings (loss)	60,000	30,000	55,259	25,259	1,188
Rental income	15,998	16,324	18,946	2,622	10,665
Other	1,135,094	3,840,980	1,525,874	(2,315,106)	291,490
Total revenues	<u>8,337,562</u>	<u>15,415,624</u>	<u>10,869,575</u>	<u>(4,546,049)</u>	<u>4,599,280</u>
Expenditures					
Current operations					
Personnel services	2,590,487	2,572,511	2,462,392	110,119	2,379,215
Supplies	323,502	335,502	299,474	36,028	286,912
Other services and charges	879,621	1,181,479	879,863	301,616	886,849
Capital outlay	4,596,232	13,885,284	7,877,275	6,008,009	2,378,383
Total expenditures	<u>8,389,842</u>	<u>17,974,776</u>	<u>11,519,004</u>	<u>6,455,772</u>	<u>5,931,359</u>
Revenues over (under) expenditures	<u>(52,280)</u>	<u>(2,559,152)</u>	<u>(649,429)</u>	<u>1,909,723</u>	<u>(1,332,079)</u>
Other financing sources (uses)					
Transfers from other funds	-	6,000	6,000	-	25,000
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	(52,280)	(2,553,152)	(643,429)	1,909,723	(1,307,079)
Fund balance, beginning of year	<u>3,486,829</u>	<u>3,486,829</u>	<u>3,486,829</u>	<u>-</u>	<u>4,793,908</u>
Fund balance, end of year	<u>\$ 3,434,549</u>	<u>\$ 933,677</u>	<u>\$ 2,843,400</u>	<u>\$ 1,909,723</u>	<u>\$ 3,486,829</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,362,350	3,399,825	3,306,058	(93,767)	3,136,059
Charges for services	462,600	440,159	433,267	(6,892)	437,094
Total revenues	<u>3,824,950</u>	<u>3,839,984</u>	<u>3,739,325</u>	<u>(100,659)</u>	<u>3,573,153</u>
Expenditures					
Current operations					
Personnel services	4,011,408	3,972,964	3,896,095	76,869	3,816,831
Supplies	82,437	82,437	67,492	14,945	59,010
Other services and charges	798,600	847,698	838,363	9,335	690,433
					-
Total expenditures	<u>4,892,445</u>	<u>4,903,099</u>	<u>4,801,950</u>	<u>101,149</u>	<u>4,566,274</u>
Revenues over (under) expenditures	<u>(1,067,495)</u>	<u>(1,063,115)</u>	<u>(1,062,625)</u>	<u>490</u>	<u>(993,121)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	1,067,495	1,063,115	1,062,625	(490)	993,121
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>1,067,495</u>	<u>1,063,115</u>	<u>1,062,625</u>	<u>(490)</u>	<u>993,121</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2017 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,708,674	3,214,212	2,824,291	(389,921)	2,786,066
Charges for services	65,000	71,500	74,224	2,724	59,313
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	13,600	17,155	10,086	(7,069)	20,849
Total revenues	2,787,274	3,302,867	2,908,601	(394,266)	2,866,228
Expenditures					
Current operations					
Judicial					
Personnel services	410,564	423,127	400,290	22,837	419,247
Supplies	97,080	55,615	53,187	2,428	34,720
Other services and charges	586,991	643,793	518,968	124,825	542,999
Public safety					
Personnel services	99,570	99,135	88,664	10,471	83,879
Supplies	12,500	47,889	60,662	(12,773)	38,579
Other services and charges	17,400	26,400	20,053	6,347	6,157
Public works					
Other services and charges	157,569	157,569	160,126	(2,557)	139,113
Health					
Personnel services	582,187	594,368	587,111	7,257	571,615
Supplies	197,915	490,620	341,136	149,484	476,475
Other services and charges	677,933	787,259	641,673	145,586	568,741
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	2,839,709	3,325,776	2,871,870	453,906	2,881,525
Revenues over (under) expenditures	(52,435)	(22,909)	36,731	59,640	(15,297)
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	52,890	23,397	22,961	(436)	34,849
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	52,890	23,397	22,961	(436)	34,849
Net change in fund balance	455	488	59,692	59,204	19,552
Fund balance, beginning of year	332,779	332,779	332,779	-	313,227
Fund balance, end of year	\$ 333,234	\$ 333,267	\$ 392,471	\$ 59,204	\$ 332,779

COUNTY OF OTTAWA

HEALTH (2210)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	4,238,196	4,587,569	4,365,076	(222,493)	4,422,008
Charges for services	774,965	840,655	650,523	(190,132)	693,973
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	961,690	1,069,820	1,027,568	(42,252)	912,356
Rental income	-	-	-	-	-
Other	11,500	69,000	81,322	12,322	44,591
Total revenues	<u>5,986,351</u>	<u>6,567,044</u>	<u>6,124,489</u>	<u>(442,555)</u>	<u>6,072,928</u>
Expenditures					
Current operations					
Personnel services	8,215,754	7,977,460	7,417,469	559,991	7,130,832
Supplies	957,639	1,044,284	820,367	223,917	822,831
Other services and charges	1,963,395	2,094,065	2,027,884	66,181	1,808,991
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	6,060	11,313	(5,253)	6,325
Total expenditures	<u>11,136,788</u>	<u>11,121,869</u>	<u>10,277,033</u>	<u>844,836</u>	<u>9,768,979</u>
Revenues over (under) expenditures	<u>(5,150,437)</u>	<u>(4,554,825)</u>	<u>(4,152,544)</u>	<u>(402,281)</u>	<u>(3,696,051)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	4,559,423	4,458,225	3,582,994	(875,231)	4,330,512
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>4,559,423</u>	<u>4,458,225</u>	<u>3,582,994</u>	<u>(875,231)</u>	<u>4,330,512</u>
Net change in fund balance	(591,014)	(96,600)	(569,550)	(1,277,511)	634,461
Fund balance, beginning of year	<u>1,455,163</u>	<u>1,455,163</u>	<u>1,455,163</u>	<u>-</u>	<u>820,702</u>
Fund balance, end of year	<u>\$ 864,149</u>	<u>\$ 1,358,563</u>	<u>\$ 885,613</u>	<u>\$(1,277,511)</u>	<u>\$ 1,455,163</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,121,176	\$ 3,121,176	\$ 3,064,031	\$ (57,145)	\$ 3,080,698
Intergovernmental revenues	617,382	654,826	528,474	(126,352)	385,976
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings (loss)	-	-	31,242	31,242	2,111
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	34,521	32,444	24,168	(8,276)	-
Total revenues	<u>3,773,079</u>	<u>3,808,446</u>	<u>3,647,915</u>	<u>(160,531)</u>	<u>3,468,785</u>
Expenditures					
Current operations					
Personnel services	298,291	247,113	241,681	5,432	312,596
Supplies	13,812	14,349	-	14,349	-
Other services and charges	1,533,003	2,072,011	1,887,192	184,819	1,218,275
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,845,106</u>	<u>2,333,473</u>	<u>2,128,873</u>	<u>204,600</u>	<u>1,530,871</u>
Revenues over (under) expenditures	<u>1,927,973</u>	<u>1,474,973</u>	<u>1,519,042</u>	<u>44,069</u>	<u>1,937,914</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(1,897,450)	(1,638,886)	(1,197,149)	441,737	(554,621)
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(1,897,450)</u>	<u>(1,638,886)</u>	<u>(1,197,149)</u>	<u>441,737</u>	<u>(554,621)</u>
Net change in fund balance	30,523	(163,913)	321,893	485,806	1,383,293
Fund balance, beginning of year	<u>1,383,293</u>	<u>1,383,293</u>	<u>1,383,293</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,413,816</u>	<u>\$ 1,219,380</u>	<u>\$ 1,705,186</u>	<u>\$ 485,806</u>	<u>\$ 1,383,293</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, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	28,000	28,000	8,528	(19,472)	23,590
Charges for services	431,000	448,699	509,009	60,310	474,008
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>459,000</u>	<u>476,699</u>	<u>517,537</u>	<u>40,838</u>	<u>497,598</u>
Expenditures					
Current operations					
Personnel services	286,477	289,055	253,129	35,926	258,486
Supplies	13,493	13,493	9,799	3,694	12,860
Other services and charges	181,469	193,469	154,875	38,594	148,575
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>481,439</u>	<u>496,017</u>	<u>417,803</u>	<u>78,214</u>	<u>419,921</u>
Revenues over (under) expenditures	<u>(22,439)</u>	<u>(19,318)</u>	<u>99,734</u>	<u>119,052</u>	<u>77,677</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	(22,439)	(19,318)	99,734	119,052	77,677
Fund balance, beginning of year	<u>1,199,192</u>	<u>1,199,192</u>	<u>1,199,192</u>	<u>-</u>	<u>1,121,515</u>
Fund balance, end of year	<u>\$ 1,176,753</u>	<u>\$ 1,179,874</u>	<u>\$ 1,298,926</u>	<u>\$ 119,052</u>	<u>\$ 1,199,192</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	49,600	-	(49,600)	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	45,788	114,947	34,131	(80,816)	3,254
Total revenues	<u>45,788</u>	<u>164,547</u>	<u>34,131</u>	<u>(130,416)</u>	<u>3,254</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	2,107	2,291	2,175	116	1,234
Other services and charges	43,681	162,256	32,841	129,415	1,349
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>45,788</u>	<u>164,547</u>	<u>35,016</u>	<u>129,531</u>	<u>2,583</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(885)</u>	<u>(885)</u>	<u>671</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	-	-	(885)	(885)	671
Fund balance, beginning of year	<u>1,335</u>	<u>1,335</u>	<u>1,335</u>	<u>-</u>	<u>664</u>
Fund balance, end of year	<u>\$ 1,335</u>	<u>\$ 1,335</u>	<u>\$ 450</u>	<u>\$ (885)</u>	<u>\$ 1,335</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 12,000	\$ 12,000	\$ 2,488	\$ (9,512)	\$ 13,660
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	185	185	409	224	34
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>12,185</u>	<u>12,185</u>	<u>2,897</u>	<u>(9,288)</u>	<u>13,694</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	100	100	-	100	-
Other services and charges	1,508	1,508	1,493	15	1,462
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,608</u>	<u>1,608</u>	<u>1,493</u>	<u>115</u>	<u>1,462</u>
Revenues over (under) expenditures	<u>10,577</u>	<u>10,577</u>	<u>1,404</u>	<u>(9,173)</u>	<u>12,232</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	10,577	10,577	1,404	(9,173)	12,232
Fund balance, beginning of year	<u>35,524</u>	<u>35,524</u>	<u>35,524</u>	<u>-</u>	<u>23,292</u>
Fund balance, end of year	<u>\$ 46,101</u>	<u>\$ 46,101</u>	<u>\$ 36,928</u>	<u>\$ (9,173)</u>	<u>\$ 35,524</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, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	245,000	245,000	236,140	(8,860)	247,010
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	9,229	9,229	97
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>245,369</u>	<u>369</u>	<u>247,107</u>
Expenditures					
Current operations					
Personnel services	69,502	68,495	66,377	2,118	65,988
Supplies	9,176	9,176	10,081	(905)	3,394
Other services and charges	169,759	169,759	163,890	5,869	114,364
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>36,400</u>	<u>36,400</u>	<u>169</u>	<u>36,231</u>	<u>9,211</u>
Total expenditures	<u>284,837</u>	<u>283,830</u>	<u>240,517</u>	<u>43,313</u>	<u>192,957</u>
Revenues over (under) expenditures	<u>(39,837)</u>	<u>(38,830)</u>	<u>4,852</u>	<u>43,682</u>	<u>54,150</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	(39,837)	(38,830)	4,852	43,682	54,150
Fund balance, beginning of year	<u>803,887</u>	<u>803,887</u>	<u>803,887</u>	<u>-</u>	<u>749,737</u>
Fund balance, end of year	<u>\$ 764,050</u>	<u>\$ 765,057</u>	<u>\$ 808,739</u>	<u>\$ 43,682</u>	<u>\$ 803,887</u>

