

**COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN**



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**2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016**

COUNTY OF OTTAWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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INTRODUCTORY



Ottawa County

Administrator's Office

Alan G. Vanderberg

County Administrator

Keith A. Van Beek

Deputy County Administrator

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March 30, 2017

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 nine-month period ended September 30, 2016.

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

Vredeveld Haefner LLC, an independent firm of certified public accountants, has audited the financial statements contained in this report and has found them to present fairly, in all material respects, the financial position of the County. Vredeveld Haefner LLC also performed a single audit in conformity with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and independent auditor's report, can be found at the end of this report.

GAAP require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY

The County was established in 1837 and encompasses approximately 565 square miles of the southwestern portion of Michigan's Lower Peninsula, including over 30 miles of Lake Michigan shoreline. The six cities, one village, and seventeen townships of the County are home to approximately 280,000 people, making the County the eighth most populous county in the state. Since 2010, the County has been the fastest growing county in the state and has been named Michigan's Healthiest County four times. The County is governed by an 11-member elected Board of Commissioners ("Board") and provides a wide range of services to residents, including law enforcement, administration of justice, community development and enrichment, health and human services, and recreation. Thanks to the sound management by the Board, elected officials, and appointed county administration, the County continues to maintain a healthy financial status, including high credit ratings, low interest rates, and the fifth lowest general property tax levy in the state.

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

LOCAL ECONOMY

As the State of Michigan's housing market fights to rebound, the County continues to see a strong real estate market and increasing property values. The County's taxable values increased 1.37% in 2016 and is once again at its peak. Although values are expected to continue to increase, along with inflation, the County is looking ahead to 2017 conservatively due to State Personal Property Tax reform and the plan to proactively set aside funds for property tax values under appeal.

Sustained economic growth by the County, including an increase in Gross Domestic Product and Per Capita Income, has helped attract significant business development and expansion to the area. The annual unemployment rate decreased from 3.5% to 2.7% in 2016, 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 2016 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.

During the biennial public opinion survey in 2016, 80% of residents said County operations are heading in the right direction, up from 73% in 2014. 58% of residents said the County manages finances well and 71% said their tax burden is about right. Parks and Recreation was listed as the service the County provides best, with proximity to natural water features and safe neighborhoods were cited most often as the best reasons to live in the County.

The County continues to enhance the citizen experience through social media, with 78% of citizens offering a positive assessment of the County's website, miOttawa.org, after visiting. The Center for Digital Government and the National Association of Counties recognized the leading government websites in the country for the 2016 Digital Counties Survey and miOttawa.org was in the top ten for the eighth-straight year compared to counties of similar size. The survey recognizes the best technology practices among U.S. counties, including initiatives that save tax dollars through newfound efficiencies, boost transparency, cybersecurity, and engagement, or innovate through unique and exciting projects.

In 2013, the County embarked on something unheard of in government – improving citizen service “The Disney Way”. Today, the County is living and growing as a customer-centric organization and was honored to be featured as an entire chapter of the third release of “The Disney Way” (McGraw-Hill: April 2016) authored by Bill Capodagli and Lynn Jackson.

Several other initiatives continued their success in 2016, including the lakeshore beaches receiving numerous national accolades, the M23.1k Run & Relay geared up for its second year through a partnership with the Michigan Department of Transportation, and the Adult Drug Treatment Court, a specialty program of the 20th Circuit Court for non-violent felony offenders with acute substance use disorders, continuing to excel in its field. The Parks and Recreation department continued to expand and develop the County's natural spaces with the approval by the Board to purchase an additional 80 acres to add to North Ottawa Dunes.

PLANNING FOR THE FUTURE

The County experienced several big changes early in the 2017 fiscal year, including mourning the loss of District Six Commissioner Dennis Van Dam. Dennis was known and admired by elected officials and embodied the highest ideals of public service. He made the County a better place and will be missed. Kelly Kuiper was appointed by the Board to fill the District Six seat. Undersheriff Steve Kempker was elected in the November 2016 election and succeeded Gary Rosema who retired after 23 years as Sheriff, with Valerie Weiss taking over as Undersheriff.

The Board meets annually to review the County's strategic plan and tailor it to the goals of the Board, which include maintaining and improving the strong financial position of the County. For the 2017 fiscal year and beyond, the Board identified several objectives to meet these goals, including maintaining and improving current processes and implementing new strategies to retain a balanced budget. These processes and strategies include continuing the successful transition of the County to a new fiscal year beginning October 1, 2016, maintaining the health of the County financing tools and the Insurance Authority, and continuing to develop the Capital Improvement Plan by identifying projects needed in the future and the funding to pay for it. Together, the Board and the County continue to evaluate and adopt strategies to contain the cost of health benefits and address the outstanding pension and retiree liabilities. With the vision and action of the Board, the County continues to look very positively toward the future.


AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. In order to be awarded a Certificate of Achievement, the County published a CAFR whose contents conform to program standards. This CAFR satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year and the County has received this prestigious award for thirty-two consecutive years. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Sincerely,



Alan G. Vanderberg
County Administrator



Karen Karasinski, CPA
Fiscal Services Director



Government Finance Officers Association

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

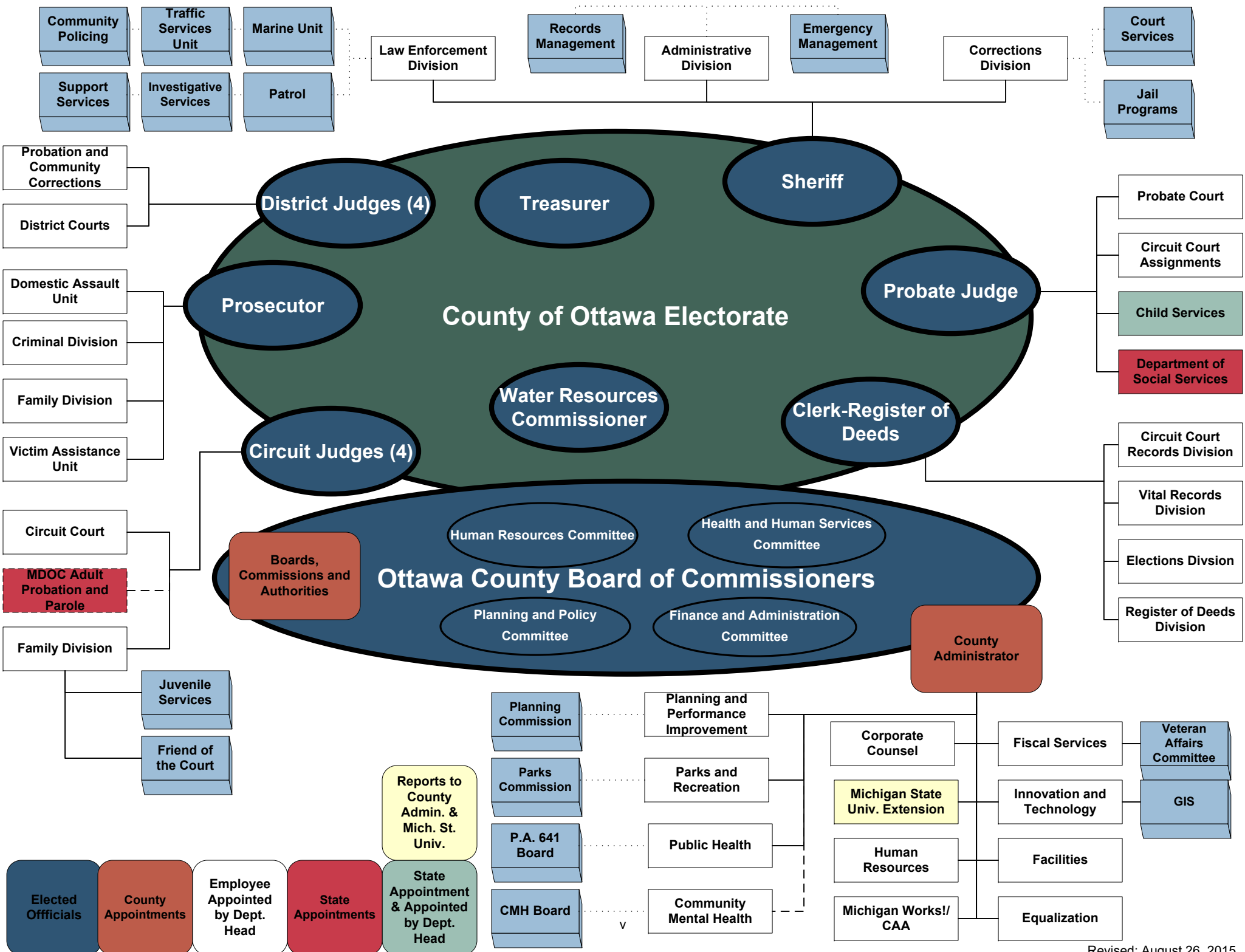
Presented to

**County of Ottawa
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA
GRAND HAVEN, MICHIGAN

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

BOARD OF COMMISSIONERS

2016

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STU VISSER

ADMINISTRATOR
ALAN G. VANDERBERG

FISCAL SERVICES DIRECTOR
KAREN KARASINSKI, CPA

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

March 29, 2017

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 nine-month period ended September 30, 2016, 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, which is a major fund. This represents 7.7 percent, 1.0 percent, and 27.4 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 the Mental Health Funds, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ottawa County, Michigan, as of September 30, 2016, and the respective changes in financial position, and, where applicable cash flows, thereof for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the Required Supplementary Information section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ottawa, Michigan's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 fund statements and schedules 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 fund statements and schedules 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, under separate cover, our report dated March 29, 2017, on our consideration of the County of Ottawa, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Ottawa, Michigan's internal control over financial reporting and compliance.

Wiederold Haefner LLP

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 nine-month period ended September 30, 2016. 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-iii of the introductory section.

FINANCIAL HIGHLIGHTS

- The County's net position, which is the excess of assets over liabilities, at the close of the nine-month period was \$171,603,096, of which \$36,481,400 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. Total net position decreased by \$2,383,307 as a result of operations of the current nine-month period.
- At the end of the current nine-month period, the County's governmental funds reported combined ending fund balances of \$61,867,762, an increase of \$7,646,825 in comparison with the prior year. The large increase can be attributed to the change of the County's fiscal year end to September 30 from December 31. Of the ending fund balance total, \$43,026,514 (69.5%) is subject to the underlying restrictions, commitments, or assignments of the particular general, special revenue, debt service, capital project, and permanent funds, while \$18,841,248 (30.5%) is unassigned and available for spending at the County's discretion.
- At the end of the current nine-month period, total fund balance for the General Fund was \$46,656,098, approximately 98.3% of total General Fund expenditures including transfers, and increased from the prior year by \$7,363,733.
- The County's total bonded debt decreased by \$365,000 during the current nine-month period.

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 22 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 19 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.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Fiduciary funds

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

Notes to the financial statements

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

Required supplementary information

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

Supplementary information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Over time, net position may serve as a useful indicator of a government's financial health. For the County of Ottawa, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$171,603,096 at the close of the most recent nine-month period. 21.2% of the County's net position is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets, which represent 64.8% 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. Capital assets decreased slightly in the current period.

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 \$23,866,158, which is lower than the previous fiscal year due in large part to a reduction in the amount of restricted funds the County held for Substance Abuse.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 125,107,543	\$ 123,923,091	\$ 22,290,390	\$ 23,045,582	\$ 147,397,933	\$ 146,968,673
Capital assets	131,749,896	129,537,612	-	-	131,749,896	129,537,612
Total assets	256,857,439	253,460,703	22,290,390	23,045,582	279,147,829	276,506,285
Deferred outflows of resources	10,519,850	34,956,506	-	-	10,519,850	34,956,506
Other liabilities	25,303,249	28,459,463	8,705	4,156	25,311,954	28,463,619
Long-term liabilities outstanding	77,541,890	111,396,076	-	-	77,541,890	111,396,076
Total liabilities	102,845,139	139,855,539	8,705	4,156	102,853,844	139,859,695
Deferred inflows of resources	12,827,432	-	-	-	12,827,432	-
Net position						
Net investment in capital assets	112,970,569	111,255,538	-	-	112,970,569	111,255,538
Restricted	22,685,963	22,089,108	1,682,228	1,777,050	24,368,191	23,866,158
Unrestricted	16,048,186	15,217,024	20,599,457	21,264,376	36,647,643	36,481,400
Total net position	\$ 151,704,718	\$ 148,561,670	\$ 22,281,685	\$ 23,041,426	\$ 173,986,403	\$ 171,603,096

Statement of Activities

Beginning net position of governmental activities was decreased by \$1,853 to properly present the Ottawa County Brownfield Redevelopment Authority (BRA), a discretely presented component unit of the County.

A significant amount of the change from the previous fiscal year can be attributed to the County's nine-month period in 2016. Specific activity affecting the primary government's net position's decrease of \$2,381,454 during the current period, is as follows:

Revenues

Revenues decreased \$9,135,714 (6.6%) due in large part to the \$6,190,600 (22.7%) decrease in judicial, general government, and public safety charges for services, and the \$8,653,062 (14.1%) decrease in health & welfare operational grants, all attributable to the shortened fiscal period.

Property tax revenue increased \$5,293,960 (11.9%) due to an increase in taxable value and a new road millage levied in July 2016.

Investment earnings increased by \$1,131,103 (92.1%) due to changes in the OCIA's investments.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses

Expenses decreased \$6,960,221 (5.0%) due to the shortened fiscal period, with the largest reductions coming from these areas:

- Judicial - \$1,044,700 (6.1%)
- General government - \$1,117,385 (8.3%)
- Public safety - \$2,406,377 (7.3%)
- Health and welfare - \$3,426,356 (5.3%)
- Culture and recreation - \$1,127,200 (22.3%)

Public works' expenses increased \$4,823,295 (433.4%) because of the new road millage paid to the Road Commission. Also, interest on long-term debt decreased by \$532,854 (33.8%) also because the associated debt payments were not due in the nine-month period of 2016.

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

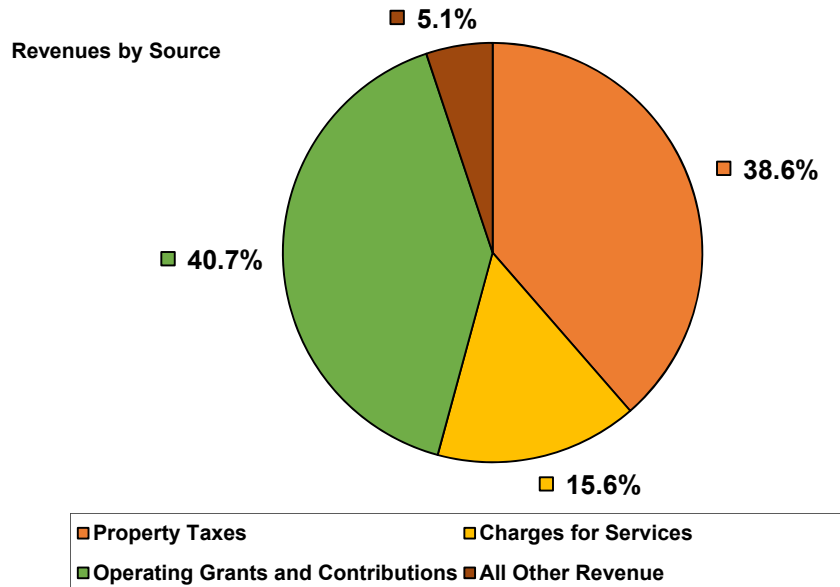
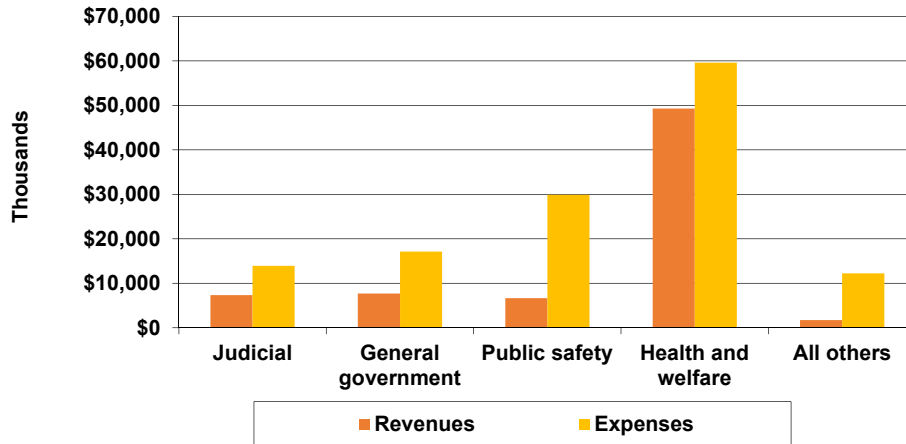
	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenues						
Program revenues:						
Charges for services	\$ 26,121,654	\$ 20,178,579	\$ 1,162,809	\$ 915,284	\$ 27,284,463	\$ 21,093,863
Operating grants and contributions	61,175,917	52,522,855	-	-	61,175,917	52,522,855
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	44,583,727	49,877,687	-	-	44,583,727	49,877,687
Grants and contributions not restricted to specific programs	4,729,722	4,462,913	-	-	4,729,722	4,462,913
Investment earnings	1,090,878	2,135,192	136,970	223,759	1,227,848	2,358,951
Miscellaneous	472,033	21,727	-	-	472,033	21,727
Total revenues	138,173,931	129,198,953	1,299,779	1,139,043	139,473,710	130,337,996
Expenses						
Legislative	467,155	386,596	-	-	467,155	386,596
Judicial	16,995,782	15,951,012	-	-	16,995,782	15,951,012
General government	14,214,900	13,037,515	-	-	14,214,900	13,037,515
Public safety	32,905,190	30,498,813	-	-	32,905,190	30,498,813
Public works	1,113,013	5,936,308	-	-	1,113,013	5,936,308
Health and welfare	64,251,760	60,825,404	-	-	64,251,760	60,825,404
Community and economic development	1,090,188	953,552	-	-	1,090,188	953,552
Culture and recreation	5,059,018	3,931,818	-	-	5,059,018	3,931,818
Interest on long-term debt	1,578,129	1,045,275	-	-	1,578,129	1,045,275
Business-type activities	-	-	2,004,536	153,157	2,004,536	153,157
Total expenses	137,675,135	132,566,293	2,004,536	153,157	139,679,671	132,719,450
Increase in net position before						
transfers to other funds	498,796	(3,367,340)	(704,757)	985,886	(205,961)	(2,381,454)
Transfers	150,000	226,145	(150,000)	(226,145)	-	-
Increase (decrease) in net position	648,796	(3,141,195)	(854,757)	759,741	(205,961)	(2,381,454)
Net position, beginning of year, as restated	151,055,922	151,702,865	23,136,442	22,281,685	174,192,364	173,984,550
Net position, end of year	\$ 151,704,718	\$ 148,561,670	\$ 22,281,685	\$ 23,041,426	\$ 173,986,403	\$ 171,603,096

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Program Revenues and Expenses



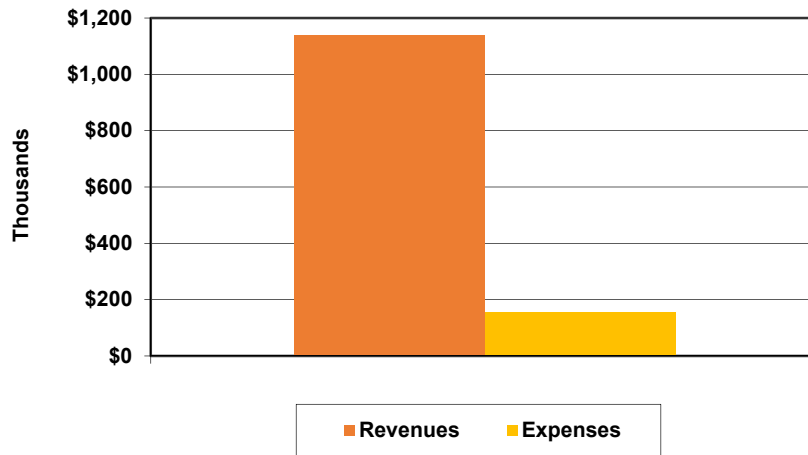
COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

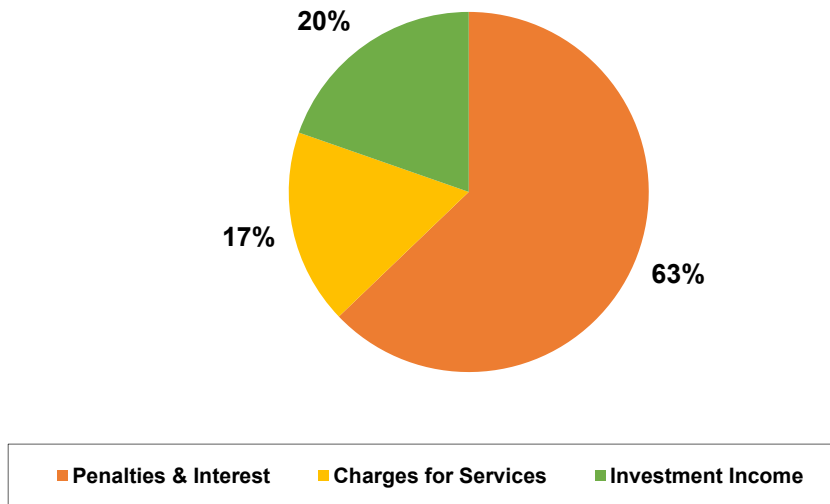
Business-type Activities

Business-type activities increased the County's net position by an expected \$759,741. The revenues for these activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. Although their penalties and interest on delinquent taxes and proceeds from tax sales (charges for services) decreased \$247,525, their investment income increased by \$86,789 and their expenses decreased \$1,851,379 (92.4%) because the debt payment they help pay was not due in the nine-month period of 2016.

Program Revenues and Expenses



Revenues by Source



COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND STATEMENT FINANCIAL ANALYSIS

Governmental Funds

Of the \$61,867,762 of fund balance as of the end of the current nine-month period, \$22,893,688 (37.0%) is considered nonspendable or restricted because it is either in a nonspendable 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 \$810,351, \$22,083,337, respectively. The remaining \$38,974,075 (63.0%) is considered spendable fund balance, of which \$14,321,023 has been committed by the Board for specific purposes, \$5,811,804 has been assigned by the County Administrator for specific purposes, and \$18,841,248 is unassigned fund balance and is available for spending at the County's discretion.

The General Fund (1010) is the chief operating fund of the County. At the end of the current nine-month period, the unassigned fund balance of the General Fund was \$18,841,248, an increase of \$8,869,914 from the prior year, while total fund balance was \$45,656,098. Unassigned fund balance represents 33.1% percent of total General Fund expenditures and transfers out, which may be a useful measurement of the General Fund's liquidity. The County planned to have a higher ending fund balance, and a higher percentage than the normal 10-15% range, because 2016 is a nine-month period to accommodate a change in fiscal year.

The Community Mental Health Fund (2220) had an increase in fund balance of \$73,356 and the Substance Use Disorder Fund (2225) had an increase in fund balance of \$21,720, both primarily due to cuts in expenditures due to concern about future funding.

General Fund Budgetary Highlights

The original revenue and expenditure budgets (including transfers in/out) for the General Fund (1010) were \$61,014,818 and \$62,156,624, respectively. The amended revenue budget was \$61,093,586, and the amended expenditure budget was \$60,078,527.

The revenue budget decreased overall by \$78,768, spread throughout the County in various departments with no area having a material decrease. Operating transfers decreased by \$2,250,000 when it became clear the \$1,000,000 from the OCIA and the \$1,250,000 transfer from the Delinquent Tax Revolving Fund would not be needed.

The budget for General Fund expenditures (including transfers in/out) decreased \$2,078,097 in total, due to the shortening of the fiscal year to a nine-month period, and expenditures and transfers out as a whole were \$3,727,687 under budget.

Capital Assets

The County's investment in capital assets net of accumulated depreciation was \$129,537,612 as of September 30, 2016. 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 nine-month period remained essentially steady as additions approximated depreciation.

Major capital asset events during the current nine-month period included the following:

- Significant renovations were completed at the Jail for new door security and a new roof, totaling \$536,567 and \$171,072, respectively.
- \$508,800 was spent for additional Grand River Ravines access improvements and \$105,803 was spent on the beginning of the Spoonville Trail.
- Approximately \$795,000 was spent on vehicle replacements, mostly in Public Safety.

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.

	2016	2015
Land	\$ 48,921,584	\$ 48,921,584
Construction in progress	-	-
Land improvements	13,908,135	13,923,303
Buildings and improvements	60,896,350	62,586,710
Equipment	5,811,543	6,318,299
Total	<u>\$ 129,537,612</u>	<u>\$ 131,749,896</u>

Long-term Debt

At the end of the current nine-month period, the County had total general obligation bonds backed by the full faith and credit of the County outstanding of \$46,320,000, which decreased by \$365,000 from the prior year.

General Obligation Bonds Outstanding

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

	2016	2015
General obligation bonds	\$ 34,365,000	\$ 34,730,000
General obligation bonds - Refunding	11,955,000	11,955,000
Total	<u>\$ 46,320,000</u>	<u>\$ 46,685,000</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, 2016, the debt limitation for the County is \$1,243,836,623, which is significantly in excess of the County's outstanding general obligation debt.

ECONOMIC FACTORS AND THEIR IMPACT ON FUTURE BUDGETS

The following factors were considered in preparing the County's budget for the 2017 fiscal year:

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

2012	2013	2014	2015	2016
-0.96%	1.44%	3.19%	5.59%	1.37%

- The County's operating levy is 3.6 mills, the fifth lowest amount the 83 counties in the state, and does not levy its maximum authorized levy to alleviate taxpayer burden. The County still has a cushion of .665 mills which provides an additional \$6.9 million the County may access with a vote of the Board of Commissioners.
- The unemployment rate for the County was 2.7% as of September 2016, which is significantly lower than 4.9% 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.

COUNTY OF OTTAWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and pooled investments (Note 3)	\$ 70,604,610	\$ 19,449,291	\$ 90,053,901	\$ 21,870,045
Investments	36,226,185	-	36,226,185	3,112,000
Receivables (net of allowance for estimated uncollectibles)				
Taxes	3,514,404	3,051,033	6,565,437	-
Accrued interest and penalties on delinquent taxes	-	542,273	542,273	-
Accounts	1,002,320	2,985	1,005,305	2,121,807
Accrued interest on investments	301,474	-	301,474	-
Advances to component units (Note 6)	325,000	-	325,000	-
Due from other governments	10,593,512	-	10,593,512	7,559,624
Inventory of supplies	240,746	-	240,746	1,496,700
Prepaid items	672,475	-	672,475	516,360
Total current assets	123,480,726	23,045,582	146,526,308	36,676,536
Noncurrent assets				
Net other post-employment benefits asset	442,365	-	442,365	-
Due from other governments	-	-	-	116,824,902
Capital assets not being depreciated (Note 5)	48,921,584	-	48,921,584	18,653,936
Capital assets being depreciated, net	80,616,028	-	80,616,028	239,650,753
Total noncurrent assets	129,979,977	-	129,979,977	375,129,591
Total assets	253,460,703	23,045,582	276,506,285	411,806,127
Deferred outflows of resources				
Unamortized deferred bond refunding costs	402,639	-	402,639	2,830,671
Deferred outflow for pension plan (Note 10)	34,553,867	-	34,553,867	6,249,014
Total deferred outflows of resources	34,956,506	-	34,956,506	9,079,685
Liabilities				
Current liabilities				
Accounts payable	16,060,044	4,371	16,064,415	4,801,352
Interest payable	649,922	-	649,922	1,217,165
Due to other governments	4,702,322	(215)	4,702,107	59,003
Current portion of long-term debt (Note 8)	6,428,669	-	6,428,669	8,199,623
Advances from primary government	-	-	-	325,000
Advances from other governments	478,406	-	478,406	665,043
Unearned revenue	140,100	-	140,100	-
Total current liabilities	28,459,463	4,156	28,463,619	15,267,186
Noncurrent liabilities				
Noncurrent portion of long-term obligations (Note 8)	47,679,306	-	47,679,306	133,707,364
Net pension liability (Note 10)	63,716,770	-	63,716,770	25,492,540
Total noncurrent liabilities	111,396,076	-	111,396,076	159,199,904
Total liabilities	139,855,539	4,156	139,859,695	174,467,090
Net position (Note 1)				
Net investment in capital assets	111,255,538	-	111,255,538	243,415,164
Restricted for				
Capital projects	10,446,707	-	10,446,707	1,459,482
Debt Service	-	-	-	2,651,986
Donations	206,900	-	206,900	-
Grants	1,021,851	-	1,021,851	-
Infrastructure maintenance	-	-	-	598,017
State of Michigan public act restrictions	10,407,760	1,777,050	12,184,810	55,031
Cemetery trust				
Restricted	120	-	120	-
Nonspendable	5,770	-	5,770	-
Unrestricted	15,217,024	21,264,376	36,481,400	(1,760,958)
Total net position	\$ 148,561,670	\$ 23,041,426	\$ 171,603,096	\$ 246,418,722

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

COUNTY OF OTTAWA

STATEMENT OF ACTIVITIES

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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	\$ 385,465	\$ 1,131	\$ -	\$ -	\$ -	\$ (386,596)
Judicial	13,923,641	2,027,371	3,515,097	3,825,070	-	(8,610,845)
General government	17,137,962	(4,100,447)	5,998,183	1,699,099	-	(5,340,233)
Public safety	29,903,825	594,988	6,216,667	439,393	-	(23,842,753)
Public works	5,920,215	16,093	308,126	126,538	-	(5,501,644)
Health and welfare	59,599,245	1,226,159	3,449,260	45,824,956	-	(11,551,188)
Community and economic development	952,470	1,082	62,968	180,710	-	(709,874)
Culture and recreation	3,928,845	2,973	628,278	427,089	-	(2,876,451)
Interest on long-term debt	1,045,275	-	-	-	-	(1,045,275)
Total governmental activities	132,796,943	(230,650)	20,178,579	52,522,855	-	(59,864,859)
Business-type activities						
Delinquent tax collection	153,157	-	915,284	-	-	762,127
Total primary government	\$ 132,950,100	\$ (230,650)	\$ 21,093,863	\$ 52,522,855	\$ -	\$ (59,102,732)
Component units	\$ 60,110,859	\$ -	\$ 33,539,709	\$ 26,610,511	\$ 10,569,328	\$ 10,608,689

(Continued)

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

COUNTY OF OTTAWA

STATEMENT OF ACTIVITIES

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	<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	\$ (59,864,859)	\$ 762,127	\$ (59,102,732)	\$ 10,608,689
General revenues				
Property taxes, levied for general purposes	37,033,365	-	37,033,365	2,250
Property taxes, levied for park development	3,235,086	-	3,235,086	-
Property taxes, levied for E-911 Central Dispatch	4,499,009	-	4,499,009	-
Property taxes, levied for Road Commission	5,110,227	-	5,110,227	-
Grants and contributions not restricted to specific programs	4,462,913	-	4,462,913	-
Investment earnings	2,135,192	223,759	2,358,951	540,653
Miscellaneous	21,727	-	21,727	9,776
Transfers - internal activities	<u>226,145</u>	<u>(226,145)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>56,723,664</u>	<u>(2,386)</u>	<u>56,721,278</u>	<u>552,679</u>
Change in net position	(3,141,195)	759,741	(2,381,454)	11,161,368
Net position, beginning of year, as restated (Note 16)	<u>151,702,865</u>	<u>22,281,685</u>	<u>173,984,550</u>	<u>235,970,263</u>
Net position, end of year	<u>\$ 148,561,670</u>	<u>\$ 23,041,426</u>	<u>\$ 171,603,096</u>	<u>\$ 247,131,631</u>

(Concluded)

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

COUNTY OF OTTAWA

**GOVERNMENTAL FUNDS
BALANCE SHEET**

SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	General	Community Mental Health	Substance Use Disorder	Nonmajor Governmental Funds	Total Governmental Funds	
					2016	2015
Assets						
Cash and pooled investments	\$ 42,178,684	\$ 3,308,699	\$ 1,749,021	\$ 13,655,487	\$ 60,891,891	\$ 53,319,952
Receivables (net of allowance for estimated uncollectibles)						
Taxes	3,509,228	-	-	5,176	3,514,404	13,576,457
Accounts	737,667	81,551	-	152,125	971,343	866,647
Accrued interest on investments	214,100	-	-	-	214,100	159,440
Due from other governmental units	3,314,254	2,550,018	310,408	4,418,832	10,593,512	9,934,181
Interfund receivable	2,016,016	-	-	-	2,016,016	3,378,842
Advances to component units	325,000	-	-	-	325,000	325,000
Inventory of supplies	9,420	3,218	-	228,108	240,746	252,351
Prepaid expenditures	90,286	106,714	-	41,835	238,835	235,626
Total assets	<u>52,394,655</u>	<u>6,050,200</u>	<u>2,059,429</u>	<u>18,501,563</u>	<u>79,005,847</u>	<u>82,048,496</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	2,610,140	2,707,348	230,523	1,189,576	6,737,587	6,497,314
Due to other governmental units	123,036	2,703,840	1,807,186	68,260	4,702,322	3,103,237
Interfund payable	-	-	-	2,018,153	2,018,153	2,226,328
Advances from other governmental units	-	-	-	478,406	478,406	478,406
Unearned revenue	1,031	18,702	-	120,367	140,100	94,470
Total liabilities	<u>2,734,207</u>	<u>5,429,890</u>	<u>2,037,709</u>	<u>3,874,762</u>	<u>14,076,568</u>	<u>12,399,755</u>
Deferred inflows of resources						
Aggregate deferred inflows (Note 4)	3,004,350	-	-	57,167	3,061,517	15,427,804
Fund balances (Note 1)						
Nonspendable	424,706	109,932	-	275,713	810,351	818,747
Restricted	9,985,518	510,378	21,720	11,565,721	22,083,337	22,680,193
Committed	14,320,359	-	-	664	14,321,023	15,006,228
Assigned	3,084,268	-	-	2,727,536	5,811,804	5,744,425
Unassigned	18,841,248	-	-	-	18,841,248	9,971,344
Total fund balances	<u>46,656,098</u>	<u>620,310</u>	<u>21,720</u>	<u>14,569,634</u>	<u>61,867,762</u>	<u>54,220,937</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,394,655</u>	<u>\$ 6,050,200</u>	<u>\$ 2,059,429</u>	<u>\$ 18,501,563</u>	<u>\$ 79,005,847</u>	<u>\$ 82,048,496</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, 2016

Total Fund Balances - Governmental Funds	\$ 61,867,762
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets not being depreciated - land	48,921,584
Capital assets being depreciated, net of accumulated depreciation	76,232,609

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

Net other post-employment benefits asset	442,365
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Internal service funds are used by management to charge the costs of centralized services, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.

Total net position of internal service funds	41,553,994
--	------------

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

Unavailable deferred inflows	3,061,517
------------------------------	-----------

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(46,320,000)
Landfill reclamation liability	(3,662,375)
Compensated absences payable	(2,725,886)
Accrued interest payable	(649,923)
Unamortized bond premium	(1,399,713)
Unamortized deferred bond refunding loss	402,639
Net pension liability	(63,716,770)
Deferred outflows for pension plan	<u>34,553,867</u>

Net Position of Governmental Activities	<u>\$ 148,561,670</u>
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The accompanying notes are an integral part of these financial statements.

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	General	Community	Substance	Nonmajor	Total	
		Mental Health	Use Disorder	Governmental Funds	Governmental Funds	Governmental Funds
					2016	2015
Revenues						
Taxes	\$ 46,042,637	\$ -	\$ -	\$ 3,245,944	\$ 49,288,581	\$ 43,736,614
Intergovernmental revenues	7,600,108	33,774,031	2,239,998	17,253,529	60,867,666	70,964,433
Charges for services	7,296,770	540,755	-	2,515,930	10,353,455	13,137,167
Fines and forfeits	61,440	-	-	-	61,440	69,428
Investment earnings (loss)	644,623	23,147	14,474	131,753	813,997	318,138
Licenses and permits	303,753	-	-	988,462	1,292,215	1,271,158
Rental income	1,541,642	-	-	39,938	1,581,580	4,272,100
Other	830,335	518,114	10,700	1,525,525	2,884,674	3,086,381
Total revenues	64,321,308	34,856,047	2,265,172	25,701,081	127,143,608	136,855,419
Expenditures						
Current operations						
Legislative	343,622	-	-	-	343,622	465,069
Judicial	9,376,957	-	-	4,797,220	14,174,177	16,881,469
General government	9,411,963	-	-	140,362	9,552,325	12,713,706
Public safety	20,079,115	-	-	5,817,738	25,896,853	32,092,116
Public works	5,428,701	-	-	359,169	5,787,870	861,849
Health and welfare	1,936,633	35,259,191	2,243,452	18,273,111	57,712,387	63,182,493
Community and economic development	768,660	-	-	89,089	857,749	1,088,435
Culture and recreation	-	-	-	2,413,165	2,413,165	2,936,867
Other governmental functions	94,215	-	-	-	94,215	120,695
Debt service	-	-	-	1,150,868	1,150,868	4,229,278
Capital projects	-	-	-	1,795,627	1,795,627	4,405,545
Total expenditures	47,439,866	35,259,191	2,243,452	34,836,349	119,778,858	138,977,522
Revenues over (under) expenditures	16,881,442	(403,144)	21,720	(9,135,268)	7,364,750	(2,122,103)
Other financing sources (uses)						
Transfers from other funds	27,000	476,500	-	9,625,599	10,129,099	13,996,966
Transfers to other funds	(9,544,709)	-	-	(300,462)	(9,845,171)	(13,451,466)
Issuance of bonds	-	-	-	-	-	11,955,000
Premium on bonds	-	-	-	-	-	1,744,362
Payment to escrow agent	-	-	-	-	-	(13,557,781)
Total other financing sources (uses)	(9,517,709)	476,500	-	9,325,137	283,928	687,081
Net change in fund balances	7,363,733	73,356	21,720	189,869	7,648,678	(1,435,022)
Fund balances, beginning of year, as restated	39,292,365	546,954	-	14,379,765	54,219,084	55,655,959
Fund balances, end of year	\$ 46,656,098	\$ 620,310	\$ 21,720	\$ 14,569,634	\$ 61,867,762	\$ 54,220,937

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Net Change in Fund Balances - Governmental Funds	\$ 7,648,678
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital outlay	1,597,193
Depreciation expense	(3,625,731)
Net book value of disposed assets	(10,115)

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	461,145
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Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on debt	365,000
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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	(441)
Change in compensated absences payable	(12,291)
Change in accrued interest payable	(391,660)
Amortization of bond premium	172,324
Amortization of deferred bond refunding costs	(40,071)
Change in net pension liability	(34,371,685)
Change in deferred outflow for pension plan	24,476,727
Change in other post-employment benefits asset	(5,352)

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>595,084</u>
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Change in Net Position of Governmental Activities	<u>\$ (3,141,195)</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF OTTAWA

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Assets		
Current assets		
Cash and pooled investments	\$ 19,449,291	\$ 9,714,856
Investments	-	36,226,185
Receivables		
Delinquent taxes receivable	3,051,033	-
Accrued interest and penalties on delinquent taxes	542,273	-
Accounts	2,985	30,977
Accrued interest on investments	-	87,374
Due from other funds	-	4,030,673
Prepaid expenses	-	433,640
Total current assets	<u>23,045,582</u>	<u>50,523,705</u>
Noncurrent assets		
Capital assets		
Office furniture and equipment	-	6,779,099
Copy machines	-	281,550
Telephone equipment	-	2,278,719
Vehicles	-	5,378,884
Less accumulated depreciation	-	(10,334,833)
Net capital assets	<u>-</u>	<u>4,383,419</u>
Total assets	<u>23,045,582</u>	<u>54,907,124</u>
Liabilities		
Current liabilities		
Accounts payable	4,371	9,322,457
Due to other funds	-	4,030,673
Due to other governmental units	(215)	-
Total liabilities	<u>4,156</u>	<u>13,353,130</u>
Net position		
Invested in capital assets	-	4,383,419
Restricted for land foreclosure	1,777,050	-
Unrestricted	<u>21,264,376</u>	<u>37,170,575</u>
Total net position	<u>\$ 23,041,426</u>	<u>\$ 41,553,994</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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	Business-type Activities Enterprise Fund	Governmental Activities
	Delinquent Tax Revolving Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 199,560	\$ 13,883,722
Penalties and interest in delinquent taxes	715,724	-
Other revenue	-	62,266
Total operating revenues	915,284	13,945,988
Operating expenses		
Personnel services	77,035	1,808,779
Contractual services	62,759	561,413
Supplies	13,363	53,641
Depreciation	-	1,221,234
Building and equipment rental	-	223,977
Claims and legal	-	1,196,769
Miscellaneous	-	9,853,987
Total operating expenses	153,157	14,919,800
Operating income	762,127	(973,812)
Nonoperating revenues (expenses)		
Investment earnings	223,759	655,790
Net change in the fair value of investments	-	938,412
Gain on sale of capital assets	-	32,477
Total nonoperating revenues	223,759	1,626,679
Income before transfers	985,886	652,867
Transfers		
Transfers in	-	-
Transfers out	(226,145)	(57,783)
Total transfers	(226,145)	(57,783)
Change in net position	759,741	595,084
Total net position, beginning of year	22,281,685	40,958,910
Total net position, end of year	\$ 23,041,426	\$ 41,553,994

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	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	\$ -	\$ 14,056,448
Cash receipts from customers	218,179	-
Cash received from penalties and interest on delinquent taxes	623,037	-
Cash payments to suppliers for goods and services	(81,444)	(10,760,644)
Cash payments for self-funded insurance claims	-	(340,095)
Cash payments to employees for services	(77,035)	(1,808,779)
Purchase of delinquent tax rolls	<u>(764,650)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(81,913)</u>	<u>1,146,930</u>
Cash flows from noncapital financing activities		
Transfers in from other funds	-	-
Transfers out to other funds	<u>(226,145)</u>	<u>(57,783)</u>
Net cash provided by (used for) noncapital financing activities	<u>(226,145)</u>	<u>(57,783)</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	-	(1,047,603)
Proceeds from sale of equipment	<u>-</u>	<u>32,477</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(1,015,126)</u>
Cash flows from investing activities		
Purchase of investments	-	(38,774,939)
Interest on investments	223,759	692,637
Proceeds from sale of investments	<u>-</u>	<u>38,454,651</u>
Net cash provided by (used for) investing activities	<u>223,759</u>	<u>372,349</u>
Net increase (decrease) in cash and pooled investments	(84,299)	446,370
Cash and pooled investments, beginning of year	<u>19,533,590</u>	<u>9,268,486</u>
Cash and pooled investments, end of year	<u>\$ 19,449,291</u>	<u>\$ 9,714,856</u>

(Continued)

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

COUNTY OF OTTAWA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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

Operating income (loss)	\$ 762,127	\$ (973,812)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	-	\$ 1,221,234
Change in assets and liabilities not affecting cash provided by (used for) operating activities		
(Increase) decrease in receivables	(839,491)	32,032
(Increase) decrease in prepaid expenses	-	(16,022)
Increase (decrease) in unpaid claims liability	-	929,353
Increase (decrease) in accounts payable	(2,669)	(42,694)
Increase (decrease) in due to other funds	-	(3,161)
Increase (decrease) in due to other governmental units	<u>(1,880)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (81,913)</u>	<u>\$ 1,146,930</u>

Noncash investing activities

The change in fair value of investments for the internal service funds was \$938,412.