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	180	180	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>180</u>	<u>180</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	5,000	5,000	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(5,000)</u>	<u>(4,820)</u>	<u>180</u>	<u>-</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	51,273	51,273	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>51,273</u>	<u>51,273</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	46,273	46,453	180	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 46,273</u>	<u>\$ 46,453</u>	<u>\$ 180</u>	<u>\$ -</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	7,981,545	7,974,434	7,717,496	(256,938)	7,649,698
Charges for services	-	-	-	-	5,750
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>7,981,545</u>	<u>7,974,434</u>	<u>7,717,496</u>	<u>(256,938)</u>	<u>7,655,448</u>
Expenditures					
Current operations					
Personnel services	7,523,046	7,499,521	7,230,621	268,900	7,280,685
Supplies	165,548	175,604	117,173	58,431	93,408
Other services and charges	773,272	798,916	767,978	30,938	708,561
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,461,866</u>	<u>8,474,041</u>	<u>8,115,772</u>	<u>358,269</u>	<u>8,082,654</u>
Revenues over (under) expenditures	<u>(480,321)</u>	<u>(499,607)</u>	<u>(398,276)</u>	<u>101,331</u>	<u>(427,206)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	480,321	499,607	398,277	(101,330)	427,206
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>480,321</u>	<u>499,607</u>	<u>398,277</u>	<u>(101,330)</u>	<u>427,206</u>
Net change in fund balance	-	-	1	1	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	110,000	110,500	112,683	2,183	95,524
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>110,000</u>	<u>110,500</u>	<u>112,683</u>	<u>2,183</u>	<u>95,524</u>
Expenditures					
Current operations					
Personnel services	49,086	58,035	56,642	1,393	40,405
Supplies	5,250	9,050	9,038	12	4,661
Other services and charges	11,071	11,071	11,069	2	6,627
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>65,407</u>	<u>78,156</u>	<u>76,749</u>	<u>1,407</u>	<u>51,693</u>
Revenues over (under) expenditures	<u>44,593</u>	<u>32,344</u>	<u>35,934</u>	<u>3,590</u>	<u>43,831</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	44,593	32,344	35,934	3,590	43,831
Fund balance, beginning of year	<u>120,935</u>	<u>120,935</u>	<u>120,935</u>	<u>-</u>	<u>77,104</u>
Fund balance, end of year	<u>\$ 165,528</u>	<u>\$ 153,279</u>	<u>\$ 156,869</u>	<u>\$ 3,590</u>	<u>\$ 120,935</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	395	395	-	395	-
Other services and charges	45,743	45,743	43,450	2,293	43,775
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>46,138</u>	<u>46,138</u>	<u>43,450</u>	<u>2,688</u>	<u>43,775</u>
Revenues over (under) expenditures	<u>(46,138)</u>	<u>(46,138)</u>	<u>(43,450)</u>	<u>2,688</u>	<u>(43,775)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	46,138	46,138	42,780	(3,358)	13,774
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>46,138</u>	<u>46,138</u>	<u>42,780</u>	<u>(3,358)</u>	<u>13,774</u>
Net change in fund balance	-	-	(670)	(670)	(30,001)
Fund balance, beginning of year	<u>670</u>	<u>670</u>	<u>670</u>	<u>-</u>	<u>30,671</u>
Fund balance, end of year	<u>\$ 670</u>	<u>\$ 670</u>	<u>\$ -</u>	<u>\$ (670)</u>	<u>\$ 670</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, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,925,355	3,925,355	3,376,625	(548,730)	3,064,787
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	<u>941,400</u>	<u>1,038,847</u>	<u>1,589,127</u>	<u>550,280</u>	<u>1,202,860</u>
Total revenues	<u>4,866,755</u>	<u>4,964,202</u>	<u>4,965,752</u>	<u>1,550</u>	<u>4,267,647</u>
Expenditures					
Current operations					
Personnel services	5,431,546	5,028,503	4,815,906	212,597	4,962,556
Supplies	329,450	341,408	272,874	68,534	221,185
Other services and charges	3,792,731	4,201,583	3,708,865	492,718	2,690,966
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,553,727</u>	<u>9,571,494</u>	<u>8,797,645</u>	<u>773,849</u>	<u>7,874,707</u>
Revenues over (under) expenditures	<u>(4,686,972)</u>	<u>(4,607,292)</u>	<u>(3,831,893)</u>	<u>775,399</u>	<u>(3,607,060)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	4,187,332	4,163,400	3,792,422	(370,978)	3,607,059
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,187,332</u>	<u>4,163,400</u>	<u>3,792,422</u>	<u>(370,978)</u>	<u>3,607,059</u>
Net change in fund balance	(499,640)	(443,892)	(39,471)	404,421	(1)
Fund balance, beginning of year	<u>964,470</u>	<u>964,470</u>	<u>964,470</u>	<u>-</u>	<u>964,471</u>
Fund balance, end of year	<u>\$ 464,830</u>	<u>\$ 520,578</u>	<u>\$ 924,999</u>	<u>\$ 404,421</u>	<u>\$ 964,470</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, 2018
(with comparative totals for year ended September 30, 2017)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2017 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	136,203	136,203	135,816	(387)	147,102
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>136,203</u>	<u>136,203</u>	<u>135,816</u>	<u>(387)</u>	<u>147,102</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	3,705,000	3,705,000	3,705,000	-	3,515,000
Interest and fiscal charges	1,415,457	1,415,457	1,415,006	451	1,519,476
Capital outlay	-	-	-	-	-
Total expenditures	<u>5,120,457</u>	<u>5,120,457</u>	<u>5,120,006</u>	<u>451</u>	<u>5,034,476</u>
Revenues over (under) expenditures	<u>(4,984,254)</u>	<u>(4,984,254)</u>	<u>(4,984,190)</u>	<u>64</u>	<u>(4,887,374)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers from other funds	4,984,254	4,984,254	4,984,190	(64)	4,888,074
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>4,984,254</u>	<u>4,984,254</u>	<u>4,984,190</u>	<u>(64)</u>	<u>4,888,074</u>
Net change in fund balance	-	-	-	-	700
Fund balance, beginning of year	<u>700</u>	<u>700</u>	<u>700</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 700</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	1,446,005	-	(1,446,005)	1,594,218
Charges for services	15,931	363,247	33,700	(329,547)	114,715
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	45,451	45,451	(3,679)
Licenses and permits	-	-	-	-	-
Rental income	282,350	282,350	628,526	346,176	104,815
Other	-	-	16,072	16,072	-
Total revenues	<u>298,281</u>	<u>2,091,602</u>	<u>723,749</u>	<u>(1,367,853)</u>	<u>1,810,069</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>2,555,588</u>	<u>8,556,910</u>	<u>1,647,010</u>	<u>6,909,900</u>	<u>3,796,615</u>
Total expenditures	<u>2,555,588</u>	<u>8,556,910</u>	<u>1,647,010</u>	<u>6,909,900</u>	<u>3,796,615</u>
Revenues over (under) expenditures	<u>(2,257,307)</u>	<u>(6,465,308)</u>	<u>(923,261)</u>	<u>5,542,047</u>	<u>(1,986,546)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	1,428,217	3,363,540	1,567,323	(1,796,217)	485,310
Transfers to other funds	<u>(379,588)</u>	<u>(379,588)</u>	<u>(379,974)</u>	<u>(386)</u>	<u>(171,750)</u>
Total other financing sources (uses)	<u>1,048,629</u>	<u>2,983,952</u>	<u>1,187,349</u>	<u>(1,796,603)</u>	<u>313,560</u>
Net change in fund balance	(829,090)	(3,481,356)	264,088	3,745,444	(1,672,986)
Fund balance, beginning of year	<u>3,995,467</u>	<u>3,995,467</u>	<u>3,995,467</u>	<u>-</u>	<u>5,668,453</u>
Fund balance, end of year	<u>\$ 3,166,377</u>	<u>\$ 514,111</u>	<u>\$ 4,259,555</u>	<u>\$ 3,745,444</u>	<u>\$ 3,995,467</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, 2018
(with comparative totals for year ended September 30, 2017)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2017 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	35	35	71	36	77
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>35</u>	<u>35</u>	<u>71</u>	<u>36</u>	<u>77</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	5,895	5,888	7	150
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>5,895</u>	<u>5,888</u>	<u>7</u>	<u>150</u>
Revenues over (under) expenditures	<u>35</u>	<u>(5,860)</u>	<u>(5,817)</u>	<u>43</u>	<u>(73)</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	(5,860)	(5,817)	43	(73)
Fund balance, beginning of year	<u>5,817</u>	<u>5,817</u>	<u>5,817</u>	<u>-</u>	<u>5,890</u>
Fund balance, end of year	<u>\$ 5,852</u>	<u>\$ (43)</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 5,817</u>

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2018
(with comparative totals at September 30, 2017)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)
Assets				
Current assets				
Cash and pooled investments	\$ 1,227,124	\$ 658,488	\$ 1,961,576	\$ 1,806,123
Investments	-	-	-	-
Accounts receivable	11,729	-	-	-
Accrued interest on investments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	<u>231,983</u>	<u>-</u>	<u>2,020</u>	<u>-</u>
Total current assets	<u>1,470,836</u>	<u>658,488</u>	<u>1,963,596</u>	<u>1,806,123</u>
Noncurrent assets				
Capital assets				
Office furniture and equipment	-	-	-	7,570,336
Copy machines	-	290,868	-	-
Telephone equipment	-	-	2,295,673	-
Vehicles	-	-	-	6,284,116
Construction In Progress	-	-	405,437	14,300
Less accumulated depreciation	<u>-</u>	<u>(226,856)</u>	<u>(2,209,499)</u>	<u>(9,964,039)</u>
Net capital assets	<u>-</u>	<u>64,012</u>	<u>491,611</u>	<u>3,904,713</u>
Total assets	<u>1,470,836</u>	<u>722,500</u>	<u>2,455,207</u>	<u>5,710,836</u>
Liabilities				
Current liabilities				
Accounts payable	148,713	85	24,416	450,166
Interfund payable	-	-	-	-
Unearned Revenue	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>148,713</u>	<u>85</u>	<u>24,416</u>	<u>450,166</u>
Net position				
Invested in capital assets	-	64,012	491,611	3,904,713
Unrestricted	<u>1,322,123</u>	<u>658,403</u>	<u>1,939,180</u>	<u>1,355,957</u>
Total net position	<u>\$ 1,322,123</u>	<u>\$ 722,415</u>	<u>\$ 2,430,791</u>	<u>\$ 5,260,670</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2018
(with comparative totals at September 30, 2017)

	Protected Self-Funded Insurance Programs <u>(6770)</u>	Employee Benefits <u>(6771)</u>	Protected Self-Funded Unemployment <u>(6772)</u>	Long-Term Disability Insurance <u>(6775)</u>
Assets				
Current assets				
Cash and pooled investments	\$ -	\$ 1,949,800	\$ 921,486	\$ 343,702
Investments	-	-	-	-
Accounts receivable	-	232,189	-	-
Accrued interest on investments	-	-	-	-
Due from other funds	4,110,760	-	-	-
Prepaid expenses	52,388	73,051	-	-
Total current assets	<u>4,163,148</u>	<u>2,255,040</u>	<u>921,486</u>	<u>343,702</u>
Noncurrent assets				
Capital assets				
Office furniture and equipment	-	-	-	-
Copy machines	-	-	-	-
Telephone equipment	-	-	-	-
Vehicles	-	-	-	-
Construction In Progress	-	-	-	-
Less accumulated depreciation	-	-	-	-
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,163,148</u>	<u>2,255,040</u>	<u>921,486</u>	<u>343,702</u>
Liabilities				
Current liabilities				
Accounts payable	732,611	27,459	19,612	35,384
Interfund payable	311,878	-	-	-
Unearned Revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>1,044,489</u>	<u>27,459</u>	<u>19,612</u>	<u>35,384</u>
Net position				
Invested in capital assets	-	-	-	-
Unrestricted	3,118,659	2,227,581	901,874	308,318
Total net position	<u>\$ 3,118,659</u>	<u>\$ 2,227,581</u>	<u>\$ 901,874</u>	<u>\$ 308,318</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2018
(with comparative totals at September 30, 2017)

	Ottawa County, Michigan Insurance Authority <u>(6780)</u>	DB/DC Conversion <u>6810</u>	Compensated Absences <u>6800</u>	<u>Totals</u>	
				<u>2018</u>	<u>2017</u>
Assets					
Current assets					
Cash and pooled investments	\$ 951,727	\$ 3,390,247	\$ 3,008,694	\$ 16,218,967	\$ 17,357,654
Investments	42,841,402	-	-	42,841,402	40,256,561
Accounts receivable	-	-	-	243,918	241,673
Accrued interest on investments	81,750	-	-	81,750	75,465
Due from other funds	-	-	-	4,110,760	3,947,442
Prepaid expenses	201,445	-	-	560,887	568,043
Total current assets	<u>44,076,324</u>	<u>3,390,247</u>	<u>3,008,694</u>	<u>64,057,684</u>	<u>62,446,838</u>
Noncurrent assets					
Capital assets					
Office furniture and equipment	-	-	-	7,570,336	7,269,723
Copy machines	-	-	-	290,868	325,439
Telephone equipment	-	-	-	2,295,673	2,295,673
Vehicles	-	-	-	6,284,116	5,556,123
Construction In Progress	-	-	-	419,737	-
Less accumulated depreciation	-	-	-	(12,400,394)	(11,392,475)
Net capital assets	-	-	-	4,460,336	4,054,483
Total assets	<u>44,076,324</u>	<u>3,390,247</u>	<u>3,008,694</u>	<u>68,518,020</u>	<u>66,501,321</u>
Liabilities					
Current liabilities					
Accounts payable	11,635,978	-	-	13,074,424	11,913,752
Interfund payable	-	-	-	311,878	-
Unearned Revenue	144,567	-	-	144,567	-
Due to other funds	4,169,261	-	-	4,169,261	3,947,442
Total liabilities	<u>15,949,806</u>	<u>-</u>	<u>-</u>	<u>17,700,130</u>	<u>15,861,194</u>
Net position					
Invested in capital assets	-	-	-	4,460,336	4,054,483
Unrestricted	28,126,518	3,390,247	3,008,694	46,357,554	46,585,644
Total net position	<u>\$ 28,126,518</u>	<u>\$ 3,390,247</u>	<u>\$ 3,008,694</u>	<u>\$ 50,817,890</u>	<u>\$ 50,640,127</u>

(Concluded)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)
Operating revenues				
Charges for services	\$ 4,490,438	\$ 57,130	\$ 612,321	\$ 1,483,995
Other revenue	-	-	66	220,841
Total operating revenues	<u>4,490,438</u>	<u>57,130</u>	<u>612,387</u>	<u>1,704,836</u>
Operating expenses				
Personnel services	2,193,540	4,412	143,257	29,349
Contractual services	-	-	-	-
Supplies	94,014	312	6,568	-
Depreciation	-	42,167	73,090	1,607,598
Building and equipment rental	308,268	-	-	-
Claims and legal	-	-	-	-
Miscellaneous	2,067,698	1,225	418,912	8,004
Total operating expenses	<u>4,663,520</u>	<u>48,116</u>	<u>641,827</u>	<u>1,644,951</u>
Operating income (loss)	<u>(173,082)</u>	<u>9,014</u>	<u>(29,440)</u>	<u>59,885</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	13,869	7,511	27,679	14,987
Net change in the fair value of investments	-	-	-	-
Gain (loss) on retirement of capital assets	-	(1,031)	-	100,194
Total nonoperating revenues	<u>13,869</u>	<u>6,480</u>	<u>27,679</u>	<u>115,181</u>
Income (loss) before transfers	(159,213)	15,494	(1,761)	175,066
Transfers				
Transfers to other funds	-	-	(150,000)	-
Total transfers	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Change in net position	(159,213)	15,494	(151,761)	175,066
Total net position, beginning of year	<u>1,481,336</u>	<u>706,921</u>	<u>2,582,552</u>	<u>5,085,604</u>
Total net position, end of year	<u>\$ 1,322,123</u>	<u>\$ 722,415</u>	<u>\$ 2,430,791</u>	<u>\$ 5,260,670</u>

(Continued)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)
Operating revenues				
Charges for services	\$ 219,454	\$ 11,889,278	\$ 407,890	\$ 108,444
Other revenue	-	-	-	-
Total operating revenues	<u>219,454</u>	<u>11,889,278</u>	<u>407,890</u>	<u>108,444</u>
Operating expenses				
Personnel services	183,050	188,342	50,977	8,439
Contractual services	-	-	-	-
Supplies	11	-	-	-
Depreciation	-	-	-	-
Building and equipment rental	-	-	-	-
Claims and legal	-	-	-	-
Miscellaneous	<u>228,921</u>	<u>11,762,877</u>	<u>119,256</u>	<u>92,268</u>
Total operating expenses	<u>411,982</u>	<u>11,951,219</u>	<u>170,233</u>	<u>100,707</u>
Operating income (loss)	<u>(192,528)</u>	<u>(61,941)</u>	<u>237,657</u>	<u>7,737</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	51,777	(818,232)	8,724	3,692
Net change in the fair value of investments	-	-	-	-
Gain (loss) on retirement of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues	<u>51,777</u>	<u>(818,232)</u>	<u>8,724</u>	<u>3,692</u>
Income (loss) before transfers	(140,751)	(880,173)	246,381	11,429
Transfers				
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(140,751)	(880,173)	246,381	11,429
Total net position, beginning of year	<u>3,259,410</u>	<u>3,107,754</u>	<u>655,493</u>	<u>296,889</u>
Total net position, end of year	<u>\$ 3,118,659</u>	<u>\$ 2,227,581</u>	<u>\$ 901,874</u>	<u>\$ 308,318</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)

	Ottawa County, Michigan Insurance Authority (6780)	DB/DC Conversion (6810)	Compensated Absences (6800)	Totals	
				2018	2017
Operating revenues					
Charges for services	\$ 1,787,140	\$ -	\$ 131,627	\$ 21,187,717	\$ 20,766,419
Other revenue	72,687	2,417,790	-	2,711,384	4,580,786
Total operating revenues	<u>1,859,827</u>	<u>2,417,790</u>	<u>131,627</u>	<u>23,899,101</u>	<u>25,347,205</u>
Operating expenses					
Personnel services	-	-	8,721	2,810,087	2,735,896
Contractual services	1,013,130	-	-	1,013,130	773,545
Supplies	-	-	-	100,905	96,253
Depreciation	-	-	-	1,722,855	1,604,709
Building and equipment rental	-	-	-	308,268	272,629
Claims and legal	1,200,302	-	-	1,200,302	2,781,460
Miscellaneous	-	-	-	14,699,161	14,117,016
Total operating expenses	<u>2,213,432</u>	<u>-</u>	<u>8,721</u>	<u>21,854,708</u>	<u>22,381,508</u>
Operating income (loss)	<u>(353,605)</u>	<u>2,417,790</u>	<u>122,906</u>	<u>2,044,393</u>	<u>2,965,697</u>
Nonoperating revenues (expenses)					
Investment earnings (loss)	870,218	31,482	41,100	252,807	855,447
Net change in the fair value of investments	1,819,704	-	-	1,819,704	2,620,225
Gain (loss) on retirement of capital assets	-	-	-	99,163	38,115
Total nonoperating revenues	<u>2,689,922</u>	<u>31,482</u>	<u>41,100</u>	<u>2,171,674</u>	<u>3,513,787</u>
Income (loss) before transfers	2,336,317	2,449,272	164,006	4,216,067	6,479,484
Transfers					
Transfers to other funds	<u>(150,000)</u>	<u>(2,963,304)</u>	<u>(775,000)</u>	<u>(4,038,304)</u>	<u>(3,738,625)</u>
Total transfers	<u>(150,000)</u>	<u>(2,963,304)</u>	<u>(775,000)</u>	<u>(4,038,304)</u>	<u>(3,738,625)</u>
Change in net position	2,186,317	(514,032)	(610,994)	177,763	2,740,859
Total net position, beginning of year	<u>25,940,201</u>	<u>3,904,279</u>	<u>3,619,688</u>	<u>50,640,127</u>	<u>47,899,268</u>
Total net position, end of year	<u>\$ 28,126,518</u>	<u>\$ 3,390,247</u>	<u>\$ 3,008,694</u>	<u>\$ 50,817,890</u>	<u>\$ 50,640,127</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)**

	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	\$ 4,487,840	\$ 57,130	\$ 612,387	\$ 1,704,836	\$ 531,332	\$ 11,889,631
Cash payments to suppliers for goods and services	(2,388,184)	(1,534)	(406,604)	426,339	(237,388)	(11,809,122)
Cash payments for self-funded insurance claims	-	-	-	-	-	-
Cash payments to employees for services	<u>(2,193,540)</u>	<u>(4,412)</u>	<u>(143,257)</u>	<u>(29,349)</u>	<u>(183,050)</u>	<u>(188,342)</u>
Net cash provided by (used for) operating activities	<u>(93,884)</u>	<u>51,184</u>	<u>62,526</u>	<u>2,101,826</u>	<u>110,894</u>	<u>(107,833)</u>
Cash flow from noncapital financing activities						
Transfers in from other funds	-	-	-	-	-	-
Transfers out to other funds	-	-	<u>(150,000)</u>	-	-	-
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	-	(11,445)	(405,437)	(1,711,826)	-	-
Proceeds from sale of equipment	-	-	-	100,194	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(11,445)</u>	<u>(405,437)</u>	<u>(1,611,632)</u>	<u>-</u>	<u>-</u>
Cash flow from investing activities						
Purchase of investments	-	-	-	-	-	-
Interest on investments	13,869	7,511	27,679	14,987	(111,541)	(818,232)
Proceeds from sale of investments	-	<u>(1,031)</u>	-	-	-	-
Net cash provided by (used for) investing activities	<u>13,869</u>	<u>6,480</u>	<u>27,679</u>	<u>14,987</u>	<u>(111,541)</u>	<u>(818,232)</u>
Net increase (decrease) in cash and pooled investments	(80,015)	46,219	(465,232)	505,181	(647)	(926,065)
Cash and pooled investments, beginning 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>
Cash and pooled investments, end of year	<u>\$ 1,227,124</u>	<u>\$ 658,488</u>	<u>\$ 1,961,576</u>	<u>\$ 1,806,123</u>	<u>\$ -</u>	<u>\$ 1,949,800</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (173,082)	\$ 9,014	\$ (29,440)	\$ 59,885	\$ (192,528)	\$ (61,941)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation provided by (used for) operating activities	-	42,167	73,090	1,607,598	-	-
(Increase) decrease in receivables	(2,598)	-	-	-	-	353
(Increase) decrease in prepaid expenses	47,980	-	6,257	-	-	(70,150)
Increase (decrease) in unpaid claims liability	-	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-	-	-
Increase (decrease) in accounts payable	33,816	3	12,619	434,343	(8,456)	23,905
Increase (decrease) in due to other funds	-	-	-	-	311,878	-
Net cash provided by (used for) operating activities	<u>\$ (93,884)</u>	<u>\$ 51,184</u>	<u>\$ 62,526</u>	<u>\$ 2,101,826</u>	<u>\$ 110,894</u>	<u>\$ (107,833)</u>