(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, 2016
(with comparative totals at December 31, 2015)

	Other Post-Employment Benefit Plan		Agency Funds	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets				
Cash and pooled investments	\$ 1,595	\$ 1,595	\$ 37,049,710	\$ 2,463,463
U.S. Government securities	381,487	247,952	-	-
U.S. Government agencies	50,684	76,717	-	-
Corporate bonds	1,016,533	934,504	-	-
Mutual funds				
Money market mutual funds	287,454	375,885	-	-
Fixed income	66,218	99,578	-	-
Domestic equity	1,996,352	2,764,424	-	-
Exchange traded	918,847	-	-	-
International equity	364,080	299,659	-	-
Receivables				
Accounts	-	-	8,031	22,308
Due from other governmental units	-	-	16,667	1,072,356
Total assets	<u>5,083,250</u>	<u>4,800,314</u>	<u>37,074,408</u>	<u>3,558,127</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	-	-	34,351,697	1,364,041
Fines and fees due to local libraries	-	-	101,961	290,827
Agency deposits	-	-	2,620,750	1,903,259
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 37,074,408</u>	<u>\$ 3,558,127</u>
Net position held in trust for other postemployment benefits	<u>\$ 5,083,250</u>	<u>\$ 4,800,313</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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

Additions	<u>2016</u>	<u>2015</u>
Contributions		
Employer	\$ 123,894	\$ 224,871
Plan member	314,106	422,181
Investment income (loss)	<u>285,315</u>	<u>(71,389)</u>
Total additions	<u>723,315</u>	<u>575,663</u>
Deductions		
Administrative expense	43,170	54,348
Premiums	<u>397,208</u>	<u>542,126</u>
Total deductions	<u>440,378</u>	<u>596,474</u>
Total net increase (decrease)	282,937	(20,811)
Net position, beginning of year	<u>4,800,313</u>	<u>4,821,124</u>
Net position, end of year	<u>\$ 5,083,250</u>	<u>\$ 4,800,313</u>

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

COUNTY OF OTTAWA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	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	\$ 6,847,720	\$ 6,451,983	\$ 6,899,118	\$ 91,915	\$ 1,567,447	\$ 2,137	\$ 9,725	\$ 21,870,045
Investments	-	-	3,112,000	-	-	-	-	3,112,000
Accounts	28,457	-	2,091,688	-	1,662	-	-	2,121,807
Due from other governments	5,802,040	597,320	-	-	1,160,264	-	-	7,559,624
Inventory of supplies	1,469,280	-	27,420	-	-	-	-	1,496,700
Prepaid items	227,838	288,522	-	-	-	-	-	516,360
Total current assets	14,375,335	7,337,825	12,130,226	91,915	2,729,373	2,137	9,725	36,676,536
Noncurrent assets								
Due from other governments	375,000	-	113,262,572	-	3,187,330	-	-	116,824,902
Capital assets not being depreciated	4,978,314	13,675,622	-	-	-	-	-	18,653,936
Capital assets being depreciated, net	202,814,325	4,789,609	-	-	32,046,819	-	-	239,650,753
Total noncurrent assets	208,167,639	18,465,231	113,262,572	-	35,234,149	-	-	375,129,591
Total assets	222,542,974	25,803,056	125,392,798	91,915	37,963,522	2,137	9,725	411,806,127
Deferred outflows of resources								
Unamortized deferred bond refunding costs	-	-	2,830,671	-	-	-	-	2,830,671
Deferred outflow for pension plan	6,170,952	78,062	-	-	-	-	-	6,249,014
Liabilities								
Current liabilities								
Accounts payable	2,517,220	107,362	1,689,745	-	487,025	-	-	4,801,352
Interest payable	-	-	1,186,713	-	30,452	-	-	1,217,165
Due to other governments	-	-	59,003	-	-	-	-	59,003
Current portion of long-term debt	209,482	1,710,173	5,603,000	-	676,968	-	-	8,199,623
Advances from primary government	-	-	150,000	-	175,000	-	-	325,000
Advances from other governments	665,043	-	-	-	-	-	-	665,043
Total current liabilities	3,391,745	1,817,535	8,688,461	-	1,369,445	-	-	15,267,186
Noncurrent liabilities								
Noncurrent portion of long-term obligations	2,221,352	9,967,667	118,822,905	-	2,695,440	-	-	133,707,364
Net pension liability	25,234,075	258,465	-	-	-	-	-	25,492,540
Total noncurrent liabilities	27,455,427	10,226,132	118,822,905	-	2,695,440	-	-	159,199,904
Total liabilities	30,847,172	12,043,667	127,511,366	-	4,064,885	-	-	174,467,090
Net position								
Net investment in capital assets	207,792,639	6,948,114	-	-	28,674,411	-	-	243,415,164
Restricted for								
Debt service	-	-	-	-	2,651,986	-	-	2,651,986
Capital projects	-	-	-	-	1,459,482	-	-	1,459,482
State of Michigan public act restrictions	-	55,031	-	-	-	-	-	55,031
Infrastructure maintenance	-	-	542,437	-	55,580	-	-	598,017
Unrestricted	(9,925,885)	6,834,306	169,666	91,915	1,057,178	2,137	9,725	(1,760,958)
Total net position	\$ 197,866,754	\$ 13,837,451	\$ 712,103	\$ 91,915	\$ 33,898,637	\$ 2,137	\$ 9,725	\$ 246,418,722

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

COUNTY OF OTTAWA

**COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES**

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Component units					
Ottawa County Road Commission	\$ 30,537,326	\$ 11,026,101	\$ 21,379,597	\$ 8,421,872	\$ 10,290,244
Ottawa County Central Dispatch Authority	4,751,260	11,664	5,230,914	-	491,318
Ottawa County Public Utilities	22,335,675	22,500,444	-	-	164,769
Ottawa County Land Bank Authority	821	-	-	-	(821)
Ottawa County Office of the Water Resources Commissioner	2,483,878	-	-	2,147,456	(336,422)
Ottawa County Brownfield Redevelopment Authority	1,899	1,500	-	-	(399)
Ottawa County Economic Development Corporation	-	-	-	-	-
Total component units	60,110,859	33,539,709	26,610,511	10,569,328	10,608,689

(Continued)

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

COUNTY OF OTTAWA

COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	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	\$ 10,290,244	\$ 491,318	\$ 164,769	\$ (821)	\$ (336,422)	\$ (399)	\$ -	\$ 10,608,689
General revenues								
Property taxes, levied for general purposes	-	-	-	1,567	-	683	-	2,250
Investment earnings	467,023	47,725	9,097	-	16,759	-	49	540,653
Miscellaneous	9,776	-	-	-	-	-	-	9,776
Total general revenues	476,799	47,725	9,097	1,567	16,759	683	49	552,679
Change in net position	10,767,043	539,043	173,866	746	(319,663)	284	49	11,161,368
Net position, beginning of year, as restated	187,099,711	13,837,451	712,103	91,169	34,218,300	1,853	9,676	235,970,263
Net position, end of year	\$ 197,866,754	\$ 14,376,494	\$ 885,969	\$ 91,915	\$ 33,898,637	\$ 2,137	\$ 9,725	\$ 247,131,631

(Concluded)

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ottawa, Michigan (the "County") was incorporated in 1837 and covers an area of approximately 565 square miles with the County seat located in the City of Grand Haven. The County operates under an 11 member-elected Board of Commissioners (the "Board") and provides services to its estimated 276,292 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

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

Reporting Entity

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

During 2016, the County changed their fiscal year-end to September 30 and is thereby reporting a nine-month period. The Friend of the Court, Health, Community Mental Health, Substance Use Disorder, Department of Health and Human Services, and Child Care funds were previously reported with a September 30 year-end and are being presented as a full fiscal year. Indirect expense allocations do not agree across all funds due to the different year ends reported in these financial statements. Blended and discretely presented component units are shown based on their year-end indicated below.

Blended Component Units

The Building Authority is governed by a three-member board appointed by the Ottawa County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported in the appropriate fund categories of debt service and capital projects and has a September 30 year-end. A separate report is available for the Building Authority and can be obtained from the Fiscal Services Director at the address listed below.

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

Complete financial statements for the OCIA can be obtained from:

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

Discretely Presented Component Units

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

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

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

The Ottawa County Central Dispatch Authority (the "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. The Dispatch Authority 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 (the "System") is governed by a board appointed by the Ottawa County Board of Commissioners. The Public Utilities System deposits receipts with and invests through the County. It is fiscally dependent upon the County because the 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

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

Discretely Presented Component Units (continued)

Ottawa County Office of the Water Resources Commissioner (the “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 Office of the Water Resources Commissioner can be obtained from:

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

The Economic Development Corporation of the County of Ottawa (the “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. A separate report is available for the Economic Development Corporation of the County of Ottawa and can be obtained from the Fiscal Services Director at the address listed below.

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 BRA has a September 30 year-end. A separate report is available for the Economic Development Corporation of the County of Ottawa and can be obtained from the Fiscal Services Director at the address listed below.

Separate reports for the Building Authority, Land Bank Authority, EDC, and BRA can be obtained from:

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and Fund Financial Statements

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

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

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 mental health services within the County. Monies are provided by federal and state appropriations, contributions and charges for services.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 account for construction projects.

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

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

The **OPEB Trust Fund** is used to account for the activity of the County's other postemployment 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 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.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, liabilities, and net position or equity

Cash and pooled investments

For purposes of the statement of cash flows, the County considers all assets held in the cash and investment pool to be cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at any time, similar to a demand deposit account. The investments of the County investment pool consist primarily of U.S. treasuries, U.S. government agency securities, commercial paper, certificates of deposit, local government investment pools, and mutual funds.

Investments of the Insurance Authority and Other Post-Employment Benefit Plan trust also consist of government and corporate debt and equity securities. All investments are recorded at fair value.

Receivables, payables, and due from other governments

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

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

Property taxes for general County operations are levied as of July 1 (lien date) on property values assessed as of the same date. Property taxes for Parks and 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.

Other accounts receivable is shown net of the allowance for estimated uncollectible. For the mental health receivables, an allowance of \$26,004 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$975,672 has been established.

Advances to other funds

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

Inventories and prepaids

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 exist. Donated capital assets are valued at their estimated fair market value on the date received. The amount reported for infrastructure includes assets acquired or constructed since 1980. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

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

Self-insurance claims incurred but not reported

At September 30, 2016 the County has several Internal Service funds which account for various uninsured risks. The County is self-insured up to certain limits, which vary by type of risk, and purchases reinsurance to cover claims in excess of those limits. The County records estimates of self-insurance claims incurred but not reported as of September 30, and the Road Commission at September 30, based on historical trend information, claims reported subsequent to year end, actuarial valuations and/or professional judgment. Such estimates are included in accounts payable.

Compensated absences

Substantially all County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation pay is fully vested when earned and accrued in the government-wide financial statements. Employees are granted varying amounts of sick days annually and may accumulate up to a maximum of 12 to 15 days. Unused sick leave accumulated under the current plan is forfeited upon termination or retirement. Therefore, no liability for unpaid accumulated sick leave is recorded. All employees except judges and elected officials are covered under short and long-term disability benefits if an illness lasts longer than 10 working days or six months, respectively.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensated absences (continued)

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

A liability for this amount is accrued and reported in the government-wide financial statements. The County estimates that the maximum liability for unpaid and unused sick leave would be approximately \$116,668 at September 30, 2016 if all employees who accumulated sick leave under the prior plan retired. Only the portion of this liability that has matured is recognized as a current liability. An actuarial estimate of the long-term amount payable to employees upon retirement at September 30, 2016 is \$116,518 and is funded in the General Fund with corresponding committed and assigned fund balance. On the government-wide statements, however, the liability for compensated absences is included in the non-current portion of long-term obligations.

The County has fully funded its vacation pay liability. The vacation pay expenditure/expense was recorded in each fund, and this amount was transferred and recorded in the General Fund with corresponding committed and assigned fund balance. An adjustment was made at September 30, 2016 to reflect the change in the accumulated balance to \$2,609,369.

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.

Deferred compensation plan

The County, the Road Commission and the OCCDA offer to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to County and 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 \$59,108 and OCCDA match was \$13,779 for the current year. The County employee contributions for the nine-month period ending September 30, 2016 were \$1,472,885 and the County match was \$248,231.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred compensation plan (continued)

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

Employee Retirement Plans

The County, the Road Commission and the OCCDA have contributory pension plans covering various employee groups. The plans are funded through annual contributions to the Michigan Municipal Employees' Retirement System in amounts sufficient to fund the normal cost of the plans and to amortize prior service cost.

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

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For new bond issuances after the implementation of GASB Statement #34, bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Restricted Net Position

Under Act 30, Public Acts of 1978, the use of the fund balance of the Stabilization Fund (consolidated with the General Fund) in the amount of \$9,255,217 is restricted to 1) cover a deficit, 2) prevent a reduction in the level of public services or number of employees in the current or next fiscal year, or 3) cover expenses arising from a natural disaster.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Restricted Net Position (continued)

A portion of the fund balance of the general fund is restricted for the purposed of grants, donations, and other items. At September 30, 2016 this amounted to \$1,228,751.

The fund balance of the Community Mental Health Fund (Special revenue fund 2220) in the amount of \$510,378 is restricted.

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

The fund balance of the Parks and Recreation Fund (Special Revenue Fund 2081) is comprised mainly of unused revenue from a specially designated tax levy, therefore the entire \$4,778,254 is restricted.

The fund balance of the Other Governmental Grants (Special Revenue Fund 2180) in the amount of \$300,501 is restricted to the purposes of the grants.

The fund balance of the Homestead Property Tax Fund (Special Revenue Fund 2550) in the amount of \$23,292 is restricted for administration of the program under Act 105, Public Acts of 2003.

The fund balance of the Register of Deeds Technology Fund (Special Revenue Fund 2560) in the amount of \$717,997 is restricted for technology upgrades under Act 698, Public Acts of 2002.

The fund balance of the Concealed Pistol Licensing (Special Revenue Fund 2631) in the amount of \$77,104 is restricted for administration of the program under Act 3, Public Acts of 2015.

The fund balance of the Capital Improvement Fund (Capital improvement Fund 4020) in the amount of \$5,668,453 is restricted for the purposes of capital projects.

The fund balance of the Cemetery Trust Fund (Permanent Fund 1500) in the amount of \$5,770 is non-spendable and \$120 is restricted for the perpetual care of certain cemetery lots.

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

The discretely presented component units also have certain restrictions on net position. The OCCDA has restricted \$55,031 for training and the System has restricted \$542,437 for operations and maintenance of utility systems. The WR Commissioner has restricted \$2,651,986 for debt service, \$1,459,482 for capital projects and \$55,580 for general drain maintenance.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund equity

The County implemented the provisions of GASB Statement #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 assigned fund balance.

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

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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	\$ 99,706	\$ 109,932	\$ -	\$ 269,943	\$ 479,581
Long-term advances to other funds	175,000	-	-	-	175,000
Long-term advances to component units	150,000	-	-	-	150,000
Cemetery Trust perpetual care - Fund 1500	-	-	-	5,770	5,770
Total Nonspendable	\$ 424,706	\$ 109,932	\$ -	\$ 275,713	\$ 810,351
Restricted:					
Capital projects:					
Capital Improvement - Fund 4020	\$ -	\$ -	\$ -	\$ 5,668,453	\$ 5,668,453
Parks and Recreation millage - Fund 2081	-	-	-	4,778,254	4,778,254
Donations:					
Canines	2,061	-	-	-	2,061
Circuit Court Learning Center	13,701	-	-	-	13,701
Dive Team	180	-	-	-	180
HAZMAT	17,521	-	-	-	17,521
Non-motorized Pathways	31,270	-	-	-	31,270
Phase II Water Resource Study	29,814	-	-	-	29,814
Sheriff Honor Guard	2,008	-	-	-	2,008
Sheriff Monument	7,094	-	-	-	7,094
Sheriff Victim's Advocates	2,969	-	-	-	2,969
Spoonville Trail	100,281	-	-	-	100,281
Grants:					
IRS Asset Forfeiture	50,989	-	-	-	50,989
Marriage counseling	95,232	-	-	-	95,232
Road Salt Management	28,326	-	-	-	28,326
Sheriff Training	14,705	-	-	-	14,705
Community Mental Health - Fund 2220	-	510,378	-	-	510,378
Substance Use Disorder - Fund 2225	-	-	21,720	-	21,720
Other Governmental Grants - Fund 2180	-	-	-	300,501	300,501
State of Michigan public act restrictions:					
Jail booking fees	334,150	-	-	-	334,150
Stabilization - Fund 2570	9,255,217	-	-	-	9,255,217
Concealed Pistol Licensing - Fund 2631	-	-	-	77,104	77,104
Homestead Property Tax - Fund 2550	-	-	-	23,292	23,292
Register of Deeds Technology - Fund 2560	-	-	-	717,997	717,997
Cemetery Trust - Fund 1500	-	-	-	120	120
Total Restricted	\$ 9,985,518	\$ 510,378	\$ 21,720	\$ 11,565,721	\$ 22,083,337

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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	\$ 703,081	\$ -	\$ -	\$ -	\$ 703,081
DB/DC Conversion - Fund 2970	2,836,349	-	-	-	2,836,349
Infrastructure - Fund 2444	1,589,186	-	-	-	1,589,186
Innovation Fund	897,821	-	-	-	897,821
Mental Health Programs	581,275	-	-	-	581,275
Red Pine Timber sales	192,909	-	-	-	192,909
Solid Waste Clean-Up - Fund 2271	3,758,734	-	-	-	3,758,734
Substance Abuse	799,480	-	-	-	799,480
Technology Improvements	223,979	-	-	-	223,979
Vacation and Sick Bank Payable	2,533,142	-	-	-	2,533,142
Voting Machines	204,403	-	-	-	204,403
Farmland Preservation - Fund 2340	-	-	-	664	664
Total Committed	\$ 14,320,359	\$ -	\$ -	\$ 664	\$ 14,321,023
Assigned					
4 C Program	\$ 120,086	\$ -	\$ -	\$ -	\$ 120,086
Community Corrections	106,695	-	-	-	106,695
Compensated Absences - Fund 2980	975,787	-	-	-	975,787
Consumers Energy appeal	678,520	-	-	-	678,520
Hope College bond issue reimbursement	23,456	-	-	-	23,456
M231 Race	8,587	-	-	-	8,587
Memorial Garden	9,522	-	-	-	9,522
Other postemployment benefits	99,908	-	-	-	99,908
Planning Commission	151,888	-	-	-	151,888
Strategic Planning Consultant Fees	250	-	-	-	250
Succeeding year's budget deficit	907,052	-	-	-	907,052
Technology Forum	1,132	-	-	-	1,132
Water Quality Forum	1,385	-	-	-	1,385
Child Care - Fund 2920	-	-	-	964,471	964,471
Department of Health and Human Services - Fund 2901	-	-	-	30,671	30,671
Health - Fund 2210	-	-	-	610,879	610,879
Landfill Tipping Fees - Fund 2272	-	-	-	1,121,515	1,121,515
Total Assigned	\$ 3,084,268	\$ -	\$ -	\$ 2,727,536	\$ 5,811,804

Comparative data/reclassifications

Presentation of comparative total data for the prior year have been presented when available in order to provide an understanding of the changes in the financial position and operations of these funds.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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, though informational summaries are prepared and presented to the Board for consideration for proprietary fund types. The County adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget. Budgets, as presented for these funds in the accompanying financial statements, were prepared on the modified accrual basis of accounting.

The 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 last board meeting in August to provide any county resident with the opportunity to discuss the budget with the Board prior to approval. The budget, and an appropriation ordinance implementing it, is approved by the Finance Committee and forwarded to the Board for approval at the first 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 Funds expenditures must be in accordance with the respective agreements with Federal and State grantor agencies. All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken.

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

Excess of expenditures over appropriations

During the nine-month period ended September 30, 2016, the County incurred the following expenditures in budgetary funds which were in excess of the amounts appropriated:

	Final Budget	Actual	Variance
General Fund			
Public works			
All other public works	\$ 5,103,110	\$ 5,140,325	\$ (37,215)
Health and welfare			
Substance Abuse	1,206,921	1,561,277	(354,356)
Friend of the Court Fund			
Judicial			
Personnel services	3,360,686	3,375,501	(14,815)

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS

Primary Government

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

	Primary Government	Component Units	Total
Cash on hand	\$ 14,810	\$ 260	\$ 15,070
Checking and savings accounts	54,183,656	16,681,815	70,865,471
Certificates of deposit	37,534,204	7,000	37,541,204
Investments:			
Ottawa County	35,372,536	8,292,970	43,665,506
Ottawa County Other Post-Employment Benefit Plan	5,081,655	-	5,081,655
Ottawa County Insurance Authority	36,226,185	-	36,226,185
Total	168,413,046	24,982,045	193,395,091
Statement of net position			
Cash and pooled investments	90,053,901	21,870,045	111,923,946
Investments	36,226,185	3,112,000	39,338,185
Statement of fiduciary net position			
Cash and pooled investments	37,051,305	-	37,051,305
Investments	5,081,655	-	5,081,655
Total	\$ 168,413,046	\$ 24,982,045	\$ 193,395,091

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

The County has the following recurring fair value measurements as of September 30, 2016:

- 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.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Primary Government (continued)

The County chooses to disclose its investments by Weighted Average Maturity. As of September 30, 2016, the County had the following investments:

Investment Type	Fair Value	S&P Rating	Weighted Average Maturity (years)	Level
Money Market Fund (MMF)	\$ 2,041,633	Unrated	N/A	2
Commercial Paper	1,000,949	A1	0.5562	2
Municipal Bonds	8,366,326	AA1	2.0005	2
Agency - FFCB	2,013,310	AA+	3.1095	2
Agency - FNMA	2,000,230	AA+	3.4083	2
Agency - FHLB	650,019	AA+	3.5288	2
Agency - FHLMC	996,100	AAA	3.8493	2
Term Security	1,001,174	A1	0.1973	2
Long Term CD	1,000,000	Unrated	1.7151	2
Treasury Note	<u>16,302,795</u>	AAA	3.5671	2
	<u>\$ 35,372,536</u>			
Portfolio Weighted Average Maturity (excluding MMF)			2.4369	

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

- Ottawa County Building Authority
- Ottawa County Central Dispatch Authority
- Ottawa County Community Mental Health – Lakeshore Clubhouse
- Ottawa County Insurance Authority
- Ottawa County Other Post-Employment Benefit Plan
- Ottawa County Public Utilities System
- Ottawa County Road Commission
- Ottawa County Water Resources Commissioner Munn Drain Debt Service/Capital Projects
- Ottawa County Water Resources Commissioner Nunica Drain Debt Service
- Ottawa County Water Resources Commissioner Park West Drain Debt Service
- Ottawa County Water Resources Commissioner Spring Lake Drain Debt Service

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 creditworthiness analysis. As of September 30, 2016, \$82,921,564 of the County's bank balance (including certificates of deposit) of \$88,910,567 was uninsured and uncollateralized. Deposits of the Ottawa County Public Utilities System, Ottawa County Road Commission, and the portions of the Ottawa County Other Post-Employment Benefit Plan and the Ottawa County Office of the Water Resources Commissioner that are pooled with the County's (primary government) deposits cannot be separately identified for federal depository insurance purposes.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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, 2016, the County's \$3,330,769 in treasury investments, U.S. government agency securities, municipal bonds, and commercial paper were held in third-party safekeeping in the County's name.