(Continued)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2018
(with comparative totals for year ended September 30, 2017)

	Protected	Long-Term	Ottawa County,	DB/DC	Compensated	Totals	
	Self-Funded Unemployment (6772)	Disability Insurance (6775)	Michigan Insurance Authority (6780)	Conversion (6810)	Absences (6800)	2018	2017
Cash flow from operating activities							
Cash received from interfund services provided	\$ 407,890	\$ 108,444	\$ 2,004,394	\$ 2,417,790	\$ 131,627	\$ 24,353,301	\$ 25,136,509
Cash payments to suppliers for goods and services	(135,207)	(62,347)	163,318	-	-	(14,450,729)	(15,451,966)
Cash payments for self-funded insurance claims	-	-	(973,264)	-	-	(973,264)	(825,976)
Cash payments to employees for services	(50,977)	(8,439)	(508,126)	-	(8,721)	(3,318,213)	(3,092,051)
Net cash provided by (used for) operating activities	<u>221,706</u>	<u>37,658</u>	<u>686,322</u>	<u>2,417,790</u>	<u>122,906</u>	<u>5,611,095</u>	<u>5,766,516</u>
Cash flow from noncapital financing activities							
Transfers in from other funds	-	-	-	-	-	-	-
Transfers out to other funds	-	-	(150,000)	(2,963,304)	(775,000)	(4,038,304)	(3,738,625)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(2,963,304)</u>	<u>(775,000)</u>	<u>(4,038,304)</u>	<u>(3,738,625)</u>
Cash flow from capital and related financing activities							
Acquisition of capital assets	-	-	-	-	-	(2,128,708)	(1,275,773)
Proceeds from sale of equipment	-	-	-	-	-	100,194	38,115
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,028,514)</u>	<u>(1,237,658)</u>
Cash flow from investing activities							
Purchase of investments	-	-	(18,235,978)	-	-	(18,235,978)	(33,297,278)
Interest on investments	8,724	3,692	863,933	31,482	41,100	83,204	950,587
Proceeds from sale of investments	-	-	17,470,841	-	-	17,469,810	31,887,127
Net cash provided by (used for) investing activities	<u>8,724</u>	<u>3,692</u>	<u>98,796</u>	<u>31,482</u>	<u>41,100</u>	<u>(682,964)</u>	<u>(459,564)</u>
Net increase (decrease) in cash and pooled investments	230,430	41,350	635,118	(514,032)	(610,994)	(1,138,687)	330,669
Cash and pooled investments, beginning 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>17,026,985</u>
Cash and pooled investments, end of year	<u>\$ 921,486</u>	<u>\$ 343,702</u>	<u>\$ 951,727</u>	<u>\$ 3,390,247</u>	<u>\$ 3,008,694</u>	<u>\$ 16,218,967</u>	<u>\$ 17,357,654</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ 237,657	\$ 7,737	\$ (353,605)	\$ 2,417,790	\$ 122,906	\$ 2,044,393	\$ 2,965,697
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation provided by (used for) operating activities	-	-	-	-	-	1,722,855	1,604,709
(Increase) decrease in receivables	-	-	-	-	-	(2,245)	(210,696)
(Increase) decrease in prepaid expenses	-	-	23,069	-	-	7,156	(134,403)
Increase (decrease) in unpaid claims liability	-	-	631,929	-	-	631,929	2,397,853
Increase (decrease) in unearned revenue	-	-	144,567	-	-	144,567	-
Increase (decrease) in accounts payable	(15,951)	29,921	18,543	-	-	528,743	(773,413)
Increase (decrease) in due to other funds	-	-	221,819	-	-	533,697	(83,231)
Net cash provided by (used for) operating activities	<u>\$ 221,706</u>	<u>\$ 37,658</u>	<u>\$ 686,322</u>	<u>\$ 2,417,790</u>	<u>\$ 122,906</u>	<u>\$ 5,611,095</u>	<u>\$ 5,766,516</u>

Noncash investing activities

The change in fair value of investments for the internal service funds was \$1,819,704.

(Concluded)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2018
(with comparative totals at September 30, 2017)

	<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>2018</u>	<u>2017</u>
Assets							
Cash and pooled investments	\$ 23,231,186	\$ 2,481	\$ 205,778	\$ 1,135,452	\$ 194,132	\$ 24,769,029	\$ 37,570,186
Accounts receivable	6,032	-	-	-	-	6,032	4,935
Due from other governmental units	<u>263,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,753</u>	<u>539,014</u>
Total assets	<u>\$ 23,500,971</u>	<u>\$ 2,481</u>	<u>\$ 205,778</u>	<u>\$ 1,135,452</u>	<u>\$ 194,132</u>	<u>\$ 25,038,814</u>	<u>\$ 38,114,135</u>
Liabilities							
Due to other governmental units:							
Due to State of Michigan	\$ 22,055,382	\$ -	\$ -	\$ 1,090,869	\$ -	\$ 23,146,251	\$ 37,652,470
Fines and fees due to local libraries	-	-	205,778	-	-	205,778	217,190
Agency deposits	<u>1,445,589</u>	<u>2,481</u>	<u>-</u>	<u>44,583</u>	<u>194,132</u>	<u>1,686,785</u>	<u>244,475</u>
Total liabilities	<u>\$ 23,500,971</u>	<u>\$ 2,481</u>	<u>\$ 205,778</u>	<u>\$ 1,135,452</u>	<u>\$ 194,132</u>	<u>\$ 25,038,814</u>	<u>\$ 38,114,135</u>

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Trust and agency fund (7010)

	Balance October 1, 2017	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2018
Assets				
Cash and pooled investments	\$ 36,187,563	\$ 136,160,315	\$ 149,116,692	\$ 23,231,186
Accounts receivable	4,935	21,487,799	21,486,702	6,032
Due from other governmental units	<u>432,698</u>	<u>22,061,393</u>	<u>22,230,338</u>	<u>263,753</u>
Total assets	<u>\$ 36,625,196</u>	<u>\$ 179,709,507</u>	<u>\$ 192,833,732</u>	<u>\$ 23,500,971</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 36,618,236	\$ 147,019,487	\$ 161,582,341	\$ 22,055,382
Agency deposits	<u>6,960</u>	<u>100,988,670</u>	<u>99,550,041</u>	<u>1,445,589</u>
Total liabilities	<u>\$ 36,625,196</u>	<u>\$ 248,008,157</u>	<u>\$ 261,132,382</u>	<u>\$ 23,500,971</u>

Juvenile Court fund (7015)

Assets				
Cash and pooled investments	\$ 1,308	\$ 31,985	\$ 30,812.00	\$ 2,481
Total assets	<u>\$ 1,308</u>	<u>\$ 31,985</u>	<u>\$ 30,812.00</u>	<u>\$ 2,481</u>
Liabilities				
Agency deposits	<u>1,308</u>	<u>75,578</u>	<u>74,405</u>	<u>2,481</u>
Total liabilities	<u>\$ 1,308</u>	<u>\$ 75,578</u>	<u>\$ 74,405</u>	<u>\$ 2,481</u>

(Continued)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Library penal fine fund (7210)

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Assets				
Cash and pooled investments	\$ 110,874	\$ 853,349	\$ 758,445	\$ 205,778
Due from other governmental units	<u>106,316</u>	<u>-</u>	<u>106,316</u>	<u>-</u>
Total assets	<u>\$ 217,190</u>	<u>\$ 853,349</u>	<u>\$ 864,761</u>	<u>\$ 205,778</u>
Liabilities				
Due to other governmental units				
Fines and fees due to local libraries	<u>\$ 217,190</u>	<u>\$ 873,648</u>	<u>\$ 885,060</u>	<u>\$ 205,778</u>
Total liabilities	<u>\$ 217,190</u>	<u>\$ 873,648</u>	<u>\$ 885,060</u>	<u>\$ 205,778</u>

Imprest payroll fund (7040)

Assets				
Cash and pooled investments	<u>\$ 1,075,979</u>	<u>\$ 15,348,747</u>	<u>\$ 15,289,274</u>	<u>\$ 1,135,452</u>
Total assets	<u>\$ 1,075,979</u>	<u>\$ 15,348,747</u>	<u>\$ 15,289,274</u>	<u>\$ 1,135,452</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 1,034,234	\$ 16,911,491	\$ 16,854,856	\$ 1,090,869
Agency deposits	<u>41,745</u>	<u>30,506,590</u>	<u>30,503,752</u>	<u>44,583</u>
Total liabilities	<u>\$ 1,075,979</u>	<u>\$ 47,418,081</u>	<u>\$ 47,358,608</u>	<u>\$ 1,135,452</u>

(Continued)

COUNTY OF OTTAWA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Inland lake improvement (8725)

	Balance October 1, <u>2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2018</u>
Assets				
Cash and pooled investments	\$ 194,462	\$ 292,501	\$ 292,831	\$ 194,132
Total assets	<u>\$ 194,462</u>	<u>\$ 292,501</u>	<u>\$ 292,831</u>	<u>\$ 194,132</u>
Liabilities				
Agency deposits	\$ 194,462	\$ 365,306	\$ 365,636	\$ 194,132
Total liabilities	<u>\$ 194,462</u>	<u>\$ 365,306</u>	<u>\$ 365,636</u>	<u>\$ 194,132</u>

Total agency funds

Assets				
Cash and pooled investments	\$ 37,570,186	\$ 152,686,897	\$ 165,457,242	\$ 24,769,029
Accounts receivable	4,935	21,487,799	21,486,702	6,032
Due from other governmental units	<u>539,014</u>	<u>22,061,393</u>	<u>22,336,654</u>	<u>263,753</u>
Total assets	<u>\$ 38,114,135</u>	<u>\$ 196,236,089</u>	<u>\$ 209,280,598</u>	<u>\$ 25,038,814</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 37,652,470	\$ 163,930,978	\$ 178,437,197	\$ 23,146,251
Fines and fees due to local libraries	217,190	873,648	885,060	205,778
Agency deposits	<u>243,167</u>	<u>131,936,144</u>	<u>130,419,429</u>	<u>1,686,785</u>
Total liabilities	<u>\$ 38,112,827</u>	<u>\$ 296,740,770</u>	<u>\$ 309,741,686</u>	<u>\$ 25,038,814</u>

(Concluded)

STATISTICAL

COUNTY OF OTTAWA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	148
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	154
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.	158
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.	161
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.	164