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

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

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.

At September 30, 2016, the County's investment portfolio was comprised of the following: Certificates of Deposit (28.9%), Treasury Notes (12.6%), FFCB (1.6%), FHLB (.5%), FNMA (1.6%), FHLMC (.8%), Checking (42.0%), Savings (1.6%), Commercial Paper (.8%), Term Security (.8%), Long CD (.8%), Money Market (1.6%) and Municipal Bonds (6.5%). All investments are in compliance with County's investment policy at September 30, 2016.

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

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

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, 2016:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	Over 10
Certificates of deposit					
U.S. Treasuries	\$ 381,487	\$ -	\$ 254,780	\$126,707	\$ -
U.S. Agencies:					
Bonds	50,684	50,684			
Corporate bonds	1,016,533	183,260	608,516	185,451	39,305
	1,448,704	\$ 233,944	\$ 863,296	\$312,158	\$ 39,305
Mutual funds:					
Money market	287,454				
Fixed income	66,218				
Domestic equity	1,996,352				
Exchange traded	918,847				
International equity	364,080				
Total investments held by the OPEB Plan	\$ 5,081,655				

Custodial Credit Risk – Investments. Of the balance of investments for the OPEB Plan, the County has a custodial credit risk of \$0 because the assets are held and managed by Greenleaf Trust, on behalf of the County of Ottawa. They are held in third-party safekeeping in the name of Greenleaf Trust, acting as custodian and agent of the County of Ottawa and the trustee(s) of the OPEB Plan trust. Mutual funds, other than the money market fund, held in the OPEB Plan trust, are SEC-registered investment companies; shares of mutual funds are held in third-party safekeeping by Greenleaf Trust, through Matrix Settlement and Clearance Services, in the County's name. The money market fund held in the OPEB Plan trust is also an SEC-registered investment company; shares of such fund are held in third-party safekeeping by Greenleaf Trust, through Northern Trust and the custodian of the mutual fund, in the County's name.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

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

Credit Risk. At September 30, 2016, the balance of investments of the OPEB Plan in fixed income mutual funds was \$66,218 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	\$ 25,367
AA+ to AA-	609,591
A+ to A-	531,514
BBB+ to BBB-	257,628
BB+ - BB-	24,604
NR	-
	<u>\$1,448,704</u>

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 \$364,080 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, 2016:

- 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).

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Blended Component Units

Ottawa County Insurance Authority (OCIA)

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

Custodial Credit Risk. The OCIA's cash and cash equivalents are money market funds that amount to \$784,776 at September 30, 2016. The money market funds are rated AAAM by S&P and are not subject to custodial risk categorization. At September 30, 2016, the OCIA did not have any custodial risk on its investments.

The cost and estimated fair values of unrestricted investments in debt securities and mutual funds at September 30, 2016 are summarized as follows:

	Cost	Unrealized		Fair Value
		Gains	Losses	
Debt securities				
Federal agency mortgage-backed	\$ 540,332	\$ -	\$ 2,412	\$ 537,920
Federal agency collateralized mortgage obligation	218,455	509	-	218,964
Federal agency notes	1,563,390	-	14,590	1,548,800
U.S. Treasury notes	929,478	-	674	928,804
Asset-backed	345,556	777	-	346,333
Commercial paper	745,049	2,240	-	747,289
Corporate notes	4,844,247	7,817	-	4,852,064
Mutual funds				
Bond	3,232,482	24,537	-	3,257,019
Equity	17,937,932	703,285	-	18,641,217
Total	\$ 30,356,921	\$ 739,165	\$ 17,676	\$ 31,078,410

Net realized gains on the sale of investments for the nine-month period ended September 30, 2016 was \$4,188,574, 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, 2016:

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

	Cost	Fair Value	Investment Maturities (fair value by year)			
			Less Than 1	1-5	6-10	Over 10
Federal agency mortgage-backed	\$ 540,332	\$ 537,920	\$ -	\$ -	\$ 352,443	\$ 185,477
Federal agency collateralized mortgage obligation	218,455	218,964	-	218,964	-	-
Federal agency notes	1,563,390	1,548,800	-	1,548,800	-	-
U.S. Treasury notes	929,478	928,804	-	928,804	-	-
Asset-backed	345,556	346,333	-	346,333	-	-
Commercial paper	745,049	747,289	747,289	-	-	-
Corporate notes	4,844,247	4,852,064	76,601	4,776,063	-	-
Total	\$ 9,186,507	\$ 9,180,174	\$ 823,890	\$ 7,818,964	\$ 352,443	\$ 185,477

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, 2016, the OCIA's investments in federal agency mortgage-backed securities, federal agency collateralized mortgage obligations, federal agency notes, U.S. Treasury notes, and asset-backed securities were rated AAA by Moody's. The OCIA's investments in commercial paper were rated P-1 by Moody's and the investments in bond mutual funds were rated four stars by Morningstar. The OCIA's investments in corporate bonds were rated by Moody's as follows:

Rating	Fair Value
AAA	\$ 224,080
AA3	636,006
AA2	163,546
AA1	230,068
A3	1,091,300
A2	539,217
A1	669,299
BAA2	209,931
BAA1	1,088,617
	<u>\$4,852,064</u>

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, 2016.

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, 2016, the OCIA had International Equity mutual funds with a fair market value of \$3,229,081.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Ottawa County Insurance Authority (OCIA) (continued)

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, 2016:

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

Restricted Investments

In 1998, to comply with Michigan Insurance Bureau regulations, the OCIA transferred certain investments – i.e., U.S. Treasury Notes – to the Michigan Department of Treasury as security for the benefit of the OCIA's policyholders. As these investments mature, they are replaced with comparable investments to maintain a face value balance of \$5.0 million. Such investments held by the State Treasurer as of September 30, 2016, are as summarized below:

Description	Maturity Date	Interest Rate	Face Value	Fair Value
U.S. Treasury Notes	08/31/17	1.875%	435,000	\$ 439,707
U.S. Treasury Notes	05/31/18	2.375%	440,000	451,705
U.S. Treasury Notes	08/31/18	1.500%	550,000	557,455
U.S. Treasury Notes	10/31/18	1.750%	485,000	494,359
U.S. Treasury Notes	02/15/19	2.750%	440,000	459,869
U.S. Treasury Notes	10/31/19	1.250%	920,000	929,200
U.S. Treasury Notes	04/30/20	1.375%	500,000	506,562
U.S. Treasury Notes	08/15/20	2.625%	445,000	471,422
U.S. Treasury Notes	05/15/21	3.125%	445,000	484,215
U.S. Treasury Notes	11/15/21	2.000%	340,000	353,281
				<u>\$5,147,775</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Discretely Presented Component Units

Ottawa County Road Commission

The Ottawa County Road Commission's checking, savings and certificates of deposit are in financial institutions located in Michigan. All accounts are in the name of the Ottawa County Treasurer for the Commission and a specific fund or common account. They are recorded in Commission records at fair value. The cash and investment balance at their year-end of September 30, 2016 consisted of the following:

Deposits	<u>\$6,847,720</u>
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Custodial Credit Risk – Deposits. As of September 30, 2016, the Commission's bank balance was \$8,684,801, which was uninsured and uncollateralized.

Ottawa County Central Dispatch Authority (OCCDA)

The OCCDA reported cash and investments of \$6,451,983 at September 30, 2016. The balance consisted of the following:

Deposits	\$2,458,939
Investments	3,992,784
Petty cash	<u>260</u>
	<u>\$6,451,983</u>

Deposits

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

Custodial Credit Risk – Deposits. For the OCCDA, \$1,789,916 of the \$2,539,809 bank balance at their year-end of December 31, 2015 was exposed to custodial credit risk.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Discretely Presented Component Units (continued)

Ottawa County Central Dispatch Authority (OCCDA) (continued)

Investments

The OCCDA chooses to disclose its investments by specifically identifying them. As of their year-end of December 31, 2015, the Authority had the following investments:

Investment	Maturity	Fair Value	Rate	Rating	Source
Money Markets	n/a	\$178,585		AAAm	S&P
FNMA	3/25/2039	250,916	2.50%	unrated	
FNMA	6/25/2039	333,724	2.00%	unrated	
FNMA	3/25/2044	489,400	3.00%	unrated	
FHLMC	7/15/2031	384,750	3.00%	unrated	
FHLMC	1/15/2036	617,032	2.75%	unrated	
FHLMC	4/15/2044	437,007	3.50%	unrated	
FHLB	5/19/2023	1,001,370	1.50%	Aaa	Moody's
Michigan St Strategic Fund Ltd.	10/1/2025	145,000	0.10%	A-2	S&P
Michigan St Strategic Fund Ltd.	11/1/2031	<u>155,000</u>	0.12%	A-2	S&P
		<u>\$3,992,784</u>			

Custodial Credit Risk – Investments. The OCCDA had custodial credit risk totaling \$3,814,199 at December 31, 2015 because the related securities are held by the counterparty's trust department, not in OCCDA's name. At December 31, 2015, the OCCDA had \$178,585 invested in money market funds for which custodial credit risk exposure could not be determined because the mutual funds did not consist of specifically identifiable securities. OCCDA does not have a policy for investment custodial credit risk, nor does the State require one.

Ottawa County Public Utilities System

Cash and temporary investments and investments reported at their year-end of December 31, 2015 consist of time and demand deposits with financial institutions as follows:

Cash and temporary investments	\$ 6,899,118
Investments	<u>3,112,000</u>
	<u>\$10,011,118</u>

Custodial Credit Risk. The above deposits are held by Ottawa County. As of December 31, 2015, the System's bank balance was \$10,061,000, which was uninsured and uncollateralized.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

3. DEPOSITS AND INVESTMENTS (continued)

Discretely Presented Component Units (continued)

Ottawa County Land Bank Authority

The Ottawa County Land Bank Authority's checking accounts are in financial institutions located in Michigan. All accounts are in the name of the Ottawa County Treasurer for the Land Bank Authority and a specific fund or common account. The cash balance at September 30, 2016 consisted of the following:

Checking	<u>\$91,915</u>
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Custodial Credit Risk – Deposits. As of September 30, 2016, the Land Bank Authority's bank balance was \$91,915, which was uninsured and uncollateralized.

Ottawa County Office of the Water Resources Commissioner (WR Commissioner)

The Ottawa County Office of the Water Resources Commissioner's savings accounts are in financial institutions located in Michigan. All accounts are in the name of the Ottawa County Treasurer and a specific fund or common account. They are recorded in the WR Commissioner's records at fair value.

Cash and investment balances of the Commissioner consist of the following balances at September 30, 2016:

Savings	\$ 379,261
Ottawa County Investment Pool	<u>1,188,186</u>
	<u>\$1,567,447</u>

The WR Commissioner 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 WR Commissioner has the following recurring fair value measurements as of September 30, 2016:

- 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 WR Commissioner does not have any investments which are valued based on significant unobservable inputs (Level 3 inputs).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the WR Commissioner's deposits may not be returned. As of September 30, 2016, the bank balance of the WR Commissioner was \$268,968, which was uninsured and uncollateralized.

Investment Risk. The above Ottawa County Investment Pool balance is held by Ottawa County. The amount of investment risks can be determined for Ottawa County as a whole, but cannot be separately identified for the WR Commissioner. The Ottawa County Investment Pool is unrated. All investments are in compliance with Ottawa County's investment policy at September 30, 2016.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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
2016 Property Taxes:		
Primary Government	\$ 1,250,081	\$ 19,663
Ottawa County Road Commission	31,100	
Ottawa County Central Dispatch Authority	27,349	
Delinquent Property Taxes:		
Primary Government	87,053	8,055
Ottawa County Road Commission	1,720	
Ottawa County Central Dispatch Authority	11,198	
Survey & Remonumentation	1,399,249	
Unavailable receivables	196,600	29,449
Total	<u>\$ 3,004,350</u>	<u>\$ 57,167</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

Primary Government

	Balance January 1, 2016	Additions	Deductions	Balance September 30, 2016
Capital assets, not being depreciated:				
Land	\$ 48,921,584	\$ -	\$ -	\$ 48,921,584
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	48,921,584	-	-	48,921,584
Capital assets, being depreciated:				
Land improvements	25,466,174	804,077	-	26,270,251
Buildings and improvements	98,941,919	775,612	(59,884)	99,657,647
Equipment	29,847,117	1,108,333	(5,855,663)	25,099,787
Total assets, being depreciated	154,255,210	2,688,022	(5,915,547)	151,027,685
Less accumulated depreciation for:				
Land improvements	(11,542,871)	(819,245)	-	(12,362,116)
Buildings and improvements	(36,355,209)	(2,464,822)	58,734	(38,761,297)
Equipment	(23,528,819)	(1,562,898)	5,803,473	(19,288,244)
Total accumulated depreciation	(71,426,899)	(4,846,965)	5,862,207	(70,411,657)
Net capital assets, being depreciated	82,828,311	(2,158,943)	(53,340)	80,616,028
Net governmental activities capital assets	\$131,749,895	\$(2,158,943)	\$ (53,340)	\$129,537,612

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

Governmental activities:	
Judicial	\$ 3,253
General Government	2,485,697
Public Safety	178,590
Public Works	111,022
Health and Welfare	71,470
Culture and Recreation	775,699
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the net position	1,221,234
Total depreciation expense - governmental activities	\$4,846,965

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

5. CAPITAL ASSETS (continued)

Discretely Presented Component Units

	Balance of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land and improvements	\$ 3,336,517	\$ -	\$ -	\$ 3,336,517
Construction in progress	671,631	15,317,419	671,631	15,317,419
Total capital assets, not being depreciated	4,008,148	15,317,419	671,631	18,653,936
Capital assets, being depreciated:				
Buildings	14,975,848	-	-	14,975,848
Machinery and equipment	28,169,666	2,165,803	75,898	30,259,571
Infrastructure	380,698,111	19,986,062	140,474	400,543,699
Total assets, being depreciated	423,843,625	22,151,865	216,372	445,779,118
Less accumulated depreciation for:				
Buildings	4,289,244	249,734	-	4,538,978
Machinery and equipment	24,024,578	1,985,383	75,898	25,934,063
Infrastructure	163,594,631	12,201,167	140,474	175,655,324
Total accumulated depreciation	191,908,453	14,436,284	216,372	206,128,365
Net capital assets, being depreciated	231,935,172	7,715,581	-	239,650,753
Net governmental activities capital assets	\$235,943,320	\$23,033,000	\$ 671,631	\$258,304,689

Commitments

The Ottawa County Road Commission had construction and contract commitments of approximately \$1,723,534 at their September 30, 2016 year-end. The Ottawa County Public Utilities System had construction and contract commitments of approximately \$3.2 million at their December 31, 2015 year-end.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

6. INTERFUND, RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances as of September 30, 2016 are as follows:

Amounts Due to and from Other Funds

	Due from Other Funds	Due to Other Funds
Primary Government		
Internal Service Funds	\$4,030,673	\$4,030,673

Included in the Internal Service funds is \$4,030,673 which represents funds from the worker's compensation program that are invested by the Ottawa County Insurance Authority. There are no plans to pay off this liability within the next year.

Receivable and Payable

As of September 30, 2016, certain funds that are a part of the County's pooled cash report negative cash balances. Accordingly, an interfund payable is established in the amount of the negative cash balance and a corresponding interfund receivable is established in the General Fund.

General Fund	\$ 2,016,016	
Nonmajor Governmental Funds		\$2,016,016

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

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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

Interfund transfers within the Primary Government

	Transfer In:			Total
	General	Community Mental Health	Nonmajor Governmental Funds	
Primary Government				
Transfer out:				
Major Funds:				
General Fund	\$ -	\$ 476,500	\$ 9,068,209	\$ 9,544,709
Delinquent Tax Revolving Fund	-	-	226,145	226,145
Internal Service Funds	27,000	-	30,783	57,783
Nonmajor Governmental Funds	-	-	300,462	300,462
Total	\$27,000	\$ 476,500	\$ 9,625,599	\$10,129,099

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

7. LEASES

Operating Leases

The County is a lessee under various operating leases for building and office space. Lease expenditures for the nine-month period ended September 30, 2016 amounted to \$80,362. Future minimum lease payments for these leases are as follows:

Year Ending September 30,	Amount
2017	\$ 94,261
2018	32,948
2019	<u>1,237</u>
	<u>\$128,446</u>

The County is also a lessor under various operating lease agreements for office space and marinas. The original cost of these assets was \$7,769,738 and the accumulated depreciation totals \$2,712,257 leaving a carrying value of \$5,057,482. Lease revenue for the nine-month period ending September 30, 2016 was \$415,478. Future lease revenues for these leases are as follows:

Year Ending September 30,	Amount
2017	\$ 535,727
2018	539,306
2019	489,408
2020	522,316
2021	491,400
2022 - 2030	<u>4,379,150</u>
	<u>\$6,957,307</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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%	\$34,365,000	\$ 75,856,501	\$ 2,044,598	\$112,266,099
Governmental activities - refunding	0.95 - 4.35%	11,955,000	43,360,000	-	55,315,000
Total		\$46,320,000	\$119,216,501	\$ 2,044,598	\$167,581,099

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 at year-end are as follows:

Governmental Activities

Year Ending September 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2017	\$ 3,515,000	\$ 1,507,714	\$ 5,728,767	\$ 4,859,524
2018	3,705,000	1,423,819	6,760,767	4,668,695
2019	2,815,000	1,318,077	6,400,767	4,449,544
2020	3,145,000	1,229,405	6,370,213	4,242,270
2021	3,530,000	1,124,473	5,592,854	4,008,673
2022-2026	20,640,000	3,512,696	30,115,763	16,593,626
2027-2031	8,970,000	463,793	31,641,968	10,355,861
2032-2036	-	-	22,740,000	3,619,075
2037-2041	-	-	5,910,000	547,150
Total	\$46,320,000	\$10,579,977	\$121,261,099	\$53,344,416

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

8. LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the nine-month period ended September 30, 2016 was as follows:

Primary Government

	Balance January 1, 2016	Additions	Reductions	Balance September 30, 2016	Due Within One Year
Governmental activities:					
General obligation bonds					
OCBA 2007 bonds	\$ 930,000	\$ -	\$ -	\$ 930,000	\$ 455,000
QECB 2013 bonds	4,765,000	-	365,000	4,400,000	365,000
Pension 2014 bonds	29,035,000	-	-	29,035,000	1,290,000
2015 Refunding bonds	11,955,000	-	-	11,955,000	1,405,000
Landfill reclamation	3,661,934	441	-	3,662,375	304,300
Compensated absences	2,713,595	192,745	180,454	2,725,886	2,609,369
Total	\$ 53,060,529	\$193,186	\$ 545,454	\$ 52,708,261	\$6,428,669

The County also has a \$1,399,714 liability for unamortized bond premium.

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

The reporting entity's legal debt margin at September 30, 2016 is \$1,243,836,623.

Discretely Presented Component Units

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$106,489,866	\$49,845,000	\$36,733,767	\$119,601,099	\$ 5,633,767
Special assessment bonds	1,449,256	305,744	95,000	1,660,000	95,000
Notes payable	1,443,400	406,010	521,600	1,327,810	551,201
Claims payable	42,732	1,945	29,260	15,417	-
Compensated absences	1,451,210	370,330	363,834	1,457,706	209,482
Other post-employment benefits	1,025,855	92,579	-	1,118,434	-
Capital lease	-	11,517,173	-	11,517,173	1,710,173
Total	\$111,902,319	\$62,538,781	\$37,743,461	\$136,697,639	\$ 8,199,623

During their fiscal year, the Public Utilities System issued \$30,845,000 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, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This advanced refunding was undertaken to reduce total debt service payments by \$2,989,645, which resulted in an economic gain of \$2,434,518. As of December 31, 2015, \$33,901,000 of the outstanding bonds payable are considered defeased and scheduled to be called and paid in full in 2017.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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 2016:

Discretely Presented Component Units

	Balance January 1, 2016	Additions	Reductions	Balance September 30, 2016
Governmental activities:				
Various Drain notes payable, principal payments ranging from \$30,000 to \$120,000, due in 2016, plus interest of .96%	\$ 250,000	\$ -	\$ 250,000	\$ -

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, 2016, \$6,105,000 was still outstanding.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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

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

Year Ending September 30,	Present Value of Estimated Cost
2017	\$ 304,300
2018	332,540
2019	490,095
2020	318,074
2021	366,791
2022-2026	<u>1,850,375</u>
Total	<u>\$ 3,662,175</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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 3 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2015):

Inactive employees or beneficiaries currently receiving benefits:	526
Inactive employees entitled but not yet receiving benefits:	185
Active employees:	<u>630</u>
Total	<u><u>1,341</u></u>

Contributions

The County is required to contribute at an actuarially determined rate, which for the current year was 7.92 to 14.35% of annual covered payroll 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, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Salary Increases: 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Net Pension Liability (continued)

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

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

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

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

Discount rate. The discount rate used to measure the total pension liability is 8.00%, which declined 0.25% from the prior year. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

10. DEFINED BENEFIT PENSION PLAN (continued)

County of Ottawa (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 1/1/15	\$232,308,891	\$202,963,806	\$ 29,345,085
Changes for the year:			-
Service cost	4,562,943	-	4,562,943
Interest	18,909,601	-	18,909,601
Change in benefits	-	-	-
Differences between expected and actual experience	1,399,417	-	1,399,417
Change in assumptions	14,265,472	-	14,265,472
Employer contributions	-	6,686,141	(6,686,141)
Employee contributions	-	1,583,208	(1,583,208)
Net investment income	-	(3,058,716)	3,058,716
Benefit payments, including refunds	(10,766,156)	(10,766,156)	-
Administrative expense	-	(445,130)	445,130
Other changes	(245)	-	(245)
Net changes	28,371,032	(6,000,653)	34,371,685
Balance at 12/31/15	\$260,679,923	\$196,963,153	\$ 63,716,770

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.

	1.00% Decrease	Current Discount rate	1.00% Increase
Total Pension Liability	\$ 293,754,362	\$260,679,923	\$ 232,963,321
Fiduciary Net Position	196,963,153	196,963,153	196,963,153
Net Pension Liability	\$ 96,791,209	\$ 63,716,770	\$ 36,000,168

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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 nine-month period ended September 30, 2016, the employer recognized pension expense of \$9,894,958. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 1,119,534	\$ -
Differences in assumptions	11,412,378	-
Excess(Deficit) Investment Returns	17,885,764	-
Contributions subsequent to the Measurement date*	4,136,191	-
Total	<u>\$ 34,553,867</u>	<u>\$ -</u>

*The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2017.

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

2017	\$ 7,816,356
2018	7,816,356
2019	7,816,356
2020	6,968,608
2021	-
Thereafter	-
Total	<u>\$30,417,676</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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, 2015):

Inactive employees or beneficiaries currently receiving benefits:	140
Inactive employees entitled but not yet receiving benefits:	13
Active employees:	<u>101</u>
Total	<u><u>254</u></u>

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, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Salary Increases: 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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%
			<u>8.00%</u>

Discount rate. The discount rate used to measure the total pension liability is 8.00%, which declined 0.25% from the prior year. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

10. DEFINED BENEFIT PENSION PLAN (continued)

Ottawa County Road Commission (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 1/1/15	\$ 50,724,773	\$ 31,209,165	\$19,515,608
Changes for the year:			-
Service cost	572,384	-	572,384
Interest	3,935,806	-	3,935,806
Change in benefits	(22,048)	-	(22,048)
Differences between expected and actual experience	57,879	-	57,879
Change in assumptions	2,427,897	-	2,427,897
Employer contributions	-	1,651,419	(1,651,419)
Employee contributions	-	235,512	(235,512)
Net investment income	-	(443,741)	443,741
Benefit payments, including refunds	(3,626,781)	(3,626,781)	-
Administrative expense	-	(66,745)	66,745
Other changes	122,994	-	122,994
Net changes	3,468,131	(2,250,336)	5,718,467
Balance at 12/31/15	\$ 54,192,904	\$ 28,958,829	\$25,234,075

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.

	1.00% Decrease	Current Discount rate	1.00% Increase
Total Pension Liability	\$ 59,568,049	\$ 54,192,904	\$ 49,558,210
Fiduciary Net Position	28,958,829	28,958,829	28,958,829
Net Pension Liability	\$ 30,609,220	\$ 25,234,075	\$ 20,599,381

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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, 2016 the employer recognized pension expense of \$3,294,959. 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	\$ 43,409	\$ -
Differences in assumptions	1,820,923	-
Excess(Deficit) Investment Returns	2,633,306	-
Contributions subsequent to the Measurement date*	1,673,314	-
Total	<u>\$ 6,170,952</u>	<u>\$ -</u>

*The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2017.

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

2017	\$1,307,999
2018	1,307,999
2019	1,307,999
2020	573,641
2021	-
Thereafter	-
Total	<u>\$4,497,638</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

11. DEFINED CONTRIBUTION PENSION PLAN

Primary Government

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

Participation in the defined contribution plan is mandatory for all eligible employees. The County contributes 3% of each participant's base salary to the plan. Employees are required to contribute a minimum of 3% of base pay to the plan. The County also matches employee contributions up to a total County contribution of 6%. Participating employees are vested 50% after 3 years of service, 75% after 4 years of service, and 100% after 5 years of service. The plan provisions and contribution amounts were established by the Board and may be amended by the Board. The plan is administered by MERS. The County and member contributions were \$428,706 and \$450,221, respectively, for the current nine-month period.

Discretely Presented Component Units

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

The Authority and member contributions were \$74,166 and \$74,166, respectively, for the current year. Employer and plan member contributions are recognized in the period the contributions are due. Plan investments are excluded from this report as the fiduciary responsibility rests with MERS.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

12. OTHER POST EMPLOYMENT BENEFITS

County of Ottawa

The County administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (Medicare eligible). Benefit provisions are established through negotiations between the County and bargaining units and employee groups. For employees hired before January 1, 2008, the County offers health care benefits to retirees that they may purchase at the actuarially determined blended rate for current employees and retirees. There are currently 861 active employees and retirees in the plan. The Retiree Health Plan does not issue a publicly available financial report, but a legal trust has been established for the plan.

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

Annual OPEB Cost

The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. In the January 1, 2016 actuarial valuation, the projected unit credit method, level dollar, open amortization method, and an amortization period of 30 years were utilized. The actuarial assumptions included a 5% interest rate, and an inflation rate of 2.8%, termination rates declining from 18.79% at age 20 to 0% at age 55, retirement rates increasing from 2% for ages 50-59 to 100% for age 70, and healthcare cost trend rates declining from 9.0% in 2016 to 3.8% for 2075-2134.

For the current year the County's contribution was \$165,192. Current year contributions were the actuarially determined requirements to amortize the net OPEB asset from prior years.

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

Annual required OPEB contribution	\$ 165,192
Interest on net OPEB asset	(22,386)
Adjustment to annual retired contributions	<u>27,738</u>
Annual OPEB cost	170,544
Contributions made by the County	165,192
Decrease in net OPEB asset	(5,352)
Net OPEB asset, beginning of year	<u>447,717</u>
Net OPEB asset, end of year	<u>\$ 442,365</u>

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

12. OTHER POST EMPLOYMENT BENEFITS (continued)

County of Ottawa (continued)

Three Year Trend Information:

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
12/31/2014	\$ 235,060	98%	\$ 453,133
12/31/2015	230,287	98%	447,717
9/30/2016	170,544	97%	442,365

Accrued Actuarial Liability

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

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

Funding Progress: As of October 1, 2016, the plan was 97.1% funded. The total OPEB liability (TOL) for benefits was \$5,235,560, and the value of assets was \$5,083,250, resulting in a net OPEB liability (NOL) of \$152,310. The covered payroll (annual payroll of active employees covered by the plan) was \$41,335,348, and the ratio of the actual contribution to covered payroll was 0.3%. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Ottawa County Road Commission

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

Annual OPEB Cost

The Commission's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The most recent actuarial valuation of the Retiree Health Plan was performed as of October 1, 2014.

The Commission's contribution is based on pay-as-you-go financing requirements. For the current year, the annual required contribution (ARC) was \$308,076 while actual contributions were \$129,074.

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

Annual required OPEB contribution	\$ 308,376
Interest on net OPEB obligation	41,034
Adjustment to annual retired contributions	<u>(127,757)</u>
Annual OPEB cost	221,653
Contributions made	129,074
Increase in net OPEB obligation	92,579
Net OPEB obligation, beginning of year	<u>1,025,855</u>
Net OPEB obligation, end of year	<u><u>\$1,118,434</u></u>

Three Year Trend Information:

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2014	\$ 230,590	73%	\$ 973,972
9/30/2015	191,783	73%	1,025,855
9/30/2016	221,653	58%	1,118,434

Accrued Actuarial Liability

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

12. OTHER POST EMPLOYMENT BENEFITS (continued)

Ottawa County Road Commission (continued)

Accrued Actuarial Liability (continued)

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

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

Funding Progress: As of October 1, 2014, the date of the most recent actuarial valuation date, the plan was completely unfunded because the Commission's financing is on a pay-as-you-go basis. The actuarial accrued liability for benefits was \$1,632,020, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,632,020. The covered payroll (annual payroll of active employees covered by the plan) was \$0, and the ratio of the UAAL to the covered payroll was 0%. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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, 2016 are based on the requirements of GASB Statement #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 (the "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 is \$136,250,000, which is \$2,350,000 less than the prior year. Coverage was adjusted to reflect updated property values.

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

The changes in the claims liability for the nine-month period ended September 30, 2016 and the fiscal year ended December 31, 2015 as recorded in the OCIA are as follows:

	Beginning of Year	Current Year	Claim	End of Year
	Liability	Claims and Changes	Payments	Liability
		in Estimates		
2016	\$ 7,658,300	\$ 1,196,769	\$ 267,416	\$8,587,653
2015	7,288,502	836,475	466,677	7,658,300

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

13. SELF-INSURANCE (continued)

The County's self-insured worker's compensation program provides Michigan statutorily required coverage for worker's compensation claims. It also provides employer's liability coverage of \$5 million excess above the \$750,000 self-insured retention. An independent third party administrator administers the program for an annual fee. The claim liability for known claims and incurred but not reported claims are determined by an actuary. The changes in worker's compensation liability for the nine-month period ended September 30, 2016 and the fiscal year ended December 31, 2015 are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2016	\$ 140,858	\$ 84,586	\$ 70,276	\$ 155,168
2015	158,167	55,274	72,583	140,858

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

The self-insurance program for unemployment is accounted for in the Protected Self-Funded Unemployment fund (Internal Service fund 6772). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually and were \$74,397 and \$101,719 for the nine-month period ended September 30, 2016, and 2015, respectively.

Discretely Presented Component Units

The Ottawa County Central Dispatch Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority 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 Utility System participates in the Michigan County Road Commission Self-Insurance Pool. Settled claims relating to participation in Michigan County Road Commission Self-Insurance Pool have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

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

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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 available financial resources. The Commission is exposed to various risks of loss related to torts, destruction of assets and errors and omissions for which it obtains coverage from commercial insurance companies. The Commission had no settled claims resulting from these risks that exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage during the past year.

The changes in the claims liability for the years ended September 30, 2016 and 2015 are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
MCRCSIP Liability Plan				
2016	\$ -	\$ -	\$ -	\$ -
2015	434,487	(434,837)	-	-
Workers' Compensation Plan				
2016	\$ 42,732	\$ 23,408	\$ 50,723	\$ 15,417
2015	21,269	83,926	62,463	42,732

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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. Although some actions have been brought, the County has not experienced significant losses or costs. The County administration is of the opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

15. RELATED PARTY TRANSACTIONS

At September 30, 2016, the County's financial statements included unavailable revenue of \$27,349 on behalf of the Ottawa County Central Dispatch Authority (OCCDA) relating to a special millage for central dispatch services, which was levied for use in 2017. During the nine-month period ended September 30, 2016, the County provided OCCDA operating grants of \$4,526,051 from the 2015 levy.

At September 30, 2016, the County's financial statements included unavailable revenue of \$31,100 on behalf of the Ottawa County Road Commission relating to a special millage for roads, which was levied for use in 2017. During the nine-month period ended September 30, 2016, the County provided OCCDA operating grants of \$5,140,325 from the 2015 levy.

The Office of the Water Resources Commissioner assesses the Ottawa County Road Commission and Ottawa County for drain projects. During 2016, the County and Road Commission paid assessments to the Water Resources Commissioner in the amount of \$49,699 and \$48,493, respectively, which remained outstanding at September 30, 2016. In addition, the County pays for the wages and administrative costs on behalf of the Water Resources Commissioner.

Ottawa County Public Utilities System (the System) incurred expenses of \$670,000 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 \$59,003 for these goods and services.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

16. PRIOR PERIOD ADJUSTMENT

County of Ottawa

Beginning net position of governmental activities was decreased by \$1,853 to properly present the Ottawa County Brownfield Redevelopment Authority (BRA), a discretely presented component unit of the County. Accordingly, beginning net position of the BRA was increased by \$1,853.

Beginning net position of the Ottawa County Economic Development Corporation (EDC), a discretely presented component unit of the County, was increased by \$9,676. The EDC was previously shown as a liability in the County's Trust and Agency fund.

Ottawa County Office of the Water Resources Commissioner

Beginning net position of governmental activities was decreased by \$935,324 to properly reflect capital asset activity as of January 1, 2016.

Ottawa County Central Dispatch Authority

Beginning net position of the Authority was decreased by \$218,156 to record the net pension liability in accordance with the implementation of Governmental Accounting Standards Board Statement #68.

Beginning net position of the Authority was increased by \$36,012 to record deferred outflows in accordance with the implementation of Governmental Accounting Standards Board Statement #71.

COUNTY OF OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

17. TAX ABATEMENTS

The County receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by cities, villages, and townships within the County. Industrial Facilities Tax Exemptions (IFT), entered into under the Plant Rehabilitation and Industrial Development Districts Act PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%. The Brownfield Redevelopment Agreements, entered into under the Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended, provide a reimbursement to taxpayers that remediate environmental contamination on their properties.

For the nine-month period ended September 30, 2016, the County's property tax revenues were reduced by approximately \$945,000 as a result of Industrial Facilities Tax Exemptions and Brownfield Redevelopment Agreements entered into by cities, villages, and townships within 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ 37,060,592	\$ 45,112,480	\$ 46,042,637	\$ 930,157	\$ 40,643,909
Intergovernmental revenues	8,765,624	6,427,042	7,600,108	1,173,066	8,583,708
Charges for services	9,354,293	6,568,159	7,296,770	728,611	9,289,113
Fines and forfeits	76,400	55,175	61,440	6,265	69,428
Investment earnings (loss)	352,070	264,053	503,369	239,316	132,390
Licenses and permits	291,822	218,867	303,753	84,886	379,902
Rental income	2,264,153	1,689,117	1,541,642	(147,475)	2,239,377
Other	599,864	758,693	637,590	(121,103)	795,979
Total revenues	<u>58,764,818</u>	<u>61,093,586</u>	<u>63,987,309</u>	<u>2,893,723</u>	<u>62,133,806</u>
Expenditures					
Current operations					
Legislative	454,494	383,793	343,622	40,171	465,069
Judicial	13,412,387	10,089,632	9,376,957	712,675	12,257,326
General government	13,513,307	10,306,390	9,408,740	897,650	12,382,008
Public safety	21,842,342	21,193,876	20,079,115	1,114,761	24,824,427
Public works	171,250	5,312,678	5,228,301	84,377	76,753
Health and welfare	824,212	1,598,533	1,936,633	(338,100)	1,086,102
Community and economic development	1,190,653	822,695	768,660	54,035	826,226
Other expenditures	537,280	151,435	94,215	57,220	120,695
Debt service	539,485	-	-	-	553,355
Capital projects	20,000	20,000	-	20,000	-
Total expenditures	<u>52,505,410</u>	<u>49,879,032</u>	<u>47,236,243</u>	<u>2,642,789</u>	<u>52,591,961</u>
Revenues over (under) expenditures	<u>6,259,408</u>	<u>11,214,554</u>	<u>16,751,066</u>	<u>5,536,512</u>	<u>9,541,845</u>
Other financing sources (uses)					
Transfers from other funds	2,250,000	-	27,000	27,000	15,718
Transfers to other funds	(9,651,214)	(10,199,495)	(9,141,597)	1,057,898	(12,132,023)
Total other financing sources (uses)	<u>(7,401,214)</u>	<u>(10,199,495)</u>	<u>(9,114,597)</u>	<u>1,084,898</u>	<u>(12,116,305)</u>
Net change in fund balance	<u>(1,141,806)</u>	<u>1,015,059</u>	<u>7,636,469</u>	<u>6,621,410</u>	<u>(2,574,460)</u>
Fund balance, beginning of year	<u>18,071,215</u>	<u>18,071,215</u>	<u>18,071,215</u>	<u>-</u>	<u>20,645,675</u>
Fund balance, end of year	<u>\$ 16,929,409</u>	<u>\$ 19,086,274</u>	<u>\$ 25,707,684</u>	<u>\$ 6,621,410</u>	<u>\$ 18,071,215</u>

COUNTY OF OTTAWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Budgets and budgetary accounting

The County adopts an annual budget for the general, special revenue, debt service and capital projects funds following the 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	\$ 64,014,309	\$ 56,377,840	\$ 7,636,469
Funds classified with the general fund for purposes of GASB Statement #54			
Solid Waste Clean-up (2271)	44,581	200,400	(155,819)
Infrastructure (2444)	18,056	-	18,056
Stabilization (2570)	-	-	-
DB/DC Conversion (2970)	40,929	403,112	(362,183)
Compensated Absences (2980)	230,433	3,223	227,210
Eliminations	<u>-</u>	<u>-</u>	<u>-</u>
Statement of revenues, expenditures and changes in fund balance	<u>\$ 64,348,308</u>	<u>\$ 56,984,575</u>	<u>\$ 7,363,733</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, 2016
(with comparative totals for the year ended September 30, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	33,214,019	33,813,089	33,774,031	(39,058)	36,662,981
Charges for services	1,010,492	609,410	540,755	(68,655)	982,450
Fines and forfeits	-	-	-	-	-
Investment earnings (loss)	-	-	23,147	23,147	(4,951)
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	444,489	402,542	518,114	115,572	492,139
Total revenues	<u>34,669,000</u>	<u>34,825,041</u>	<u>34,856,047</u>	<u>31,006</u>	<u>38,132,619</u>
Expenditures					
Current operations					
Personnel services	8,610,492	9,305,491	9,072,841	232,650	11,942,880
Supplies	-	-	-	-	420,964
Other services and charges	26,535,008	26,158,796	26,186,350	(27,554)	26,002,959
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>35,145,500</u>	<u>35,464,287</u>	<u>35,259,191</u>	<u>205,096</u>	<u>38,366,803</u>
Revenues over (under) expenditures	<u>(476,500)</u>	<u>(639,246)</u>	<u>(403,144)</u>	<u>236,102</u>	<u>(234,184)</u>
Other financing sources (uses)					
Transfers from other funds	<u>476,500</u>	<u>476,500</u>	<u>476,500</u>	<u>-</u>	<u>563,108</u>
Total other financing sources (uses)	<u>476,500</u>	<u>476,500</u>	<u>476,500</u>	<u>-</u>	<u>563,108</u>
Net change in fund balance	-	(162,746)	73,356	236,102	328,924
Fund balance, beginning of year	<u>546,954</u>	<u>546,954</u>	<u>546,954</u>	<u>-</u>	<u>218,030</u>
Fund balance, end of year	<u>\$ 546,954</u>	<u>\$ 384,208</u>	<u>\$ 620,310</u>	<u>\$ 236,102</u>	<u>\$ 546,954</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, 2016
(with comparative totals for the year ended September 30, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,075,013	2,204,560	2,239,998	35,438	1,827,018
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	14,474	14,474	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	10,700	10,700	-
Total revenues	<u>2,075,013</u>	<u>2,204,560</u>	<u>2,265,172</u>	<u>60,612</u>	<u>1,827,018</u>
Expenditures					
Current operations					
Personnel services	320,385	372,831	457,785	(84,954)	258,488
Supplies	-	-	-	-	212
Other services and charges	1,754,628	1,831,729	1,785,667	46,062	1,568,318
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>2,075,013</u>	<u>2,204,560</u>	<u>2,243,452</u>	<u>(38,892)</u>	<u>1,827,018</u>
Revenues over (under) expenditures	-	-	21,720	(21,720)	-
Other financing sources (uses)					
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	21,720	(21,720)	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,720</u>	<u>\$ (21,720)</u>	<u>\$ -</u>

COUNTY OF OTTAWA

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	2016	2015
Total pension liability		
Service cost	\$ 4,562,943	\$ 4,838,448
Interest	18,909,601	17,895,352
Changes in benefit terms	-	-
Difference between expected and actual experience	1,399,417	-
Changes in assumptions	14,265,472	-
Benefit payments including employee refunds	(10,766,401)	(9,838,075)
Other	-	-
	<u>28,371,032</u>	<u>12,895,725</u>
Net change in total pension liability		
Total pension liability, beginning of year	<u>232,308,891</u>	<u>219,413,166</u>
Total pension liability, ending of year	<u>\$ 260,679,923</u>	<u>\$ 232,308,891</u>
Plan Fiduciary Net Position		
Contributions-employer	\$ 6,686,141	\$ 35,349,429
Contributions-employee	1,583,208	1,661,254
Net Investment income	(3,058,471)	10,532,019
Benefit payments including employee refunds	(10,766,401)	(9,838,075)
Administrative expense	(445,130)	(388,244)
	<u>(6,000,653)</u>	<u>37,316,383</u>
Net change in plan fiduciary net position		
Plan fiduciary net position, beginning of year	<u>202,963,806</u>	<u>165,647,423</u>
Plan fiduciary net position, ending of year	<u>\$ 196,963,153</u>	<u>\$ 202,963,806</u>
Employer net pension liability	<u>\$ 63,716,770</u>	<u>\$ 29,345,085</u>
Plan fiduciary net position as a percentage of the total pension liability	76%	87%
Covered employee payroll	\$ 36,557,710	\$ 39,033,659
Employer's net pension liability as a percentage of covered employee payroll	174%	75%

Notes to schedule:

Above amounts are based on 12/31/15 and 12/31/14 measurement dates, respectively. 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	2016	2015
Actuarial determined contributions	\$ 3,717,504	\$ 6,664,452
Contributions in relation to the actuarially determined contribution	3,717,504	6,664,452
Contribution deficiency (excess)	\$ -	\$ -
 Covered employee payroll	 \$ 36,557,710	 \$ 39,033,659
 Contributions as a percentage of covered employee payroll	 10%	 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

COUNTY PLAN - SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Percentage of Covered Payroll</u>
12/31/2014	\$ 4,821,784	\$ 5,418,623	\$ 596,839	88.99%	\$ 40,981,474	1.46%
12/31/2015	5,135,652	5,235,560	99,908	98.09%	36,557,710	0.27%
9/30/2016	5,083,250	5,235,560	152,310	97.09%	41,335,348	0.37%

COUNTY PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
12/31/2014	\$ 229,578	\$ 229,578	100%
12/31/2015	224,871	224,871	100%
9/30/2016	165,192	165,192	100%

ROAD COMMISSION PLAN - SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Percentage of Covered Payroll</u>
10/1/2011	\$ -	\$ 1,931,708	\$ 1,931,708	0%	not available	not available
10/1/2014	-	1,632,020	1,632,020	0%	not available	not available
10/1/2015	-	1,632,020	1,632,020	0%	not available	not available

ROAD COMMISSION PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
9/30/2014	\$ 230,590	\$ 167,732	73%
9/30/2015	191,783	139,720	73%
9/30/2016	221,653	129,074	58%