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									
	2018	2017	2016*	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 120,840,301	\$ 114,312,426	\$ 111,255,538	\$ 112,970,569	\$ 112,174,398	\$ 104,330,730	\$ 113,151,478	\$ 112,014,491	\$ 109,387,852	\$ 110,087,094
Unrestricted	14,787,103	19,151,144	22,089,108	22,685,963	20,170,121	20,227,256	19,273,135	17,801,312	19,421,942	23,416,355
Total Governmental Activities Net Position	<u>9,147,837</u>	<u>12,293,198</u>	<u>15,217,024</u>	<u>16,048,186</u>	<u>67,896,554</u>	<u>77,718,270</u>	<u>68,670,542</u>	<u>64,920,525</u>	<u>59,447,035</u>	<u>54,493,996</u>
	<u>144,775,241</u>	<u>145,756,768</u>	<u>148,561,670</u>	<u>151,704,718</u>	<u>200,241,073</u>	<u>202,276,256</u>	<u>201,095,155</u>	<u>194,736,328</u>	<u>188,256,829</u>	<u>187,997,445</u>
Business-Type Activities										
Net investment in capital assets										
Restricted	1,932,436	1,783,468	1,777,050	1,682,228	1,489,576	1,170,787	530,943	447,167	222,198	232,381
Unrestricted	19,204,356	20,145,854	21,264,376	20,599,457	21,646,866	22,579,168	23,478,259	23,576,310	24,049,598	24,494,919
Total Business-Type Activities Net Position	<u>21,136,792</u>	<u>21,929,322</u>	<u>23,041,426</u>	<u>22,281,685</u>	<u>23,136,442</u>	<u>23,749,955</u>	<u>24,009,202</u>	<u>24,023,477</u>	<u>24,271,796</u>	<u>24,727,300</u>
Primary Government										
Net investment in capital assets										
Restricted	120,840,301	114,312,426	111,255,538	112,970,569	112,174,398	104,330,730	113,151,478	112,014,491	109,387,852	110,087,094
Unrestricted	16,719,539	20,934,612	23,866,158	24,368,191	21,659,697	21,398,043	19,804,078	18,248,479	19,644,140	23,648,736
Total Primary Government Net Position	<u>28,352,193</u>	<u>32,439,052</u>	<u>36,481,400</u>	<u>36,647,643</u>	<u>89,543,420</u>	<u>100,297,438</u>	<u>92,148,801</u>	<u>88,496,835</u>	<u>83,496,633</u>	<u>78,988,915</u>
	<u>\$ 165,912,033</u>	<u>\$ 167,686,090</u>	<u>\$ 171,603,096</u>	<u>\$ 173,986,403</u>	<u>\$ 223,377,515</u>	<u>\$ 226,026,211</u>	<u>\$ 225,104,357</u>	<u>\$ 218,759,805</u>	<u>\$ 212,528,625</u>	<u>\$ 212,724,745</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									
	2018	2017	2016*	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities:										
Legislative	\$ 546,898	\$ 496,618	\$ 386,596	\$ 467,155	\$ 441,294	\$ 399,151	\$ 459,777	\$ 428,578	\$ 476,002	\$ 547,466
Judicial	19,996,417	19,681,855	15,951,012	16,995,782	16,209,766	15,693,406	15,783,718	14,502,573	13,855,839	14,519,351
General government	16,776,198	17,297,785	13,037,515	14,214,900	14,509,005	14,013,699	13,580,523	15,447,894	16,425,170	17,110,266
Public safety	38,499,682	38,637,388	30,498,813	32,905,190	33,036,226	31,265,666	30,932,957	28,476,232	28,915,634	29,113,616
Public works	6,079,105	7,427,436	5,936,308	1,113,013	1,717,110	956,091	300,235	2,446,691	1,625,519	2,153,528
Health and welfare	65,712,292	62,398,481	60,825,404	64,251,760	66,399,041	63,709,147	67,599,332	63,874,693	63,386,274	60,438,578
Community and economic development	1,330,165	1,257,029	953,552	1,090,188	807,476	710,324	742,845	621,591	572,601	638,164
Culture and recreation	5,425,261	4,959,772	3,931,818	5,059,018	3,559,748	3,502,223	3,103,891	3,218,940	2,979,627	2,810,712
Interest on long-term debt	1,270,256	1,346,413	1,045,275	1,578,129	1,163,255	942,708	959,132	1,039,869	1,120,937	1,215,945
Total Governmental Activities Expenses	155,636,274	153,502,777	132,566,293	137,675,135	137,842,921	131,192,415	133,462,410	130,057,061	129,357,603	128,547,626
Business-Type Activities:										
Delinquent tax collection	175,351	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
Total Business-Type Activities Expenses	175,351	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
Total Primary Government Expenses	\$ 155,811,625	\$ 153,690,221	\$ 132,719,450	\$ 139,679,671	\$ 139,868,300	\$ 133,303,312	\$ 135,551,063	\$ 132,622,441	\$ 131,976,967	\$ 131,184,641
Program Revenues										
Governmental Activities:										
Charges for services:										
Judicial	\$ 4,637,020	\$ 4,632,745	\$ 3,515,097	\$ 4,258,011	\$ 4,131,540	\$ 4,298,591	\$ 4,428,208	\$ 4,321,400	\$ 4,264,283	\$ 3,664,644
General government	7,389,210	8,226,407	5,998,183	7,531,480	7,755,264	8,261,854	7,936,150	7,212,417	6,889,492	6,742,345
Public safety	8,786,361	9,550,539	6,216,667	7,549,221	7,310,998	6,726,691	7,833,957	6,012,143	6,394,977	6,191,172
Public works	509,009	474,008	308,126	376,166	378,009	337,849	363,870	389,376	349,904	344,926
Health and welfare	3,571,371	3,804,723	3,449,260	3,421,008	2,994,799	2,810,393	2,910,475	2,882,631	2,453,458	2,534,330
Community and economic development	187,596	188,780	62,968	225,426	52,968	35,830	2,873	22,095	18,552	441
Culture and recreation	757,716	943,525	628,278	716,220	600,025	788,511	460,470	470,163	474,325	522,197
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
Operating grants and contributions	63,743,292	55,720,530	52,522,855	61,175,917	60,350,883	58,200,664	62,917,831	61,739,527	59,359,989	53,071,822
Capital grants and contributions	-	1,311,181	-	-	-	92,595	2,293,472	1,653,505	446,900	2,213,859
Total Governmental Activities Program Revenues	89,581,575	84,852,438	72,701,434	87,297,571	85,395,780	83,368,563	90,969,766	87,085,287	83,040,178	78,065,649
Business-Type Activities:										
Charges for services:										
Delinquent tax collection	990,143	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
Total Business-Type Activities Program Revenues	990,143	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
Total Primary Government Program Revenues	\$ 90,571,718	\$ 85,745,512	\$ 73,616,718	\$ 88,460,380	\$ 86,696,467	\$ 85,383,668	\$ 93,033,943	\$ 89,392,510	\$ 85,153,960	\$ 80,861,399

*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									
	2018	2017	2016*	2015	2014	2013	2012	2011	2010	2009
Net (Expense)/Revenue										
Governmental activities	\$ (66,054,699)	\$ (68,650,339)	\$ (59,864,859)	\$ (50,377,564)	\$ (52,447,141)	\$ (47,823,852)	\$ (42,492,644)	\$ (42,971,774)	\$ (46,317,425)	\$ (50,481,977)
Business-type activities	814,792	705,630	762,127	(841,727)	(724,692)	(95,792)	(24,476)	(258,157)	(505,582)	158,735
Total Primary Government Net Expense	<u>\$ (65,239,907)</u>	<u>\$ (67,944,709)</u>	<u>\$ (59,102,732)</u>	<u>\$ (51,219,291)</u>	<u>\$ (53,171,833)</u>	<u>\$ (47,919,644)</u>	<u>\$ (42,517,120)</u>	<u>\$ (43,229,931)</u>	<u>\$ (46,823,007)</u>	<u>\$ (50,323,242)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 54,827,335	\$ 54,696,231	\$ 49,877,687	\$ 44,583,727	\$ 42,185,402	\$ 41,102,695	\$ 40,693,219	\$ 41,220,281	\$ 42,348,687	\$ 43,680,112
Unrestricted grants and contributions	5,639,410	6,036,965	4,462,913	4,729,722	4,124,536	3,180,245	3,659,304	6,003,393	51,346	52,393
Investment earnings	2,790,127	3,785,952	2,135,192	1,090,878	2,717,490	3,509,045	3,233,155	1,362,564	3,206,795	3,305,967
Miscellaneous	-	11,986	21,727	472,033	1,234,530	1,448,322	1,113,633	701,587	780,973	368,669
Transfers	1,816,300	1,814,150	226,145	150,000	150,000	152,440	152,160	163,448	189,008	202,815
Total Governmental Activities	<u>\$ 65,073,172</u>	<u>\$ 66,345,284</u>	<u>\$ 56,723,664</u>	<u>\$ 51,026,360</u>	<u>\$ 50,411,958</u>	<u>\$ 49,392,747</u>	<u>\$ 48,851,471</u>	<u>\$ 49,451,273</u>	<u>\$ 46,576,809</u>	<u>\$ 47,609,956</u>
Business-Type Activities:										
Unrestricted grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89	\$ -	\$ -	\$ -	\$ -
Investment earnings	208,978	(3,584)	223,759	136,970	261,179	(13,544)	160,201	159,838	200,078	157,817
Miscellaneous	-	-	-	-	-	-	-	-	-	(1,434)
Transfers	(1,816,300)	(1,814,150)	(226,145)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total Business-Type Activities	<u>(1,607,322)</u>	<u>(1,817,734)</u>	<u>(2,386)</u>	<u>(13,030)</u>	<u>111,179</u>	<u>(163,455)</u>	<u>10,201</u>	<u>9,838</u>	<u>50,078</u>	<u>6,383</u>
Total Primary Government	<u>\$ 63,465,850</u>	<u>\$ 64,527,550</u>	<u>\$ 56,721,278</u>	<u>\$ 51,013,330</u>	<u>\$ 50,523,137</u>	<u>\$ 49,229,292</u>	<u>\$ 48,861,672</u>	<u>\$ 49,461,111</u>	<u>\$ 46,626,887</u>	<u>\$ 47,616,339</u>
Changes in Net Position										
Governmental activities	\$ (981,527)	\$ (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)
Business-type activities	(792,530)	(1,112,104)	759,741	(854,757)	(613,513)	(259,247)	(14,275)	(248,319)	(455,504)	165,118
Total Primary Government	<u>\$ (1,774,057)</u>	<u>\$ (3,417,159)</u>	<u>\$ (2,381,454)</u>	<u>\$ (205,961)</u>	<u>\$ (2,648,696)</u>	<u>\$ 1,309,648</u>	<u>\$ 6,344,552</u>	<u>\$ 6,231,180</u>	<u>\$ (196,120)</u>	<u>\$ (2,706,903)</u>

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

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

	Fiscal Year									
	2018	2017	2016*	2015	2014	2013	2012	2011	2010	2009
General Fund										
Reserved										\$ 2,463,646
Unreserved										14,249,311
Nonspendable	\$ 549,625	\$ 430,204	\$ 424,706	\$ 444,102	\$ 642,649	\$ 816,756	\$ 952,893	\$ 1,063,101	\$ 1,211,907	
Restricted	9,866,808	9,905,141	9,985,518	11,020,236	11,019,013	14,172,606	13,484,895	3,895,553	3,621,836	
Committed	7,631,003	8,077,078	14,320,359	15,003,982	16,602,224	20,196,920	18,143,143	24,208,298	21,236,492	
Assigned	1,376,264	3,286,151	3,084,268	2,852,701	1,821,126	2,857,105	3,102,893	2,892,842	2,124,534	
Unassigned	18,352,111	18,995,458	18,841,248	9,971,344	13,251,045	9,918,253	12,055,123	13,705,990	10,596,307	
Total General Fund	<u>\$ 37,775,811</u>	<u>\$ 40,694,032</u>	<u>\$ 46,656,099</u>	<u>\$ 39,292,365</u>	<u>\$ 43,336,057</u>	<u>\$ 47,961,640</u>	<u>\$ 47,738,947</u>	<u>\$ 45,765,784</u>	<u>\$ 38,791,076</u>	<u>\$ 16,712,957</u>
All Other Governmental Funds										
Reserved										\$ 9,311,357
Unreserved, reported in:										
Special revenue funds										27,151,539
Capital projects funds										
Permanent funds										581
Debt service funds										
Nonspendable	\$ 413,478	\$ 478,702	\$ 385,645	\$ 374,645	\$ 509,221	\$ 468,989	\$ 675,596	\$ 480,256	\$ 234,865	
Restricted	4,920,295	9,240,238	12,097,819	11,659,957	9,339,384	8,747,803	4,650,108	4,585,792	6,653,473	
Committed	4,200,023	1,335	664	2,246	415	897	1,871	1,500	1,000	
Assigned	4,519,626	4,733,952	2,727,536	2,891,724	2,470,882	2,638,975	2,954,171	2,986,441	4,230,262	
	<u>\$ 14,053,422</u>	<u>\$ 14,454,227</u>	<u>\$ 15,211,664</u>	<u>\$ 14,928,572</u>	<u>\$ 12,319,902</u>	<u>\$ 11,856,664</u>	<u>\$ 8,281,746</u>	<u>\$ 8,053,989</u>	<u>\$ 11,119,600</u>	<u>\$ 36,463,477</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				
	2018	2017	2016*	2015	2014
Revenues					
Taxes	\$ 54,749,752	\$ 54,703,632	\$ 49,288,581	\$ 43,736,614	\$ 42,185,402
Intergovernmental	74,883,395	69,962,344	60,867,666	70,964,433	69,894,252
Charges for services	12,424,545	13,356,448	10,353,455	13,137,167	11,504,844
Fines and forfeits	92,636	72,511	61,440	69,428	74,400
Investment earnings (loss)	886,227	306,731	813,997	318,138	721,442
Licenses and permits	1,520,059	1,393,940	1,292,215	1,271,158	1,179,701
Rental Income	2,558,853	2,213,529	1,581,580	4,272,100	4,958,509
Other revenues	4,261,180	2,738,759	2,884,674	3,086,381	3,241,866
Total Revenues	151,376,647	144,747,894	127,143,608	136,855,419	133,760,416
Expenditures					
Legislative	536,062	478,845	343,622	465,069	443,624
Judicial	19,581,015	18,944,338	14,174,177	16,881,469	16,172,323
General government	13,650,681	13,411,577	9,552,325	12,713,706	42,393,192
Public safety	36,486,500	35,162,537	25,896,853	32,092,116	31,928,910
Public works	6,284,436	6,156,296	5,787,870	861,849	1,285,200
Health and welfare	64,298,726	60,406,083	57,712,387	63,182,493	63,162,724
Community and economic development	1,288,239	1,212,851	3,270,914	1,088,435	813,518
Culture and recreation	3,641,729	3,552,976	-	2,936,867	2,627,130
Other governmental functions	127,116	124,382	94,215	120,695	252,124
Capital outlay	9,535,767	6,190,534	1,795,627	4,405,545	5,273,866
Debt service					
Interest and fiscal charges	1,415,006	1,519,476	785,868	634,278	1,019,424
Principal	3,705,000	3,515,000	365,000	3,595,000	2,140,000
Total Expenditures	160,550,277	150,674,895	119,778,858	138,977,522	167,512,035
Excess of Revenues Over (Under) Expenditures	(9,173,630)	(5,927,001)	7,364,750	(2,122,103)	(33,751,619)
Other Financing Sources (Uses)					
Transfers from other funds	17,711,359	16,929,025	10,129,099	13,996,966	12,970,917
Transfers to other funds	(11,856,755)	(11,376,250)	(9,845,171)	(13,451,466)	(12,520,917)
Proceeds from capital lease	-	-	-	-	-
Issuance of land contract	-	-	-	-	-
Issuance of bonds	-	-	-	11,955,000	29,285,000
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)	5,854,604	5,552,775	283,928	687,081	29,589,274
Net Change in Fund Balances	\$ (3,319,026)	\$ (374,226)	\$ 7,648,678	\$ (1,435,022)	\$ (4,162,345)
Debt Service as a Percentage of Noncapital Expenditures (1)	3.39%	3.48%	0.98%	3.14%	1.95%

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

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Revenues					
Taxes	\$ 41,102,695	\$ 40,693,219	\$ 41,220,280	\$ 42,348,687	\$ 43,680,112
Intergovernmental	67,009,472	75,638,236	73,502,034	64,864,135	60,128,208
Charges for services	11,581,189	11,158,863	9,416,373	9,182,235	8,512,541
Fines and forfeits	60,548	79,085	1,094,561	1,059,777	1,008,906
Investment earnings (loss)	(77,480)	540,901	565,297	686,816	598,424
Licenses and permits	1,193,107	1,043,694	923,264	682,162	652,886
Rental Income	5,273,139	5,260,790	5,776,717	5,888,783	6,372,474
Other revenues	2,832,192	2,643,273	3,059,623	1,872,377	1,514,342
Total Revenues	128,974,862	137,058,061	135,558,149	122,467,893	122,531,464
Expenditures					
Legislative	395,482	453,693	424,362	486,009	540,483
Judicial	15,698,396	15,743,611	14,520,814	14,069,261	14,357,862
General government	10,978,892	10,404,481	11,807,932	13,293,991	13,303,007
Public safety	30,990,804	31,023,756	28,472,398	28,961,133	28,255,423
Public works	916,331	1,220,024	1,131,288	1,267,255	1,137,666
Health and welfare	63,281,014	67,406,382	64,304,327	63,515,125	59,250,617
Community and economic development	704,966	737,947	619,453	579,516	634,793
Culture and recreation	3,076,797	2,394,183	2,517,148	2,234,518	2,123,869
Other governmental functions	130,386	129,846	176,388	225,829	149,627
Capital outlay	2,293,633	3,106,519	5,485,160	2,556,903	17,165,013
Debt service					
Interest and fiscal charges	927,990	950,360	1,034,730	1,115,198	1,207,113
Principal	1,690,000	1,738,499	2,110,000	2,035,000	2,335,000
Total Expenditures	131,084,691	132,604,000	132,604,000	140,460,473	142,129,700
Excess of Revenues					
Over (Under) Expenditures	(2,109,829)	4,454,061	2,954,149	(17,992,580)	(19,598,236)
Other Financing Sources (Uses)					
Transfers from other funds	10,149,065	10,200,577	9,016,885	15,888,171	26,901,059
Transfers to other funds	(9,736,625)	(9,748,417)	(8,153,437)	(15,435,158)	(26,398,244)
Proceeds from capital lease	-	-	-	35,995	70,190
Issuance of land contract	-	-	91,500	-	-
Issuance of bonds	5,495,000	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total Other Financing Sources (Uses)	5,907,440	452,160	954,948	573,005	4,576,960
Net Change in Fund Balances	\$ 3,797,611	\$ 4,906,221	\$ 3,909,097	\$ (17,419,575)	\$ (15,021,276)
Debt Service as a					
Percentage of Noncapital Expenditures (1)	2.03%	2.08%	2.47%	2.28%	2.83%

*2016 represents a nine-month period due to the change in the County's fiscal year end from December 31 to September 30.
(1) Capital expenditures within the functional expenditure categories have been deducted.

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

Fiscal Year	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Other Property (1)	Total Assessed Value (2)	Total Direct Tax Rate	Total Taxable Value (3)	Total Estimated Actual Value	Percentage of Assessed to Estimated Values
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%
2018	10,147,195,838	1,774,305,700	1,108,920,000	855,073,400	13,885,494,938	5.1525	11,270,020,574	27,923,669,274	49.73%

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**

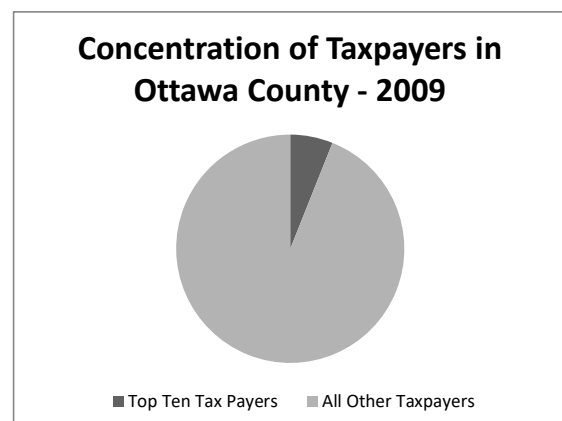
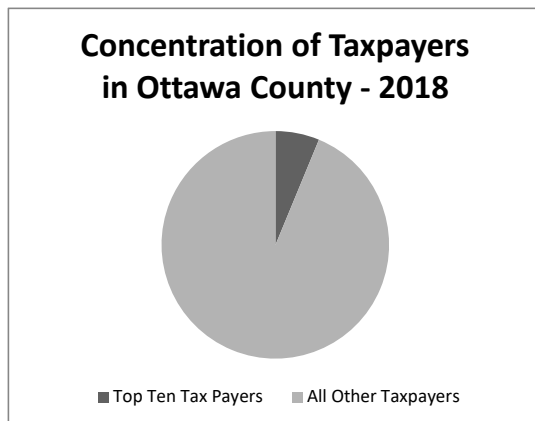
	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Direct Rates										
Operating	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000
Parks	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3148	0.3277	0.3277
E-911	0.4407	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.4377	0.4346	0.4346
Roads							0.5000	0.4974	0.4939	0.4939
Community Mental Health								0.2984	0.2963	0.2963
Total Direct Rate (1)	4.3572	4.3565	4.3565	4.3565	4.3565	4.3565	4.8565	5.1483	5.1525	5.1525
City and Village Rates										
Coopersville	14.4594	14.4928	14.5294	14.4403	14.4432	14.3554	14.2923	14.5490	14.5356	14.1174
Ferrysburg	10.3377	10.2377	10.1377	10.5377	10.4518	10.9518	10.9474	10.7773	10.6553	10.5476
Grand Haven	14.3609	14.6124	15.3612	15.3565	15.3609	15.3613	15.1810	15.1541	15.7509	15.5606
Holland	15.9904	16.3913	16.3350	17.3658	17.3639	17.5051	17.4522	17.4627	17.5421	16.8797
Hudsonville	11.2639	11.2848	11.2779	11.2785	11.2719	11.2729	11.2876	11.2952	11.2938	11.2303
Zeeland	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354
Spring Lake Village	11.6619	11.6619	11.6619	11.6619	11.6619	11.6619	10.3600	10.3600	10.3600	10.3600
Township Rates	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	2.53-7.28
School Rates										
Homestead	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	4.20-12.00
Non-Homestead	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	22.20-30.00

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

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

Taxpayer	Type of Business	2018			2009		
		Assessed Valuation	Rank	Percentage of Total County Assessed Value	Assessed Valuation	Rank	Percentage of Total County Assessed Value
Consumers Energy	Utility	\$ 503,796,766	1	4.47%	\$ 404,248,715	1	4.04%
ARC Holland Real Estate Holdings	Real Estate Holdings	32,193,406	2	0.29%	19,414,017	5	0.19%
Gentex	Automotive Components	28,083,772	3	0.25%	16,387,755	7	0.16%
Michigan Electric Transmission	Utility	23,864,900	4	0.21%	17,909,124	6	0.18%
Mead Johnson and Co.	Food Products	23,551,957	5	0.21%	42,306,544	2	0.42%
DTE Gas	Utility	23,204,230	6	0.21%			
Alden GV Owner LLC		18,865,300	7	0.17%			
Herman Miller Inc.	Office Furniture	18,605,903	8	0.17%	29,897,774	4	0.30%
Request Foods Inc.	Food Products	15,959,512	9	0.14%			
Asset Campus Housing	Real Estate Holdings	15,940,400	10	0.14%			
Shape Corporation					30,322,607	3	0.30%
Meijer Inc	Retail				15,682,534	8	0.16%
Johnson Controls Interiors	Automotive Components				15,396,138	9	0.15%
Macatawa Bank	Banking				14,734,136	10	0.15%
		<u>\$ 704,066,146</u>		<u>6.25%</u>	<u>\$ 606,299,344</u>		<u>6.05%</u>

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



**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
12/31/2009	\$ 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	53,942,306	53,784,953	99.71%	157,353	53,942,306	100.00%
9/30/2018	56,033,310	55,871,645	99.71%	161,665	56,033,310	100.00%

(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) Per Capita Personal Income (2)	Population (3)	Direct Per Capita Debt	Assessed Value (4)	Bonds Percent of Assessed Value
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%
2018	39,100,000	n/a	n/a	39,100,000	0.30%	13,252,243	46,275	286,383	137	13,885,494,938	0.28%