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2016

	General Fund (1010)	Solid Waste Clean-Up (2271)	Infrastructure (2444)	Stabilization (2570)
Assets				
Cash and pooled investments	\$ 20,235,673	\$ 3,786,476	\$ 1,589,186	\$ 9,255,217
Investments	-	-	-	-
Receivables (net of allowance for estimated uncollectibles)				
Taxes	3,509,228	-	-	-
Accounts	737,667	-	-	-
Accrued interest on investments	214,100	-	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Interfund receivable	2,016,016	-	-	-
Advances to other funds	-	-	-	-
Advances to component units	325,000	-	-	-
Due from other governmental units	3,314,254	-	-	-
Inventory of supplies	9,420	-	-	-
Prepaid expenditures	90,286	-	-	-
Total assets	<u>30,451,644</u>	<u>3,786,476</u>	<u>1,589,186</u>	<u>9,255,217</u>
Deferred outflows of resources				
Aggregate deferred outflows	-	-	-	-
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	1,615,543	27,742	-	-
Due to other governmental units	123,036	-	-	-
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governmental units	-	-	-	-
Unearned revenue	1,031	-	-	-
Total liabilities	<u>1,739,610</u>	<u>27,742</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Aggregate deferred inflows	3,004,350	-	-	-
Fund balances				
Nonspendable	424,706	-	-	-
Restricted	730,301	-	-	9,255,217
Committed	3,602,948	3,758,734	1,589,186	-
Assigned	2,108,481	-	-	-
Unassigned	18,841,248	-	-	-
Total fund balances	<u>25,707,684</u>	<u>3,758,734</u>	<u>1,589,186</u>	<u>9,255,217</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,451,644</u>	<u>\$ 3,786,476</u>	<u>\$ 1,589,186</u>	<u>\$ 9,255,217</u>

(Continued)

COUNTY OF OTTAWA
GENERAL FUND - SUBFUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2016

	DB/DC Conversion (2970)	Compensated Absences (2980)	Eliminations	Total
Assets				
Cash and pooled investments	\$ 3,803,204	\$ 3,508,928	\$ -	\$ 42,178,684
Investments	-	-	-	-
Receivables (net of allowance for estimated uncollectibles)				
Taxes	-	-	-	3,509,228
Accounts	-	-	-	737,667
Accrued interest on investments	-	-	-	214,100
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Interfund receivable	-	-	-	2,016,016
Advances to other funds	-	-	-	-
Advances to component units	-	-	-	325,000
Due from other governmental units	-	-	-	3,314,254
Inventory of supplies	-	-	-	9,420
Prepaid expenditures	-	-	-	90,286
Total assets	<u>3,803,204</u>	<u>3,508,928</u>	<u>-</u>	<u>52,394,655</u>
Deferred outflows of resources				
Aggregate deferred outflows	-	-	-	-
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	966,855	-	-	2,610,140
Due to other governmental units	-	-	-	123,036
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governmental units	-	-	-	-
Unearned revenue	-	-	-	1,031
Total liabilities	<u>966,855</u>	<u>-</u>	<u>-</u>	<u>2,734,207</u>
Deferred inflows of resources				
Aggregate deferred inflows	-	-	-	3,004,350
Fund balances				
Nonspendable	-	-	-	424,706
Restricted	-	-	-	9,985,518
Committed	2,836,349	2,533,142	-	14,320,359
Assigned	-	975,787	-	3,084,268
Unassigned	-	-	-	18,841,248
Total fund balances	<u>2,836,349</u>	<u>3,508,928</u>	<u>-</u>	<u>46,656,098</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,803,204</u>	<u>\$ 3,508,928</u>	<u>\$ -</u>	<u>\$ 52,394,655</u>

(Concluded)

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	General Fund <u>(1010)</u>	Solid Waste Clean-Up <u>(2271)</u>	Infrastructure <u>(2444)</u>	Stabilization <u>(2570)</u>
Revenues				
Taxes	\$ 46,042,637	\$ -	\$ -	\$ -
Intergovernmental revenues	7,600,108	-	-	-
Charges for services	7,296,770	-	-	-
Fines and forfeits	61,440	-	-	-
Investment earnings	503,369	44,581	18,056	-
Licenses and permits	303,753	-	-	-
Rental income	1,541,642	-	-	-
Other	637,590	-	-	-
Total revenues	<u>63,987,309</u>	<u>44,581</u>	<u>18,056</u>	<u>-</u>
Expenditures				
Current operations				
Legislative	343,622	-	-	-
Judicial	9,376,957	-	-	-
General government	9,408,740	-	-	-
Public safety	20,079,115	-	-	-
Public works	5,228,301	200,400	-	-
Health and welfare	1,936,633	-	-	-
Community and economic development	768,660	-	-	-
Culture and recreation	-	-	-	-
Other expenditures	94,215	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>47,236,243</u>	<u>200,400</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>16,751,066</u>	<u>(155,819)</u>	<u>18,056</u>	<u>-</u>
Other financing sources (uses)				
Transfers from other funds	27,000	-	-	-
Transfers to other funds	(9,141,597)	-	-	-
Total other financing sources (uses)	<u>(9,114,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,636,469	(155,819)	18,056	-
Fund balances, beginning of year	<u>18,071,215</u>	<u>3,914,553</u>	<u>1,571,130</u>	<u>9,255,217</u>
Fund balances, end of year	<u>\$ 25,707,684</u>	<u>\$ 3,758,734</u>	<u>\$ 1,589,186</u>	<u>\$ 9,255,217</u>

(Continued)

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	DB/DC Conversion (2970)	Compensated Absences (2980)	Eliminations	Total
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 46,042,637
Intergovernmental revenues	-	-	-	7,600,108
Charges for services	-	-	-	7,296,770
Fines and forfeits	-	-	-	61,440
Investment earnings	40,929	37,688	-	644,623
Licenses and permits	-	-	-	303,753
Rental income	-	-	-	1,541,642
Other	-	192,745	-	830,335
Total revenues	<u>40,929</u>	<u>230,433</u>	<u>-</u>	<u>64,321,308</u>
Expenditures				
Current operations				
Legislative	-	-	-	343,622
Judicial	-	-	-	9,376,957
General government	-	3,223	-	9,411,963
Public safety	-	-	-	20,079,115
Public works	-	-	-	5,428,701
Health and welfare	-	-	-	1,936,633
Community and economic development	-	-	-	768,660
Culture and recreation	-	-	-	-
Other expenditures	-	-	-	94,215
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>3,223</u>	<u>-</u>	<u>47,439,866</u>
Revenues over (under) expenditures	<u>40,929</u>	<u>227,210</u>	<u>-</u>	<u>16,881,442</u>
Other financing sources (uses)				
Transfers from other funds	-	-	-	27,000
Transfers to other funds	(403,112)	-	-	(9,544,709)
Total other financing sources (uses)	<u>(403,112)</u>	<u>-</u>	<u>-</u>	<u>(9,517,709)</u>
Net change in fund balances	(362,183)	227,210	-	7,363,733
Fund balances, beginning of year	<u>3,198,532</u>	<u>3,281,718</u>	<u>-</u>	<u>39,292,365</u>
Fund balances, end of year	<u>\$ 2,836,349</u>	<u>\$ 3,508,928</u>	<u>\$ -</u>	<u>\$ 46,656,098</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

Expenditures	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Current operations					
Legislative					
Commissioners	\$ 454,494	\$ 383,793	\$ 343,622	\$ 40,171	\$ 465,069
Judicial:					
20th Circuit Court	3,169,769	2,442,768	2,166,841	275,927	2,867,282
58th District Court	7,922,800	5,993,252	5,730,862	262,390	7,376,985
Probate Court	855,804	659,069	618,570	40,499	803,608
Juvenile Services Division	1,284,174	845,012	734,566	110,446	1,056,032
Circuit Court Adult Probation	155,929	123,525	118,427	5,098	143,434
All other judicial	23,911	26,006	7,691	18,315	9,985
General government:					
Administrator	770,905	743,517	685,306	58,211	801,203
Fiscal Services	1,425,993	971,498	949,217	22,281	1,218,045
County Clerk	2,143,989	1,612,101	1,558,700	53,401	1,901,171
Prosecuting Attorney	3,918,891	2,744,917	2,636,224	108,693	3,598,626
County Treasurer	800,726	620,247	601,523	18,724	769,952
Equalization	1,218,542	943,818	903,046	40,772	1,172,139
Geographic Information Systems	451,853	354,548	342,696	11,852	427,084
MSU Extension	355,337	264,596	257,296	7,300	335,482
Facilities Maintenance	3,966,167	3,172,044	2,861,415	310,629	3,732,456
Corporate Counsel	248,729	193,193	172,053	21,140	224,123
Register of Deeds	681,433	502,827	465,713	37,114	646,393
Human Resources	887,888	645,834	573,772	72,062	648,803
Water Resources Commissioner	769,666	617,564	599,482	18,082	768,101
All other general government	134,864	115,943	51,799	64,144	125,709
Allocated to other departments	(4,261,676)	(3,196,257)	(3,249,502)	53,245	(3,987,279)
Public safety:					
Sheriff	10,333,619	7,703,781	7,383,127	320,654	9,582,373
Jail	9,651,892	7,510,271	6,808,516	701,755	9,192,170
All other public safety	1,856,831	5,979,824	5,887,472	92,352	6,049,884
Public works	171,250	209,568	87,976	121,592	76,753
All other public works	-	5,103,110	5,140,325	(37,215)	-
Health and welfare:					
Substance Abuse	414,771	1,206,921	1,561,277	(354,356)	585,767
All other health and welfare	409,441	391,612	375,356	16,256	500,335
Community and economic development	1,190,653	822,695	768,660	54,035	826,226
Other expenditures:					
Insurance	130,659	94,679	94,215	464	120,695
Contingency	406,621	56,756	-	56,756	-
Debt service	539,485	-	-	-	553,355
Capital projects	20,000	20,000	-	20,000	-
Total expenditures	\$ 52,505,410	\$ 49,879,032	\$ 47,236,243	\$ 2,642,789	\$ 52,591,961

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

SPECIAL REVENUE FUNDS

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

Parks and Recreation (2180) - This fund is used to account for monies received from Federal, State, and local grants, County appropriations, and property taxes levied to provide parks and recreation services to County residents.

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

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

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

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

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

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

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

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

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

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

Michigan Works (2745) - This fund accounts for federal, state, and local grants received by the Michigan Works agency. The fund was closed in 2016.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

SPECIAL REVENUE FUNDS (continued)

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

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

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

PERMANENT FUND

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

INTERNAL SERVICE FUNDS

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

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

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

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

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

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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.

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.

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

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

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

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016

	Special Revenue				
	Parks and Recreation <u>(2081)</u>	Friend of the Court <u>(2160)</u>	Other Governmental Grants <u>(2180)</u>	Health <u>(2210)</u>	Landfill Tipping Fees <u>(2272)</u>
Assets					
Cash and pooled investments	\$ 5,167,599	\$ 250	\$ -	\$ 673,922	\$ 1,089,188
Receivables (net of allowance for estimated uncollectibles)					
Taxes	5,176	-	-	-	-
Accounts	25,693	835	-	81,313	42,284
Due from other governmental units	-	509,260	562,430	178,756	-
Inventory of supplies	13,254	-	12,726	202,128	-
Prepaid expenditures	2,400	-	-	7,695	-
Total assets	<u>5,214,122</u>	<u>510,345</u>	<u>575,156</u>	<u>1,143,814</u>	<u>1,131,472</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	331,955	73,856	91,616	190,387	9,957
Due to other governmental units	-	-	7,440	60,820	-
Interfund payable	-	436,489	145,503	-	-
Advances from other governmental units	-	-	-	-	-
Unearned revenue	60,540	-	17,370	42,457	-
Total liabilities	<u>392,495</u>	<u>510,345</u>	<u>261,929</u>	<u>293,664</u>	<u>9,957</u>
Deferred inflows of resources					
Aggregate deferred inflows	27,719	-	-	29,448	-
Fund balances					
Nonspendable	15,654	-	12,726	209,823	-
Restricted	4,778,254	-	300,501	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	610,879	1,121,515
Unassigned	-	-	-	-	-
Total fund balances	<u>4,793,908</u>	<u>-</u>	<u>313,227</u>	<u>820,702</u>	<u>1,121,515</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,214,122</u>	<u>\$ 510,345</u>	<u>\$ 575,156</u>	<u>\$ 1,143,814</u>	<u>\$ 1,131,472</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2016

	Special Revenue				
	Farmland Preservation (2340)	Brownfield Redevelopment (2430)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)
Assets					
Cash and pooled investments	\$ 780	\$ -	\$ 23,292	\$ 718,919	\$ -
Receivables (net of allowance for estimated uncollectibles)					
Taxes		-	-	-	-
Accounts	2,000	-	-	-	-
Due from other governmental units	-	67,260	-	-	1,299,324
Inventory of supplies	-	-	-	-	-
Prepaid expenditures	-	-	-	31,740	-
Total assets	<u>2,780</u>	<u>67,260</u>	<u>23,292</u>	<u>750,659</u>	<u>1,299,324</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	2,116	11,085	-	922	131,783
Due to other governmental units	-	-	-	-	-
Interfund payable	-	56,175	-	-	689,135
Advances from other governmental units	-	-	-	-	478,406
Unearned revenue	-	-	-	-	-
Total liabilities	<u>2,116</u>	<u>67,260</u>	<u>-</u>	<u>922</u>	<u>1,299,324</u>
Deferred inflows of resources					
Aggregate deferred inflows	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	31,740	-
Restricted	-	-	23,292	717,997	-
Committed	664	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>664</u>	<u>-</u>	<u>23,292</u>	<u>749,737</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,780</u>	<u>\$ 67,260</u>	<u>\$ 23,292</u>	<u>\$ 750,659</u>	<u>\$ 1,299,324</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2016

	Special Revenue				
	Concealed Pistol Licensing <u>(2631)</u>	Michigan Works <u>(2745)</u>	Community Action Agency <u>(2746)</u>	Department of Health and Human Services <u>(2901)</u>	Child Care <u>(2920)</u>
Assets					
Cash and pooled investments	\$ 77,104	\$ -	\$ -	\$ 34,451	\$ 350
Receivables (net of allowance for estimated uncollectibles)					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Due from other governmental units	-	-	-	-	1,801,802
Inventory of supplies	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Total assets	<u>77,104</u>	<u>-</u>	<u>-</u>	<u>34,451</u>	<u>1,802,152</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	-	-	-	3,780	146,830
Due to other governmental units	-	-	-	-	-
Interfund payable	-	-	-	-	690,851
Advances from other governmental units	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,780</u>	<u>837,681</u>
Deferred inflows of resources					
Aggregate deferred inflows	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	77,104	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	30,671	964,471
Unassigned	-	-	-	-	-
Total fund balances	<u>77,104</u>	<u>-</u>	<u>-</u>	<u>30,671</u>	<u>964,471</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 77,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,451</u>	<u>\$ 1,802,152</u>

(Continued)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016

	Debt Service	Capital Projects		Permanent	Total Nonmajor Governmental Funds	
	Debt Service (3515-3517, 3010, 3600)	Qualified Energy Conservation Bonds (4010)	Capital Improvement (4020)	Cemetery Trust (1500)	2016	2015
Assets						
Cash and pooled investments	\$ -	\$ -	\$ 5,863,742	\$ 5,890	\$ 13,655,487	\$ 11,298,663
Receivables (net of allowance for estimated uncollectibles)					5,176	-
Taxes	-	-	-	-	152,125	204,591
Accounts	-	-	-	-	4,418,832	4,942,339
Due from other governmental units	-	-	-	-	228,108	217,626
Inventory of supplies	-	-	-	-	41,835	30,740
Prepaid expenditures	-	-	-	-		
Total assets	-	-	5,863,742	5,890	18,501,563	16,693,959
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	-	-	195,289	-	1,189,576	1,789,732
Due to other governmental units	-	-	-	-	68,260	1,408,492
Interfund payable	-	-	-	-	2,018,153	2,226,328
Advances from other governmental units	-	-	-	-	478,406	478,406
Unearned revenue	-	-	-	-	120,367	32,417
Total liabilities	-	-	195,289	-	3,874,762	5,935,375
Deferred inflows of resources						
Aggregate deferred inflows	-	-	-	-	57,167	11,155
Fund balances						
Nonspendable	-	-	-	5,770	275,713	254,136
Restricted	-	-	5,668,453	120	11,565,721	7,599,323
Committed	-	-	-	-	664	2,246
Assigned	-	-	-	-	2,727,536	2,891,724
Unassigned	-	-	-	-	-	-
Total fund balances	-	-	5,668,453	5,890	14,569,634	10,747,429
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ -	\$ 5,863,742	\$ 5,890	\$ 18,501,563	\$ 16,693,959

(Concluded)

COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	Special Revenue				
	Parks and Recreation (2081)	Friend of the Court (2160)	Other Governmental Grants (2180)	Health (2210)	Landfill Tipping Fees (2272)
Revenues					
Taxes	\$ 3,235,086	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	53,336	2,959,616	2,017,695	3,585,415	10,512
Charges for services	559,092	413,941	29,285	955,244	290,326
Fines and forfeits	-	-	-	-	-
Investment earnings	51,293	-	-	-	-
Licenses and permits	-	-	-	906,204	-
Rental income	15,608	-	-	-	-
Other	428,918	-	3,447	75,639	22,681
Total revenues	4,343,333	3,373,557	2,050,427	5,522,502	323,519
Expenditures					
Current operations					
Judicial	-	4,204,073	593,147	-	-
General government	-	-	-	-	-
Public safety	-	-	40,445	-	-
Public works	-	-	53,389	-	305,780
Health and welfare	-	-	1,394,083	9,075,394	-
Culture and recreation	2,413,165	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	770,449	-	-	7,064	-
Total expenditures	3,183,614	4,204,073	2,081,064	9,082,458	305,780
Revenues over (under) expenditures	1,159,719	(830,516)	(30,637)	(3,559,956)	17,739
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers from other funds	-	830,516	277,665	3,379,710	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	830,516	277,665	3,379,710	-
Net changes in fund balances	1,159,719	-	247,028	(180,246)	17,739
Fund balances, beginning of year, as restated	3,634,189	-	66,199	1,000,948	1,103,776
Fund balances, end of year	\$ 4,793,908	\$ -	\$ 313,227	\$ 820,702	\$ 1,121,515

(Continued)

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	Special Revenue				
	Farmland Preservation (2340)	Brownfield Redevelopment (2430)	Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Sheriff Grants & Contracts (2630)
Revenues					
Taxes	\$ -	\$ -	\$ 10,858	\$ -	\$ -
Intergovernmental revenues	-	67,260	-	-	5,310,459
Charges for services	-	-	-	182,742	20,300
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	178	7,897	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	22,100	-	-	-	5,520
Total revenues	<u>22,100</u>	<u>67,260</u>	<u>11,036</u>	<u>190,639</u>	<u>5,336,279</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	-	-	1,449	104,897	-
Public safety	-	-	-	-	5,777,293
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	21,829	67,260	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	17,900	-
Total expenditures	<u>21,829</u>	<u>67,260</u>	<u>1,449</u>	<u>122,797</u>	<u>5,777,293</u>
Revenues over (under) expenditures	<u>271</u>	<u>-</u>	<u>9,587</u>	<u>67,842</u>	<u>(441,014)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers from other funds	-	-	-	-	435,114
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,114</u>
Net changes in fund balances	271	-	9,587	67,842	(5,900)
Fund balances, beginning of year, as restated	<u>393</u>	<u>-</u>	<u>13,705</u>	<u>681,895</u>	<u>5,900</u>
Fund balances, end of year	<u>\$ 664</u>	<u>\$ -</u>	<u>\$ 23,292</u>	<u>\$ 749,737</u>	<u>\$ -</u>

(Continued)

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	Special Revenue				
	Concealed Pistol Licensing (2631)	Michigan Works (2745)	Community Action Agency (2746)	Department of Health and Human Services (2901)	Child Care (2920)
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	3,249,236
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	82,258	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	967,220
Total revenues	<u>82,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,216,456</u>
Expenditures					
Current operations					
Judicial	-	-	-	-	-
General government	34,016	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	134,745	-	44,104	7,624,785
Culture and recreation	-	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>34,016</u>	<u>134,745</u>	<u>-</u>	<u>44,104</u>	<u>7,624,785</u>
Revenues over (under) expenditures	<u>48,242</u>	<u>(134,745)</u>	<u>-</u>	<u>(44,104)</u>	<u>(3,408,329)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers from other funds	-	-	43,054	44,104	3,408,329
Transfers to other funds	-	(43,054)	(229,196)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(43,054)</u>	<u>(186,142)</u>	<u>44,104</u>	<u>3,408,329</u>
Net changes in fund balances	48,242	(177,799)	(186,142)	-	-
Fund balances, beginning of year, as restated	<u>28,862</u>	<u>177,799</u>	<u>186,142</u>	<u>30,671</u>	<u>964,471</u>
Fund balances, end of year	<u>\$ 77,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,671</u>	<u>\$ 964,471</u>

(Continued)

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>	
	<u>Debt Service (3515-3517, 3010, 3600)</u>	<u>Qualified Energy Conservation Bonds (4010)</u>	<u>Capital Improvement (4020)</u>	<u>Cemetery Trust (1500)</u>	<u>2016</u>	<u>2015</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,245,944	\$ 3,092,705
Intergovernmental revenues	-	-	-	-	17,253,529	25,717,744
Charges for services	-	-	65,000	-	2,515,930	2,865,604
Fines and forfeits	-	-	-	-	-	-
Investment earnings	-	1,083	71,302	-	131,753	94,126
Licenses and permits	-	-	-	-	988,462	891,256
Rental income	-	-	24,330	-	39,938	2,032,723
Other	-	-	-	-	1,525,525	1,798,244
Total revenues	<u>-</u>	<u>1,083</u>	<u>160,632</u>	<u>-</u>	<u>25,701,081</u>	<u>36,492,402</u>
Expenditures						
Current operations						
Judicial	-	-	-	-	4,797,220	4,624,143
General government	-	-	-	-	140,362	156,127
Public safety	-	-	-	-	5,817,738	7,267,689
Public works	-	-	-	-	359,169	539,979
Health and welfare	-	-	-	-	18,273,111	23,729,588
Culture and recreation	-	-	-	-	2,413,165	2,936,867
Community and economic development	-	-	-	-	89,089	262,209
Debt service	1,150,868	-	-	-	1,150,868	3,675,923
Capital outlay	-	-	1,000,214	-	1,795,627	4,405,545
Total expenditures	<u>1,150,868</u>	<u>-</u>	<u>1,000,214</u>	<u>-</u>	<u>34,836,349</u>	<u>47,598,070</u>
Revenues over (under) expenditures	<u>(1,150,868)</u>	<u>1,083</u>	<u>(839,582)</u>	<u>-</u>	<u>(9,135,268)</u>	<u>(11,105,668)</u>
Other financing sources (uses)						
Issuance of bonds	-	-	-	-	-	11,955,000
Premium on bonds issued	-	-	-	-	-	1,744,362
Payment to refunding bond escrow agent	-	-	-	-	-	(13,557,781)
Transfers from other funds	1,143,887	-	63,220	-	9,625,599	13,433,858
Transfers to other funds	-	(28,212)	-	-	(300,462)	(190,025)
Total other financing sources (uses)	<u>1,143,887</u>	<u>(28,212)</u>	<u>63,220</u>	<u>-</u>	<u>9,325,137</u>	<u>13,385,414</u>
Net changes in fund balances	(6,981)	(27,129)	(776,362)	-	189,869	2,279,746
Fund balances, beginning of year, as restated	<u>6,981</u>	<u>27,129</u>	<u>6,444,815</u>	<u>5,890</u>	<u>14,379,765</u>	<u>12,101,872</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,668,453</u>	<u>\$ 5,890</u>	<u>\$ 14,569,634</u>	<u>\$ 14,381,618</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 3,252,870	\$ 3,252,870	\$ 3,235,086	\$ (17,784)	\$ 3,085,811
Intergovernmental revenues	17,600	53,750	53,336	(414)	108,372
Charges for services	525,320	535,344	559,092	23,748	641,845
Fines and forfeits	-	-	-	-	-
Investment earnings (loss)	74,800	56,100	51,293	(4,807)	50,426
Licenses and permits	-	-	-	-	-
Rental income	15,500	15,500	15,608	108	15,500
Other	<u>1,150,800</u>	<u>413,116</u>	<u>428,918</u>	<u>15,802</u>	<u>871,526</u>
Total revenues	<u>5,036,890</u>	<u>4,326,680</u>	<u>4,343,333</u>	<u>16,653</u>	<u>4,773,480</u>
Expenditures					
Current operations					
Personnel services	2,223,388	1,671,262	1,682,783	(11,521)	1,941,111
Supplies	259,555	227,214	226,807	407	246,634
Other services and charges	622,588	590,626	503,575	87,051	749,122
Debt service	-	-	-	-	-
Capital outlay	<u>1,825,500</u>	<u>1,651,879</u>	<u>770,449</u>	<u>881,430</u>	<u>2,697,894</u>
Total expenditures	<u>4,931,031</u>	<u>4,140,981</u>	<u>3,183,614</u>	<u>957,367</u>	<u>5,634,761</u>
Revenues over (under) expenditures	<u>105,859</u>	<u>185,699</u>	<u>1,159,719</u>	<u>974,020</u>	<u>(861,281)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	7,500
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Net change in fund balance	105,859	185,699	1,159,719	974,020	(853,781)
Fund balance, beginning of year	<u>3,634,189</u>	<u>3,634,189</u>	<u>3,634,189</u>	<u>-</u>	<u>4,487,970</u>
Fund balance, end of year	<u>\$ 3,740,048</u>	<u>\$ 3,819,888</u>	<u>\$ 4,793,908</u>	<u>\$ 974,020</u>	<u>\$ 3,634,189</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, 2016
(with comparative totals for the year ended September 30, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	2,762,021	2,788,671	2,959,616	170,945	2,523,428
Charges for services	233,600	393,875	413,941	20,066	257,434
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>2,995,621</u>	<u>3,182,546</u>	<u>3,373,557</u>	<u>191,011</u>	<u>2,780,862</u>
Expenditures					
Current operations					
Personnel services	3,104,124	3,360,686	3,375,501	(14,815)	3,082,357
Supplies	121,607	138,180	136,118	2,062	66,340
Other services and charges	700,829	699,375	692,454	6,921	679,854
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>3,926,560</u>	<u>4,198,241</u>	<u>4,204,073</u>	<u>(5,832)</u>	<u>3,828,551</u>
Revenues over (under) expenditures	<u>(930,939)</u>	<u>(1,015,695)</u>	<u>(830,516)</u>	<u>185,179</u>	<u>(1,047,689)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	930,939	1,015,695	830,516	(185,179)	1,047,689
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>930,939</u>	<u>1,015,695</u>	<u>830,516</u>	<u>(185,179)</u>	<u>1,047,689</u>
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	853,837	2,930,858	2,017,695	(913,163)	1,388,166
Charges for services	50,000	30,303	29,285	(1,018)	62,801
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	3,500	3,500	3,447	(53)	18,669
Total revenues	907,337	2,964,661	2,050,427	(914,234)	1,469,636
Expenditures					
Current operations					
Judicial					
Personnel services	308,647	272,462	232,382	40,080	292,301
Supplies	18,200	34,783	33,611	1,172	35,682
Other services and charges	420,726	587,320	327,154	260,166	467,609
Public safety					
Personnel services	-	23,910	27,164	(3,254)	-
Supplies	3,500	6,605	7,476	(871)	-
Other services and charges	-	11,599	5,805	5,794	-
Public works					
Other services and charges	157,569	157,569	53,389	104,180	118,176
Health					
Personnel services	-	659,958	456,851	203,107	157,999
Supplies	-	296,790	406,931	(110,141)	145,289
Other services and charges	50,000	1,016,340	530,301	486,039	219,684
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	958,642	3,067,336	2,081,064	986,272	1,436,740
Revenues over (under) expenditures	(51,305)	(102,675)	(30,637)	72,038	32,896
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	51,305	324,674	277,665	(47,009)	1,751
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	51,305	324,674	277,665	(47,009)	1,751
Net change in fund balance	-	221,999	247,028	25,029	34,647
Fund balance, beginning of year	66,199	66,199	66,199	-	31,552
Fund balance, end of year	\$ 66,199	\$ 288,198	\$ 313,227	\$ 25,029	\$ 66,199

COUNTY OF OTTAWA

HEALTH (2210)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended September 30, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,231,678	3,399,651	3,585,415	185,764	4,801,365
Charges for services	1,016,370	1,055,515	955,244	(100,271)	918,093
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	767,862	767,862	906,204	138,342	850,503
Rental income	-	-	-	-	-
Other	149,012	137,857	75,639	(62,218)	111,055
Total revenues	<u>5,164,922</u>	<u>5,360,885</u>	<u>5,522,502</u>	<u>161,617</u>	<u>6,681,016</u>
Expenditures					
Current operations					
Personnel services	6,585,173	6,562,730	6,375,615	187,115	6,275,885
Supplies	1,035,526	1,080,754	906,384	174,370	863,992
Other services and charges	1,748,933	1,927,678	1,793,395	134,283	1,955,692
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	7,064	7,064	-	-
Total expenditures	<u>9,369,632</u>	<u>9,578,226</u>	<u>9,082,458</u>	<u>495,768</u>	<u>9,095,569</u>
Revenues over (under) expenditures	<u>(4,204,710)</u>	<u>(4,217,341)</u>	<u>(3,559,956)</u>	<u>(657,385)</u>	<u>(2,414,553)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	3,379,710	3,374,529	3,379,710	5,181	2,837,174
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>3,379,710</u>	<u>3,374,529</u>	<u>3,379,710</u>	<u>5,181</u>	<u>2,837,174</u>
Net change in fund balance	(825,000)	(842,812)	(180,246)	(652,204)	422,621
Fund balance, beginning of year	<u>1,000,948</u>	<u>1,000,948</u>	<u>1,000,948</u>	<u>-</u>	<u>578,327</u>
Fund balance, end of year	<u>\$ 175,948</u>	<u>\$ 158,136</u>	<u>\$ 820,702</u>	<u>\$ (652,204)</u>	<u>\$ 1,000,948</u>

COUNTY OF OTTAWA

LANDFILL TIPPING FEES (2272)

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	28,000	28,000	10,512	(17,488)	16,548
Charges for services	330,000	272,334	290,326	17,992	352,616
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	27,250	21,377	22,681	1,304	30,984
Total revenues	<u>385,250</u>	<u>321,711</u>	<u>323,519</u>	<u>1,808</u>	<u>400,148</u>
Expenditures					
Current operations					
Personnel services	270,283	204,083	197,467	6,616	255,029
Supplies	11,670	9,726	9,118	608	10,220
Other services and charges	174,071	96,174	99,195	(3,021)	156,554
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>456,024</u>	<u>309,983</u>	<u>305,780</u>	<u>4,203</u>	<u>421,803</u>
Revenues over (under) expenditures	<u>(70,774)</u>	<u>11,728</u>	<u>17,739</u>	<u>6,011</u>	<u>(21,655)</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	(70,774)	11,728	17,739	6,011	(21,655)
Fund balance, beginning of year	<u>1,103,776</u>	<u>1,103,776</u>	<u>1,103,776</u>	<u>-</u>	<u>1,125,431</u>
Fund balance, end of year	<u>\$ 1,033,002</u>	<u>\$ 1,115,504</u>	<u>\$ 1,121,515</u>	<u>\$ 6,011</u>	<u>\$ 1,103,776</u>

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 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	<u>48,346</u>	<u>48,346</u>	<u>22,100</u>	<u>(26,246)</u>	<u>4,408</u>
Total revenues	<u>48,346</u>	<u>48,346</u>	<u>22,100</u>	<u>(26,246)</u>	<u>4,408</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	1,346	1,346	490	856	1,001
Other services and charges	47,000	47,000	21,339	25,661	3,108
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>48,346</u>	<u>48,346</u>	<u>21,829</u>	<u>26,517</u>	<u>4,109</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>271</u>	<u>271</u>	<u>299</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	271	271	299
Fund balance, beginning of year	<u>393</u>	<u>393</u>	<u>393</u>	<u>-</u>	<u>94</u>
Fund balance, end of year	<u>\$ 393</u>	<u>\$ 393</u>	<u>\$ 664</u>	<u>\$ 271</u>	<u>\$ 393</u>

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ 762	\$ 762	\$ -	\$ (762)	\$ 635
Intergovernmental revenues	10,000	74,784	67,260	(7,524)	257,496
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	1,500	-	(1,500)	1,501
Total revenues	<u>10,762</u>	<u>77,046</u>	<u>67,260</u>	<u>(9,786)</u>	<u>259,632</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	790	-	790	-
Other services and charges	10,762	77,506	67,260	10,246	258,100
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>10,762</u>	<u>78,296</u>	<u>67,260</u>	<u>11,036</u>	<u>258,100</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,250)</u>	<u>-</u>	<u>1,250</u>	<u>1,532</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	-	(1,250)	-	1,250	1,532
Fund balance, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ (1,250)</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 1,853</u>

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 5,000	\$ 5,000	\$ 10,858	\$ 5,858	\$ 6,259
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	79	79	178	99	72
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>5,079</u>	<u>5,079</u>	<u>11,036</u>	<u>5,957</u>	<u>6,331</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	100	100	-	100	-
Other services and charges	1,474	1,474	1,449	25	1,445
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,574</u>	<u>1,574</u>	<u>1,449</u>	<u>125</u>	<u>1,445</u>
Revenues over (under) expenditures	<u>3,505</u>	<u>3,505</u>	<u>9,587</u>	<u>6,082</u>	<u>4,886</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	3,505	3,505	9,587	6,082	4,886
Fund balance, beginning of year	<u>13,705</u>	<u>13,705</u>	<u>13,705</u>	<u>-</u>	<u>8,819</u>
Fund balance, end of year	<u>\$ 17,210</u>	<u>\$ 17,210</u>	<u>\$ 23,292</u>	<u>\$ 6,082</u>	<u>\$ 13,705</u>

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	255,000	191,250	182,742	(8,508)	245,106
Fines and forfeits	-	-	-	-	-
Investment earnings	6,180	4,635	7,897	3,262	4,496
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>261,180</u>	<u>195,885</u>	<u>190,639</u>	<u>(5,246)</u>	<u>249,602</u>
Expenditures					
Current operations					
Personnel services	24,512	19,401	36,224	(16,823)	23,818
Supplies	300	300	-	300	4,149
Other services and charges	135,335	117,116	68,673	48,443	114,824
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>32,000</u>	<u>29,000</u>	<u>17,900</u>	<u>11,100</u>	<u>33,634</u>
Total expenditures	<u>192,147</u>	<u>165,817</u>	<u>122,797</u>	<u>43,020</u>	<u>176,425</u>
Revenues over (under) expenditures	<u>69,033</u>	<u>30,068</u>	<u>67,842</u>	<u>37,774</u>	<u>73,177</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	69,033	30,068	67,842	37,774	73,177
Fund balance, beginning of year	<u>681,895</u>	<u>681,895</u>	<u>681,895</u>	<u>-</u>	<u>608,718</u>
Fund balance, end of year	<u>\$ 750,928</u>	<u>\$ 711,963</u>	<u>\$ 749,737</u>	<u>\$ 37,774</u>	<u>\$ 681,895</u>

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	7,534,592	5,816,263	5,310,459	(505,804)	6,868,921
Charges for services	-	-	20,300	20,300	11,200
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	91,762	5,549	5,520	(29)	1,943
Total revenues	<u>7,626,354</u>	<u>5,821,812</u>	<u>5,336,279</u>	<u>(485,533)</u>	<u>6,882,064</u>
Expenditures					
Current operations					
Personnel services	7,114,431	5,438,860	5,123,340	315,520	6,484,697
Supplies	177,108	143,661	118,459	25,202	110,196
Other services and charges	900,193	710,347	535,494	174,853	672,796
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>8,191,732</u>	<u>6,292,868</u>	<u>5,777,293</u>	<u>515,575</u>	<u>7,267,689</u>
Revenues over (under) expenditures	<u>(565,378)</u>	<u>(471,056)</u>	<u>(441,014)</u>	<u>30,042</u>	<u>(385,625)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	565,378	471,056	435,114	(35,942)	385,844
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>565,378</u>	<u>471,056</u>	<u>435,114</u>	<u>(35,942)</u>	<u>385,844</u>
Net change in fund balance	-	-	(5,900)	(5,900)	219
Fund balance, beginning of year	<u>5,900</u>	<u>5,900</u>	<u>5,900</u>	<u>-</u>	<u>5,681</u>
Fund balance, end of year	<u>\$ 5,900</u>	<u>\$ 5,900</u>	<u>\$ -</u>	<u>\$ (5,900)</u>	<u>\$ 5,900</u>

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	48,100	48,100	82,258	34,158	40,753
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>48,100</u>	<u>48,100</u>	<u>82,258</u>	<u>34,158</u>	<u>40,753</u>
Expenditures					
Current operations					
Personnel services	37,935	37,935	27,363	10,572	11,698
Supplies	5,072	5,072	6,653	(1,581)	186
Other services and charges	-	-	-	-	7
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>43,007</u>	<u>43,007</u>	<u>34,016</u>	<u>8,991</u>	<u>11,891</u>
Revenues over (under) expenditures	<u>5,093</u>	<u>5,093</u>	<u>48,242</u>	<u>43,149</u>	<u>28,862</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	5,093	5,093	48,242	43,149	28,862
Fund balance, beginning of year	<u>28,862</u>	<u>28,862</u>	<u>28,862</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 33,955</u>	<u>\$ 33,955</u>	<u>\$ 77,104</u>	<u>\$ 43,149</u>	<u>\$ 28,862</u>

COUNTY OF OTTAWA

MICHIGAN WORKS (2745)

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	3,243,843
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	13,935
Total revenues	-	-	-	-	3,257,778
Expenditures					
Current operations					
Personnel services	-	-	-	-	1,314,658
Supplies	-	-	-	-	51,683
Other services and charges	-	134,745	134,745	-	1,836,207
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	134,745	134,745	-	3,202,548
Revenues over (under) expenditures	-	(134,745)	(134,745)	-	55,230
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	(43,054)	(43,054)	-	-
Total other financing sources (uses)	-	(43,054)	(43,054)	-	-
Net change in fund balance	-	(177,799)	(177,799)	-	55,230
Fund balance, beginning of year	177,799	177,799	177,799	-	122,569
Fund balance, end of year	\$ 177,799	\$ -	\$ -	\$ -	\$ 177,799

COUNTY OF OTTAWA

COMMUNITY ACTION AGENCY (2746)

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	1,122,383
Charges for services	-	-	-	-	50
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	91,001
Total revenues	-	-	-	-	1,213,434
Expenditures					
Current operations					
Personnel services	-	-	-	-	382,804
Supplies	-	-	-	-	187,218
Other services and charges	-	-	-	-	587,370
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	1,157,392
Revenues over (under) expenditures	-	-	-	-	56,042
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	43,054	43,054	-	-
Transfers to other funds	(229,196)	(229,196)	(229,196)	-	-
Total other financing sources (uses)	(229,196)	(186,142)	(186,142)	-	-
Net change in fund balance	-	(186,142)	(186,142)	-	56,042
Fund balance, beginning of year	186,142	186,142	186,142	-	130,100
Fund balance, end of year	\$ 186,142	\$ -	\$ -	\$ -	\$ 186,142

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, 2016
(with comparative totals for the year ended September 30, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	515	515	-	515	-
Other services and charges	45,772	45,760	44,104	1,656	44,459
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>46,287</u>	<u>46,275</u>	<u>44,104</u>	<u>2,171</u>	<u>44,459</u>
Revenues over (under) expenditures	<u>(46,287)</u>	<u>(46,275)</u>	<u>(44,104)</u>	<u>2,171</u>	<u>(44,459)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	46,287	46,287	44,104	(2,183)	44,547
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>46,287</u>	<u>46,287</u>	<u>44,104</u>	<u>(2,183)</u>	<u>44,547</u>
Net change in fund balance	-	12	-	(12)	88
Fund balance, beginning of year	<u>30,671</u>	<u>30,671</u>	<u>30,671</u>	<u>-</u>	<u>30,583</u>
Fund balance, end of year	<u>\$ 30,671</u>	<u>\$ 30,683</u>	<u>\$ 30,671</u>	<u>\$ (12)</u>	<u>\$ 30,671</u>

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended September 30, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	4,103,267	4,142,267	3,249,236	(893,031)	3,560,204
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	<u>593,600</u>	<u>553,600</u>	<u>967,220</u>	<u>413,620</u>	<u>641,926</u>
Total revenues	<u>4,696,867</u>	<u>4,695,867</u>	<u>4,216,456</u>	<u>(479,411)</u>	<u>4,202,130</u>
Expenditures					
Current operations					
Personnel services	4,665,364	4,665,364	4,439,780	225,584	4,387,291
Supplies	222,223	222,223	138,871	83,352	142,843
Other services and charges	4,010,375	3,959,141	3,046,134	913,007	3,349,496
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,897,962</u>	<u>8,846,728</u>	<u>7,624,785</u>	<u>1,221,943</u>	<u>7,879,630</u>
Revenues over (under) expenditures	<u>(4,201,095)</u>	<u>(4,150,861)</u>	<u>(3,408,329)</u>	<u>742,532</u>	<u>(3,677,500)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	4,201,095	4,198,295	3,408,329	(789,966)	3,677,501
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,201,095</u>	<u>4,198,295</u>	<u>3,408,329</u>	<u>(789,966)</u>	<u>3,677,501</u>
Net change in fund balance	-	47,434	-	(47,434)	1
Fund balance, beginning of year	<u>964,471</u>	<u>964,471</u>	<u>964,471</u>	<u>-</u>	<u>964,470</u>
Fund balance, end of year	<u>\$ 964,471</u>	<u>\$ 1,011,905</u>	<u>\$ 964,471</u>	<u>\$ (47,434)</u>	<u>\$ 964,471</u>

COUNTY OF OTTAWA

DEBT SERVICE FUNDS (3515-3517, 3010, 3600) SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Rental income	1,817,694	-	-	-	1,818,294
Other	-	-	-	-	11,296
	<u>1,817,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,829,590</u>
Total revenues	<u>1,817,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,829,590</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	3,240,000	365,000	365,000	-	2,110,000
Interest and fiscal charges	1,436,683	786,768	785,868	900	1,565,923
Capital outlay	-	-	-	-	-
	<u>4,676,683</u>	<u>1,151,768</u>	<u>1,150,868</u>	<u>900</u>	<u>3,675,923</u>
Total expenditures	<u>4,676,683</u>	<u>1,151,768</u>	<u>1,150,868</u>	<u>900</u>	<u>3,675,923</u>
Revenues over (under) expenditures	<u>(2,858,989)</u>	<u>(1,151,768)</u>	<u>(1,150,868)</u>	<u>900</u>	<u>(1,846,333)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	11,955,000
Premium on bonds issued	-	-	-	-	1,744,362
Payment to refunding bond escrow agent	-	-	-	-	(13,557,781)
Transfers from other funds	2,858,989	1,179,974	1,143,887	(36,087)	1,711,733
Transfers to other funds	-	-	-	-	-
	<u>2,858,989</u>	<u>1,179,974</u>	<u>1,143,887</u>	<u>(36,087)</u>	<u>1,853,314</u>
Total other financing sources (uses)	<u>2,858,989</u>	<u>1,179,974</u>	<u>1,143,887</u>	<u>(36,087)</u>	<u>1,853,314</u>
Net change in fund balance	(2,858,989)	28,206	(6,981)	(35,187)	6,981
Fund balance, beginning of year	<u>6,981</u>	<u>6,981</u>	<u>6,981</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (2,852,008)</u></u>	<u><u>\$ 35,187</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (35,187)</u></u>	<u><u>\$ 6,981</u></u>

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	-	-	1,083	1,083	8,718
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,083</u>	<u>1,083</u>	<u>8,718</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	451,067
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,067</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,083</u>	<u>1,083</u>	<u>(442,349)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	(28,206)	(28,212)	(6)	-
Total other financing sources (uses)	<u>-</u>	<u>(28,206)</u>	<u>(28,212)</u>	<u>(6)</u>	<u>-</u>
Net change in fund balance	-	(28,206)	(27,129)	1,077	(442,349)
Fund balance, beginning of year	<u>27,129</u>	<u>27,129</u>	<u>27,129</u>	<u>-</u>	<u>469,478</u>
Fund balance, end of year	<u>\$ 27,129</u>	<u>\$ (1,077)</u>	<u>\$ -</u>	<u>\$ 1,077</u>	<u>\$ 27,129</u>