- (1) Does not include the landfill reclamation and compensated absences.
Does not include Component Units, certain debt issued by Component Units is guaranteed by the County.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce - Personal Income (Thousands of Dollars) adjusted annually.
Search: GDP & Personal income, Local Area Personal Income, Follow steps to select Michigan & then Ottawa County
- (3) US Census - Quick Facts, Ottawa County MI
- (4) From Equalization Report

**COUNTY OF OTTAWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2018**

	Net Debt Outstanding	Percentage Applicable To County of Ottawa	Amount Applicable To County of Ottawa (2)
Direct:			
County at large	\$ 39,100,000	100.0%	\$ 39,100,000
Total Direct	39,100,000		39,100,000
Overlapping:			
Townships Debt Guaranteed by County (1)	94,213,278	100.0%	94,213,278
School districts	1,061,519,376	74.6%	791,979,809
Cities and villages (1)	221,820,076	88.0%	195,301,248
Grand Rapids Community College	40,145,000	1.5%	606,190
Library	7,035,000	100.0%	7,035,000
Holland Area Swimming Pool	340,000	69.8%	237,456
Total Overlapping	1,425,072,730		1,089,372,981
Grand Total	\$ 1,464,172,730		\$ 1,128,472,981

(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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Value of Property	13,885,494,938	\$ 13,388,939,597	\$ 12,438,366,229	\$ 11,812,032,747	\$ 10,952,303,550	\$ 10,385,574,112	\$ 10,261,010,969	\$ 10,491,709,804	\$ 10,990,874,852	\$ 11,706,359,624
Debt Limit 10% of Assessed Value	1,388,549,494	1,338,893,960	1,243,836,623	1,181,203,275	1,095,230,355	1,038,557,411	1,026,101,097	1,049,170,980	1,099,087,485	1,170,635,962
Amount of Debt Applicable to Limit										
General Obligation Bond Debt:										
Primary Government	39,100,000	42,805,000	46,320,000	46,685,000	50,280,000	23,135,000	19,330,000	20,965,000	23,075,000	25,110,000
Component Units Guaranteed by County (1)	109,251,565	115,932,332	121,261,099	119,591,501	106,474,501	113,574,060	115,904,572	121,358,501	121,659,501	107,590,501
Other Debt							-	103,499	-	-
Less: Resources Restricted to										
Paying Principal	(375,148.00)	(412,898)	(451,461)	(490,774)	(530,837)	(451,878)	(611,843)	(636,892)	(684,327)	(225,925)
Total Net debt applicable to Limit	<u>147,976,417</u>	<u>158,324,434</u>	<u>167,129,638</u>	<u>165,785,727</u>	<u>156,223,664</u>	<u>136,257,182</u>	<u>134,622,729</u>	<u>141,790,108</u>	<u>144,050,174</u>	<u>132,474,576</u>
Legal Debt Margin	<u>\$ 1,240,573,077</u>	<u>\$ 1,180,569,526</u>	<u>\$ 1,076,706,985</u>	<u>\$ 1,015,417,548</u>	<u>\$ 939,006,691</u>	<u>\$ 902,300,229</u>	<u>\$ 891,478,368</u>	<u>\$ 907,380,872</u>	<u>\$ 955,037,311</u>	<u>\$ 1,038,161,386</u>
Total Net Debt applicable to the Limit as a percentage of Debt Limit	10.66%	11.83%	13.44%	14.04%	14.26%	13.12%	13.12%	13.51%	13.11%	11.32%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.066%	1.183%	1.344%	1.404%	1.426%	1.312%	1.312%	1.351%	1.311%	1.132%
Debt Per Capita of Total Net General Obligation Debt	\$516.71	\$560.94	n/a	\$592.19	\$564.80	\$498.96	\$499.31	\$532.19	\$546.06	\$503.94
Primary Government Net Debt applicable to the Limit as a percentage of Debt Limit	2.82%	3.20%	3.72%	3.95%	4.59%	2.23%	1.88%	2.00%	2.10%	2.14%
Ratio of Primary Government Net General Obligation Bond Debt to Estimated Actual Value of Property (2)	0.14%	0.16%	0.18%	0.20%	0.23%	0.11%	0.09%	0.10%	0.10%	0.11%
Primary Government Debt Per Capita of Net General Obligation Bond Debt (3)	\$136.53	\$151.66	n/a	\$166.76	\$181.78	\$84.72	\$71.69	\$78.69	\$87.47	\$95.52

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

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

(3) See Demographic and Economic Statistics for Population.

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

**COUNTY OF OTTAWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population (2)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2009	262,879	\$ 8,580,329	\$ 32,640	34.6	47,521	12.5%
2010	263,801	9,117,266	34,523	34.7	47,913	10.3%
2011	266,770	9,807,693	36,765	34.9	48,548	8.0%
2012	270,411	10,480,458	38,758	35.4	48,422	6.6%
2013	273,848	10,723,676	39,159	34.7	48,657	6.1%
2014	277,303	11,472,979	41,373	34.7	48,799	4.8%
2015	280,439	12,210,486	43,541	35.0	48,744	3.6%
2016	283,242	12,712,511	44,882	35.0	49,009	3.2%
2017	286,383	13,252,243	46,275	35.2	49,253	3.3%
2018	n/a	n/a	n/a	n/a	n/a	n/a

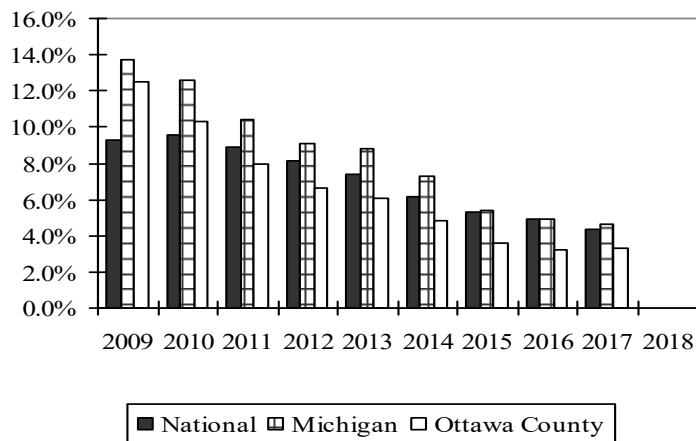
n/a: Final information is unavailable.

Information for 2009-2017 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	2018		2009	
		Rank (1)	Percentage of Total County Employment	Rank (1)	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	1	3.7%	3	2.1%
Herman Miller	Office Furniture	2	2.5%	1	3.1%
Grand Valley State University (3)	Higher Education	3	2.3%	4	1.6%
Haworth, Inc. (2)	Office Furniture	4	1.4%	6	1.4%
Holland Hospital	Health Care	5	1.4%	5	1.5%
Magna Mirrors (2)	Automotive Mirrors	6	1.2%	8	1.1%
YanFeng	Automotive Interiors	7	1.2%		
Shape Corporation	Metal Roll Forming	8	1.1%	10	0.9%
Meijer	Retailer	9	0.8%	6	1.1%
County of Ottawa	Government	10	0.8%	9	1.0%
Johnson Controls (2)	Automotive Interiors			2	2.2%
		<u>16.3%</u>		<u>16.1%</u>	

(1) Excludes temporary employment agencies

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

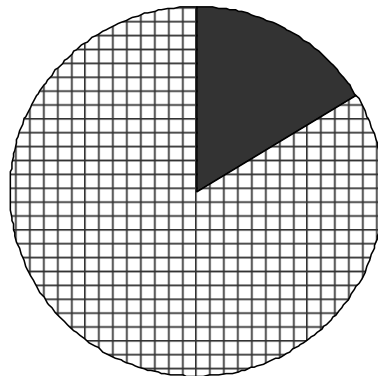
(3) Total of all facilities (Ottawa, Kent & Muskegon Counties)

Sources:

Lakeshore Advantage

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

Concentration of Employers in Ottawa County



■ Top Ten Employers ▨ All Other Employers

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

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Legislative	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000	11.000
Judicial	146.240	139.180	139.180	136.020	128.570	126.081	127.060	128.185	125.025	132.075
General Government	173.290	171.165	171.165	170.950	168.090	165.780	166.000	164.482	166.075	180.500
Public Safety	235.200	235.200	236.200	235.200	224.200	219.200	219.200	219.870	219.893	222.200
Public Works	4.250	4.250	4.250	4.250	4.300	3.800	3.400	3.720	4.420	4.720
Health and welfare	263.980	282.030	282.030	344.320	376.460	377.089	344.863	350.175	342.755	366.954
Community and economic deveopment	8.400	8.400	8.400	7.900	6.400	5.900	5.953	5.850	5.950	6.950
Culture and recreation	20.380	19.750	19.750	17.750	17.250	17.250	15.750	16.000	15.000	15.000
Total	862.740	870.975	871.975	927.390	936.270	926.100	893.226	899.282	890.118	939.399

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Judicial										
Circuit Court										
Total Civil Filings	n/a	366	318	328	411	363	443	423	524	572
Total Criminal Filings	n/a	1,013	849	930	922	884	928	918	1,007	1,040
Total Appeals Filings	n/a	48	59	56	70	60	58	53	49	47
Domestic Relations Filings	n/a	1,675	1,742	1,593	1,468	1,587	1,556	1,524	1,473	1,539
Personal Protection Filings	n/a	665	628	550	580	598	747	783	706	803
Juvenile Code Filings	n/a	1,007	921	1,055	1,023	1,209	1,337	1,413	1,479	1,560
Adoption Filings	n/a	106	143	118	112	139	120	142	147	149
Misc. Family Filings	n/a	88	90	81	71	76	71	67	72	50
District Court										
Felony Cases	n/a	1,471	1,309	1,385	1,390	1,281	1,411	1,378	1,420	1,419
Misdemeanor Cases	n/a	8,053	7,715	7,216	8,136	8,669	9,087	8,630	9,314	9,646
General Civil Cases	n/a	4,845	4,556	4,633	4,210	4,806	6,225	5,672	6,292	6,367
Probate Court										
Estates, Trusts Filings	n/a	385	391	417	425	371	404	373	372	704
Civil, Other Filings	n/a	11	19	16	23	11	15	10	13	26
Guardianships, Conservators et al	n/a	591	589	611	612	545	516	548	519	1,020
Public Safety										
Jail:										
Subjects Admitted	6,898	6,525	6,365	5,899	6,776	7,015	7,453	7,136	7,622	7,864
Average daily population	338.0	297.0	286.0	301.0	317.0	338.0	352.0	327.8	330.7	352.0
Police:										
Calls for Service		73,375	70,555	69,830	67,334	65,179	66,683	65,596	64,773	67,754
Criminal Arrests		8,298	6,760	6,403	6,893	6,307	6,943	6,989	7,748	8,616
Traffic Violations		18,347	17,034	19,630	19,984	21,494	22,867	21,423	21,321	24,886
Health and welfare										
Public Health										
# of Fixed Food Service Inspections	1,885	1,721	1,617	1,188	1,201	1,183	968	1,047	1,065	1,022
% of new entrants enrolled in school immunized	96%	96%	96%	96%	99%	99%	99%	99%	99%	99%
Maternal/Infant Health Services										
# of Visits	1,896	2,183	2,047	2,026	2,587	3,065	2,804	3,216	3,146	3,645
# of Dental Services with Miles of Smiles and Sealant Program	8,007	8,482	8,754	8,989	8,776	10,163	10,476	9,630	8,981	8,498
Mental Health										
# of Persons Served	4,096	3,750	3,443	2,848	2,798	2,784	3,513	3,276	3,205	3,203
Culture and recreation										
Parks:										
# of Operating Days	98	95	99	103	96	98	97	101	98	101
Daily Permits	43,688	42,924	42,211	41,214	32,693	33,004	36,511	33,267	38,576	30,670
Annual Permits	9,619	9,406	8,734	6,934	7,017	5,981	6,516	5,845	6,420	5,431
General Government										

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

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Register of Deeds:										
# of Deeds Recorded	11,991	12,172	12,120	11,707	11,099	11,898	11,210	9,559	9,633	8,933
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	20,796	19,908	19,360	20,173	21,206	20,173	20,076	17,757	19,382	19,016
County Treasurer:										
# of Receipts Written - General	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19,581	16,729	18,357
# of Receipts Written - Tax Collections (including online)	4,627	5,007	4,563	5,575	6,302	6,525	7,295	7,738	8,946	9,620
Real Properties Returned Delinquent	3,276	3,675	3,728	3,991	4,092	4,772	5,396	5,891	6,800	7,493
Fiscal Services:										
# of A/P Checks/ACH Processed	18,321	17,341	19,580	21,471	21,403	23,006	25,074	27,529	24,330	24,399
# of Invoices Issued	11,884	12,715	10,092	9,921	9,227	9,392	12,031	10,526	11,087	10,839
Facilities Maintenance:										
# of Work Orders Processed	6,311	6,188	7,317	5,843	9,890	27,886	39,818	40,540	39,223	45,054

Source: Ottawa County Departments

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

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety:										
Vehicular Patrol Units	141	139	139	139	139	135	134	133	133	136
Sheriff's Substations	10	10	10	10	10	8	8	8	8	8
Health and welfare										
Number of Clinics	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Total Park Acres (1)	4,192	3,992	3,991	3,542	3,542	3,542	3,542	3,542	3,542	3,429
General Government										
Total Square Footage of Buildings	637,810	637,810	637,810	637,810	644,220	644,220	642,020	642,020	647,104	647,104
Number of IT Servers	200	175	149	124	124	88	77	62	57	49

Source: Ottawa County Departments

(1) Does not include Park Open Space

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

The County has approximately 863 full-time equivalent employees, approximately 356 of whom are members of the seven unions. The details of membership and states of their agreements are as follows:

	Fiscal Year	
	2018	
	Number of Employees	Expiration Date of Contract
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible) Road Patrol/Detectives	118	12/31/2020
Police Officers Association of Michigan (POAM Non-312) (P.A. 312 Non-Eligible)	82	12/31/2020
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible)	19	12/31/2020
Police Officers Labor Counsel (POLC Non-312) (P.A. 312 Non-Eligible)	6	12/31/2020
O.C. Employees Association (District Court)	52	12/31/2020
Friend of the Court Employees Association	36	12/31/2020
O.C. Juvenile Court Employees Association	43	12/31/2020
Non-union County employees	507	n/a
Total	863	

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

Source: Ottawa County Human Resources Department

SINGLE AUDIT



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 27, 2019

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, 2018, 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 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Community Mental Health Special Revenue Funds (Community Mental Health, Substance Use Disorder and Community Mental Health Millage funds) 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 2018-001 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.

Ordenold 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 27, 2019

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, 2018. 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, 2018.

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.

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 FISCAL YEAR ENDED SEPTEMBER 30, 2018

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through Agency	Cluster	Pass Through Number	Expenditures
<u>U.S. Department of Agriculture:</u>					
School Breakfast Program	10.553	MDE	Child Nutrition	181970	23,996.83
National School Lunch Program	10.555	MDE	Child Nutrition	181960	37,284.65
National School Lunch Program	10.555	MDE	Child Nutrition	181980	9,896.77
					47,181.42
Total Child Nutrition Cluster					<u>71,178.25</u>
Commodity Supplemental Food Program	10.565	MDE	Food Distribution	160930	29,218.00
Commodity Supplemental Food Program - Commodities	10.565	MDE	Food Distribution	160930	91,045.45
					<u>120,263.45</u>
Emergency Food Assistance Program (Administrative Costs)	10.568	MDE	Food Distribution	160990	55,769.00
Emergency Food Assistance Program (Food Commodities)	10.569	MDE	Food Distribution	160990	111,066.53
					<u>166,835.53</u>
Total Food Distribution Cluster					<u>287,098.98</u>
Total U.S. Department of Agriculture					<u>358,277.23</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Continuum of Care Program - HUD 1	14.267	Direct			412,693.00
Continuum of Care Program - HUD 4	14.267	Direct			17,611.00
Total U.S. Department of Housing and Urban Development					<u>430,304.00</u>
<u>U.S. Department of Justice:</u>					
Drug Court Discretionary Grant Program	16.585	Direct			23,764.01
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	Direct			14,811.00
Edward Byrne Memorial Competitive Grant Program	16.751	Direct			105,915.58
Total U.S. Department of Justice					<u>144,490.59</u>
<u>U.S. Department of Treasury:</u>					
Equitable Sharing Program - Asset Forfeiture	20.016	Direct			5,000.00
Total U.S. Department of Treasury					<u>5,000.00</u>
<u>U.S. Department of Transportation:</u>					
Transportation Alternatives Program	20.205	MDOT		1770017	786,310.07
Hazardous Materials Emergency Preparedness Training & Planning	20.703	MSP		HM-HMP-0558-16-01-00	1,000.00
State and Community Highway Safety	20.600	MSP	Highway Safety	PT-18-16	38,213.00
National Priority Safety Programs	20.616	MSP	Youth Alcohol Enforcement	AL-17-15	22,225.00
Total U.S. Department of Transportation					<u>847,748.07</u>
<u>U.S. Environmental Protection Agency:</u>					
Capitalization Grants for Drinking Water State Revolving Funds - A1	66.468	MDEQ	Drinking Water State Revolving	FS97548716	438.00
Capitalization Grants for Drinking Water State Revolving Funds - A2	66.468	MDEQ	Drinking Water State Revolving	FS97548716	700.00
Total Drinking Water State Revolving Cluster					<u>1,138.00</u>
Beach Monitoring and Notification Program Implementation Grants	66.472	MDEQ		CU00E993070	4,527.57
Total U.S. Environmental Protection Agency					<u>5,665.57</u>
<u>U.S. Department of Energy:</u>					
Weatherization Assistance for Low-Income Persons	81.042	MDHSS		DOE16-70025-2	222,909.60
Total U.S. Department of Energy					<u>222,909.60</u>
<u>U.S. Department of Health and Human Services:</u>					
Public Health Emergency Preparedness	93.069	MDHHS		NU90TP921906	115,457.00
Preparedness and Public Health Emergency Prep	93.074	MDHHS		NU90TP921906	36,844.00
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MDHHS		1U52PS00469301	100.00
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Direct			312,070.26
Family Planning Services	93.217	MDHHS		FPHPA056287	150,396.00
Family Planning Services	93.217	MDHHS		FPHPA006340	13,672.00
					<u>164,068.00</u>
Immunization Cooperative Agreements - Immunization Action Plan	93.268	MDHHS		NH23IP000752	24,809.00
Immunization Cooperative Agreements - Federal Vaccines	93.268	MDHHS		None Issued	399,629.80
Immunization Cooperative Agreements - Fixed Fees	93.268	MDHHS		NH23IP000752	2,950.00
					<u>427,388.80</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	MDHHS		6NH23IP000752	113,955.00
Child Support Enforcement - CRP Combined	93.563	MDHHS		CSCOM16-70001	2,567,578.30
Child Support Enforcement - FOC Incentives	93.563	MDHHS		CSCOM16-70001	410,009.00
					<u>2,977,587.30</u>
Low-Income Home Energy Assistance	93.568	MDHSS		LIHEAP16-70025-2	79,969.27
Low-Income Home Energy Assistance	93.568	MDHSS		LCA16-70025	9,939.17
Low-Income Home Energy Assistance	93.568	MCA		None Issued	61,960.00
					<u>151,868.44</u>
Community Service Block Grant	93.569	MDHHS		CSBG14-70025-5	337,982.95
Community Service Block Grant	93.569	MDHHS		CSBG14-70025-4	67,379.00
					<u>405,361.95</u>

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

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through Agency	Cluster	Pass Through Number	Expenditures
Grants to States for Access and Visitation Programs	93.597	MSC		SCAO-2018-23	1,005.00
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758	MDHHS		NB010T009126	43,962.00
Medical Assistance Program	93.778	MDHHS	Medicaid	1805MI5ADM	86,000.00
Medical Assistance Program	93.778	MDHHS	Medicaid	1805MI5ADM	98,443.07
Medical Assistance Program	93.778	MDHHS	Medicaid	1805MI5MAP	1,612.64
Medical Assistance Program	93.778	MDHHS	Medicaid	1805MI5ADM	162,840.66
Medical Assistance Program	93.778	MDHHS	Medicaid	2017035-00	32,200.98
Medical Assistance Program	93.778	MDHHS	Medicaid	2017035-00	71,002.53
Medical Assistance Program	93.778	MDHHS	Medicaid		24,168.47
					<u>476,268.35</u>
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (17)	41,841.26
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (17)	3,043.52
Block Grants for Community Mental Health Services	93.958	MDHHS		B1 MI CMHS (17)	70,958.35
Block Grants for Community Mental Health Services	93.958	MDHHS			2,720.86
Block Grants for Community Mental Health Services	93.958	MDHHS			4,596.03
Block Grants for Community Mental Health Services	93.958	MDHHS			<u>123,160.02</u>
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	995,777.03
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	70,000.00
					<u>1,065,777.03</u>
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	48,642.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	5,260.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	6,013.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	16,984.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	52,957.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	26,000.00
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS		B04MC31495	45,877.90
					<u>201,733.90</u>
Total U.S. Department of Health and Human Services					<u>6,616,607.05</u>
<u>Executive Office of the President:</u>					
Passed through West Michigan Enforcement Team: High Intensity Trafficking Areas Program HIDTA	95.001	WEMET		G16SM0002A/G17SM0002A	9,269.81
Total Executive Office of the President					<u>9,269.81</u>
<u>U.S. Department of Agriculture:</u>					
Passed through Michigan Department of Education Emergency Food and Shelter National Board Program	97.024	MDE		456100-005	1,722.50
Emergency Food and Shelter National Board Program	97.024	MDE		456100-005	1,228.98
Total U.S. Department of Agriculture					<u>2,951.48</u>
<u>U.S. Department of Homeland Security:</u>					
Passed through the Michigan Department of Natural Resources Boating Safety Financial Assistance	97.012	DNR		MS17-036	16,100.00
Passed through Michigan Department of State Police: Emergency Management Performance Grant	97.042	MSP		EMC-2017-EP-00001-S01	48,069.00
Passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB: Homeland Security Grant Program	97.067	SRDC		EMW-2015-SS-00033	9,703.58
Homeland Security Grant Program	97.067	SRDC		EMW-2016-SS-00033	133,416.85
Homeland Security Grant Program	97.067	SRDC		EMW-2017-SS-00033	26,215.15
					<u>169,335.58</u>
Total U.S. Department of Homeland Security					<u>233,504.58</u>
Total Expenditures of Federal Awards					<u>8,876,727.98</u>

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

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, 2018

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	\$ 14,414
National Priority Safety Programs – Youth Alcohol Enforcement	20.616	4,336
Homeland Security Grant Program	97.067	1,414
Total		\$ 20,164

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	\$ 91,045
Less - inventory at beginning of year	(12,086)
Add - inventory at end of year	7,045
Commodities received per State of Michigan	\$ 86,004

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	\$ 406,223
Less - inventory at beginning of year	(141,106)
Add - inventory at end of year	134,513
Vaccines received per State of Michigan	\$ 399,630

(Concluded)

OTTAWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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 Grant Substance Abuse
93.563	Child Support Enforcement

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

SECTION II - FINANCIAL STATEMENT FINDINGS

2018-001

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 overall timeline of the year end close process did improve and the County will focus on the procedures surrounding the three specific areas which resulted in this finding.

OTTAWA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2017-001

This finding was repeated as finding 2018-001 above