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	Budget Amounts		Actual Amount	Variance Positive (Negative)	2015 Actual
	Original	Final			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	624,180	-	(624,180)	-
Charges for services	-	180,000	65,000	(115,000)	376,459
Fines and forfeits	-	-	-	-	-
Investment earnings	50,000	50,000	71,302	21,302	30,384
Licenses and permits	-	-	-	-	-
Rental income	88,543	88,543	24,330	(64,213)	198,929
Other	-	-	-	-	-
Total revenues	<u>138,543</u>	<u>942,723</u>	<u>160,632</u>	<u>(782,091)</u>	<u>605,772</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	<u>1,669,500</u>	<u>4,782,965</u>	<u>1,000,214</u>	<u>3,782,751</u>	<u>1,222,950</u>
Total expenditures	<u>1,669,500</u>	<u>4,782,965</u>	<u>1,000,214</u>	<u>3,782,751</u>	<u>1,222,950</u>
Revenues over (under) expenditures	<u>(1,530,957)</u>	<u>(3,840,242)</u>	<u>(839,582)</u>	<u>3,000,660</u>	<u>(617,178)</u>
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers from other funds	950,000	1,013,220	63,220	(950,000)	3,720,119
Transfers to other funds	<u>(188,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,025)</u>
Total other financing sources (uses)	<u>761,425</u>	<u>1,013,220</u>	<u>63,220</u>	<u>(950,000)</u>	<u>3,530,094</u>
Net change in fund balance	(580,957)	(2,827,022)	(776,362)	2,050,660	2,912,916
Fund balance, beginning of year	<u>6,444,815</u>	<u>6,444,815</u>	<u>6,444,815</u>	<u>-</u>	<u>3,531,899</u>
Fund balance, end of year	<u>\$ 5,863,858</u>	<u>\$ 3,617,793</u>	<u>\$ 5,668,453</u>	<u>\$ 2,050,660</u>	<u>\$ 6,444,815</u>

COUNTY OF OTTAWA

CEMETERY TRUST (1500)

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	30	30	-	(30)	30
Licenses and permits	-	-	-	-	-
Rental income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>30</u>	<u>30</u>	<u>-</u>	<u>(30)</u>	<u>30</u>
Expenditures					
Current operations					
Personnel services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>30</u>	<u>30</u>	<u>-</u>	<u>(30)</u>	<u>30</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	30	30	-	(30)	30
Fund balance, beginning of year	<u>5,890</u>	<u>5,890</u>	<u>5,890</u>	<u>-</u>	<u>5,860</u>
Fund balance, end of year	<u>\$ 5,920</u>	<u>\$ 5,920</u>	<u>\$ 5,890</u>	<u>\$ (30)</u>	<u>\$ 5,890</u>

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2016
(with comparative totals at December 31, 2015)

	Innovation and Technology <u>(6360)</u>	Duplicating <u>(6450)</u>	Telecom- munications <u>(6550)</u>	Equipment Pool <u>(6641)</u>	Protected Self-Funded Insurance Programs <u>(6770)</u>	Employee Benefits <u>(6771)</u>
Assets						
Current assets						
Cash and pooled investments	\$ 1,698,413	\$ 625,703	\$ 2,329,198	\$ 1,039,789	\$ 5,841	\$ 2,400,744
Investments	-	-	-	-	-	-
Accounts receivable	8,430	-	-	-	-	22,547
Accrued interest on investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	4,030,673	-
Prepaid expenses	171,680	-	15,239	-	44,264	2,901
Total current assets	<u>1,878,523</u>	<u>625,703</u>	<u>2,344,437</u>	<u>1,039,789</u>	<u>4,080,778</u>	<u>2,426,192</u>
Noncurrent assets						
Capital assets						
Office furniture and equipment	-	-	-	6,779,099	-	-
Copy machines	-	281,550	-	-	-	-
Telephone equipment	-	-	2,278,719	-	-	-
Vehicles	-	-	-	5,378,884	-	-
Less accumulated depreciation	-	(185,166)	(2,017,452)	(8,132,215)	-	-
Net capital assets	<u>-</u>	<u>96,384</u>	<u>261,267</u>	<u>4,025,768</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,878,523</u>	<u>722,087</u>	<u>2,605,704</u>	<u>5,065,557</u>	<u>4,080,778</u>	<u>2,426,192</u>
Liabilities						
Current liabilities						
Accounts payable	121,863	10,905	9,913	14,209	485,856	14,213
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>121,863</u>	<u>10,905</u>	<u>9,913</u>	<u>14,209</u>	<u>485,856</u>	<u>14,213</u>
Net position						
Invested in capital assets	-	96,384	261,267	4,025,768	-	-
Unrestricted	1,756,660	614,798	2,334,524	1,025,580	3,594,922	2,411,979
Total net position	<u>\$ 1,756,660</u>	<u>\$ 711,182</u>	<u>\$ 2,595,791</u>	<u>\$ 5,051,348</u>	<u>\$ 3,594,922</u>	<u>\$ 2,411,979</u>

(Continued)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2016
(with comparative totals at December 31, 2015)

	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Ottawa County, Michigan Insurance Authority (6780)	Totals	
				2016	2015
Assets					
Current assets					
Cash and pooled investments	\$ 552,688	\$ 277,704	\$ 784,776	\$ 9,714,856	\$ 9,268,486
Investments	-	-	36,226,185	36,226,185	34,967,485
Accounts receivable	-	-	-	30,977	63,009
Accrued interest on investments	-	-	87,374	87,374	121,060
Due from other funds	-	-	-	4,030,673	4,033,834
Prepaid expenses	-	-	199,556	433,640	417,618
Total current assets	552,688	277,704	37,297,891	50,523,705	48,871,492
Noncurrent assets					
Capital assets					
Office furniture and equipment	-	-	-	6,779,099	7,316,626
Copy machines	-	-	-	281,550	287,751
Telephone equipment	-	-	-	2,278,719	2,278,719
Vehicles	-	-	-	5,378,884	5,237,957
Less accumulated depreciation	-	-	-	(10,334,833)	(10,566,003)
Net capital assets	-	-	-	4,383,419	4,557,050
Total assets	552,688	277,704	37,297,891	54,907,124	53,428,542
Liabilities					
Current liabilities					
Accounts payable	73,750	4,095	8,587,653	9,322,457	8,435,798
Due to other funds	-	-	4,030,673	4,030,673	4,033,834
Total liabilities	73,750	4,095	12,618,326	13,353,130	12,469,632
Net position					
Invested in capital assets	-	-	-	4,383,419	4,557,050
Unrestricted	478,938	273,609	24,679,565	37,170,575	36,401,860
Total net position	\$ 478,938	\$ 273,609	\$ 24,679,565	\$ 41,553,994	\$ 40,958,910

(Concluded)

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)

	Innovation and Technology (6360)	Duplicating (6450)	Telecom- munications (6550)	Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Employee Benefits (6771)
Operating revenues						
Charges for services	\$ 2,338,058	\$ 49,588	\$ 459,776	\$ 983,579	\$ 154,249	\$ 8,323,089
Other revenue	-	-	781	53,328	-	-
Total operating revenues	<u>2,338,058</u>	<u>49,588</u>	<u>460,557</u>	<u>1,036,907</u>	<u>154,249</u>	<u>8,323,089</u>
Operating expenses						
Personnel services	1,358,176	3,134	101,824	18,918	135,164	151,508
Contractual services	-	-	-	-	-	-
Supplies	51,938	255	1,204	-	244	-
Depreciation	-	33,301	124,434	1,063,499	-	-
Building and equipment rental	223,977	-	-	-	-	-
Claims and legal	-	-	-	-	-	-
Miscellaneous	1,396,595	3,048	199,321	3,465	143,955	7,878,003
Total operating expenses	<u>3,030,686</u>	<u>39,738</u>	<u>426,783</u>	<u>1,085,882</u>	<u>279,363</u>	<u>8,029,511</u>
Operating income (loss)	<u>(692,628)</u>	<u>9,850</u>	<u>33,774</u>	<u>(48,975)</u>	<u>(125,114)</u>	<u>293,578</u>
Nonoperating revenues (expenses)						
Investment earnings (loss)	23,081	6,774	24,903	9,137	80,296	25,086
Net change in the fair value of investments	-	-	-	-	-	-
Gain (loss) on retirement of capital assets	-	-	-	32,477	-	-
Total nonoperating revenues	<u>23,081</u>	<u>6,774</u>	<u>24,903</u>	<u>41,614</u>	<u>80,296</u>	<u>25,086</u>
Income (loss) before transfers	(669,547)	16,624	58,677	(7,361)	(44,818)	318,664
Transfers						
Transfers to other funds	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(669,547)	16,624	58,677	(7,361)	(44,818)	318,664
Total net position, beginning of year	<u>2,426,207</u>	<u>694,558</u>	<u>2,537,114</u>	<u>5,058,709</u>	<u>3,639,740</u>	<u>2,093,315</u>
Total net position, end of year	<u>\$ 1,756,660</u>	<u>\$ 711,182</u>	<u>\$ 2,595,791</u>	<u>\$ 5,051,348</u>	<u>\$ 3,594,922</u>	<u>\$ 2,411,979</u>

(Continued)

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
 (with comparative totals for the year ended December 31, 2015)

	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Ottawa County, Michigan Insurance Authority (6780)	Totals	
				2016	2015
Operating revenues					
Charges for services	\$ 293,561	\$ 47,725	\$ 1,234,097	\$ 13,883,722	\$ 19,519,808
Other revenue	-	-	8,157	62,266	141,047
Total operating revenues	<u>293,561</u>	<u>47,725</u>	<u>1,242,254</u>	<u>13,945,988</u>	<u>19,660,855</u>
Operating expenses					
Personnel services	32,229	7,826	-	1,808,779	2,388,149
Contractual services	-	-	561,413	561,413	679,290
Supplies	-	-	-	53,641	43,415
Depreciation	-	-	-	1,221,234	1,597,571
Building and equipment rental	-	-	-	223,977	638,351
Claims and legal	-	-	1,196,769	1,196,769	836,475
Miscellaneous	193,612	35,988	-	9,853,987	13,171,260
Total operating expenses	<u>225,841</u>	<u>43,814</u>	<u>1,758,182</u>	<u>14,919,800</u>	<u>19,354,511</u>
Operating income (loss)	<u>67,720</u>	<u>3,911</u>	<u>(515,928)</u>	<u>(973,812)</u>	<u>306,344</u>
Nonoperating revenues (expenses)					
Investment earnings (loss)	5,712	3,115	477,686	655,790	783,940
Net change in the fair value of investments	-	-	938,412	938,412	(11,200)
Gain (loss) on retirement of capital assets	-	-	-	32,477	19,684
Total nonoperating revenues	<u>5,712</u>	<u>3,115</u>	<u>1,416,098</u>	<u>1,626,679</u>	<u>792,424</u>
Income (loss) before transfers	73,432	7,026	900,170	652,867	1,098,768
Transfers					
Transfers to other funds	-	-	(57,783)	(57,783)	(395,500)
Total transfers	<u>-</u>	<u>-</u>	<u>(57,783)</u>	<u>(57,783)</u>	<u>(395,500)</u>
Change in net position	73,432	7,026	842,387	595,084	703,268
Total net position, beginning of year	<u>405,506</u>	<u>266,583</u>	<u>23,837,178</u>	<u>40,958,910</u>	<u>40,255,642</u>
Total net position, end of year	<u>\$ 478,938</u>	<u>\$ 273,609</u>	<u>\$ 24,679,565</u>	<u>\$ 41,553,994</u>	<u>\$ 40,958,910</u>

(Concluded)

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	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	\$ 2,329,845	\$ 49,588	\$ 460,557	\$ 1,036,907	\$ 154,249	\$ 8,363,334
Cash payments to suppliers for goods and services	(1,599,014)	5,995	(207,764)	(1,694)	(110,332)	(7,881,223)
Cash payments for self-funded insurance claims	-	-	-	-	-	-
Cash payments to employees for services	<u>(1,358,176)</u>	<u>(3,134)</u>	<u>(101,824)</u>	<u>(18,918)</u>	<u>(135,164)</u>	<u>(151,508)</u>
Net cash provided by (used for) operating activities	<u>(627,345)</u>	<u>52,449</u>	<u>150,969</u>	<u>1,016,295</u>	<u>(91,247)</u>	<u>330,603</u>
Cash flow from noncapital financing activities						
Transfers out to other funds	-	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	-	-	-	-	-	-
Cash flow from capital and related financing activities						
Acquisition of capital assets	-	(9,910)	-	(1,037,693)	-	-
Proceeds from sale of equipment	-	-	-	32,477	-	-
Net cash provided by (used for) capital and related financing activities	-	<u>(9,910)</u>	-	<u>(1,005,216)</u>	-	-
Cash flow from investing activities						
Purchase of investments	-	-	-	-	-	-
Interest on investments	23,081	6,774	24,903	9,137	83,457	25,086
Proceeds from sale of investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>23,081</u>	<u>6,774</u>	<u>24,903</u>	<u>9,137</u>	<u>83,457</u>	<u>25,086</u>
Net increase (decrease) in cash and pooled investments	(604,264)	49,313	175,872	20,216	(7,790)	355,689
Cash and pooled investments, beginning of year	<u>2,302,677</u>	<u>576,390</u>	<u>2,153,326</u>	<u>1,019,573</u>	<u>13,631</u>	<u>2,045,055</u>
Cash and pooled investments, end of year	<u>\$ 1,698,413</u>	<u>\$ 625,703</u>	<u>\$ 2,329,198</u>	<u>\$ 1,039,789</u>	<u>\$ 5,841</u>	<u>\$ 2,400,744</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ (692,628)	\$ 9,850	\$ 33,774	\$ (48,975)	\$ (125,114)	\$ 293,578
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	-	33,301	124,434	1,063,499	-	-
provided by (used for) operating activities						
(Increase) decrease in receivables	(8,213)	-	-	-	-	40,245
(Increase) decrease in prepaid expenses	75,423	-	6,252	-	(7,264)	-
Increase (decrease) in unpaid claims liability	-	-	-	-	-	-
Increase (decrease) in accounts payable	(1,927)	9,298	(13,491)	1,771	41,131	(3,220)
Increase (decrease) in due to other funds	-	-	-	-	-	-
Increase (decrease) in due to other governmental unit	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (627,345)</u>	<u>\$ 52,449</u>	<u>\$ 150,969</u>	<u>\$ 1,016,295</u>	<u>\$ (91,247)</u>	<u>\$ 330,603</u>

(Continued)

COUNTY OF OTTAWA

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

**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016
(with comparative totals for the year ended December 31, 2015)**

	Protected	Long-Term	Ottawa County,	Totals	
	Self-Funded Unemployment (6772)	Disability Insurance (6775)	Michigan Insurance Authority (6780)	2016	2015
Cash flow from operating activities					
Cash received from interfund services provided	\$ 293,561	\$ 47,725	\$ 1,320,682	\$ 14,056,448	\$ 19,702,048
Cash payments to suppliers for goods and services	(269,747)	(36,109)	(660,756)	(10,760,644)	(14,027,641)
Cash payments for self-funded insurance claims	-	-	(340,095)	(340,095)	(1,949,394)
Cash payments to employees for services	(32,229)	(7,826)	-	(1,808,779)	(2,388,149)
Net cash provided by (used for) operating activities	<u>(8,415)</u>	<u>3,790</u>	<u>319,831</u>	<u>1,146,930</u>	<u>1,336,864</u>
Cash flow from noncapital financing activities					
Transfers out to other funds	-	-	(57,783)	(57,783)	(395,500)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(57,783)</u>	<u>(57,783)</u>	<u>(395,500)</u>
Cash flow from capital and related financing activities					
Acquisition of capital assets	-	-	-	(1,047,603)	(1,349,565)
Proceeds from sale of equipment	-	-	-	32,477	19,684
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,015,126)</u>	<u>(1,329,881)</u>
Cash flow from investing activities					
Purchase of investments	-	-	(38,774,939)	(38,774,939)	(15,734,925)
Interest on investments	5,712	3,115	511,372	692,637	830,237
Proceeds from sale of investments	-	-	38,454,651	38,454,651	14,112,006
Net cash provided by (used for) investing activities	<u>5,712</u>	<u>3,115</u>	<u>191,084</u>	<u>372,349</u>	<u>(792,682)</u>
Net increase (decrease) in cash and pooled investments	(2,703)	6,905	453,132	446,370	(1,181,199)
Cash and pooled investments, beginning of year	<u>555,391</u>	<u>270,799</u>	<u>331,644</u>	<u>9,268,486</u>	<u>10,449,685</u>
Cash and pooled investments, end of year	<u>\$ 552,688</u>	<u>\$ 277,704</u>	<u>\$ 784,776</u>	<u>\$ 9,714,856</u>	<u>\$ 9,268,486</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 67,720	\$ 3,911	\$ (515,928)	\$ (973,812)	\$ 306,344
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation	-	-	-	1,221,234	1,597,571
provided by (used for) operating activities					
(Increase) decrease in receivables	-	-	-	32,032	(55,169)
(Increase) decrease in prepaid expenses	-	-	(90,433)	(16,022)	247,316
Increase (decrease) in unpaid claims liability	-	-	929,353	929,353	369,798
Increase (decrease) in accounts payable	(76,135)	(121)	-	(42,694)	22,112
Increase (decrease) in due to other funds	-	-	(3,161)	(3,161)	(1,099,356)
Increase (decrease) in due to other governmental units	-	-	-	-	(51,752)
Net cash provided by (used for) operating activities	<u>\$ (8,415)</u>	<u>\$ 3,790</u>	<u>\$ 319,831</u>	<u>\$ 1,146,930</u>	<u>\$ 1,336,864</u>

Noncash investing activities

The change in fair value of investments for the internal service funds was \$938,412.

(Concluded)

COUNTY OF OTTAWA

**AGENCY FUNDS
COMBINING BALANCE SHEET**

**SEPTEMBER 30, 2016
(with comparative totals at December 31, 2015)**

	<u>Trust and Agency 7010</u>	<u>Library Penal Fine 7210</u>	<u>Imprest Payroll 7040</u>	<u>Inland Lake Improvement 8725</u>	<u>Totals</u>	
					<u>2016</u>	<u>2015</u>
Assets						
Cash and pooled investments	\$ 35,425,360	\$ 101,961	\$ 1,277,947	\$ 244,442	\$ 37,049,710	\$ 2,463,463
Accounts receivable	8,031	-	-	-	8,031	22,308
Due from other governmental units	<u>16,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,667</u>	<u>1,072,356</u>
Total assets	<u>35,450,058</u>	<u>101,961</u>	<u>1,277,947</u>	<u>244,442</u>	<u>37,074,408</u>	<u>3,558,127</u>
Liabilities						
Due to other governmental units:						
Due to State of Michigan	34,351,697	-	-	-	34,351,697	1,364,041
Fines and fees due to local libraries	-	101,961	-	-	101,961	290,827
Agency deposits	<u>1,098,361</u>	<u>-</u>	<u>1,277,947</u>	<u>244,442</u>	<u>2,620,750</u>	<u>1,903,259</u>
Total liabilities	<u>\$ 35,450,058</u>	<u>\$ 101,961</u>	<u>\$ 1,277,947</u>	<u>\$ 244,442</u>	<u>\$ 37,074,408</u>	<u>\$ 3,558,127</u>

COUNTY OF OTTAWA

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Trust and agency fund (7010)

	Balance January 1, 2016	Additions	Deductions	Balance September 30, 2016
Assets				
Cash and pooled investments	\$ 1,049,568	\$ 103,713,929	\$ 69,338,137	\$ 35,425,360
Accounts receivable	22,308	536,666	550,943	8,031
Due from other governmental units	<u>1,072,356</u>	<u>87,620</u>	<u>1,143,309</u>	<u>16,667</u>
Total assets	<u>\$ 2,144,232</u>	<u>\$ 104,338,215</u>	<u>\$ 71,032,389</u>	<u>\$ 35,450,058</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 1,233,463	\$ 53,718,229	\$ 20,599,995	\$ 34,351,697
Agency deposits	<u>910,769</u>	<u>59,960,213</u>	<u>59,772,621</u>	<u>1,098,361</u>
Total liabilities	<u>\$ 2,144,232</u>	<u>\$ 113,678,442</u>	<u>\$ 80,372,616</u>	<u>\$ 35,450,058</u>

Library penal fine fund (7210)

Assets				
Cash and pooled investments	\$ 290,827	\$ 842,757	\$ 1,031,623	\$ 101,961
Total assets	<u>\$ 290,827</u>	<u>\$ 842,757</u>	<u>\$ 1,031,623</u>	<u>\$ 101,961</u>
Liabilities				
Due to other governmental units				
Fines and fees due to local libraries	\$ 290,827	\$ 1,034,273	\$ 1,223,139	\$ 101,961
Agency deposits	<u>-</u>	<u>820,967</u>	<u>820,967</u>	<u>-</u>
Total liabilities	<u>\$ 290,827</u>	<u>\$ 1,855,240</u>	<u>\$ 2,044,106</u>	<u>\$ 101,961</u>

Imprest payroll fund (7040)

Assets				
Cash and pooled investments	\$ 893,685	\$ 9,257,530	\$ 8,873,268	\$ 1,277,947
Total assets	<u>\$ 893,685</u>	<u>\$ 9,257,530</u>	<u>\$ 8,873,268</u>	<u>\$ 1,277,947</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 130,578	\$ 6,237,619	\$ 6,368,197	\$ -
Agency deposits	<u>763,107</u>	<u>15,179,389</u>	<u>14,664,549</u>	<u>1,277,947</u>
Total liabilities	<u>\$ 893,685</u>	<u>\$ 21,417,008</u>	<u>\$ 21,032,746</u>	<u>\$ 1,277,947</u>

(Continued)

COUNTY OF OTTAWA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Inland lake improvement (8725)

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2016</u>
Assets				
Cash and pooled investments	\$ 229,383	\$ 292,871	\$ 277,812	\$ 244,442
Total assets	<u>\$ 229,383</u>	<u>\$ 292,871</u>	<u>\$ 277,812</u>	<u>\$ 244,442</u>
Liabilities				
Agency deposits	\$ 229,383	\$ 196,990	\$ 181,931	\$ 244,442
Total liabilities	<u>\$ 229,383</u>	<u>\$ 196,990</u>	<u>\$ 181,931</u>	<u>\$ 244,442</u>

Total agency funds

Assets				
Cash and pooled investments	\$ 2,463,463	\$ 114,107,087	\$ 79,520,840	\$ 37,049,710
Accounts receivable	22,308	536,666	550,943	8,031
Due from other governmental units	<u>1,072,356</u>	<u>87,620</u>	<u>1,143,309</u>	<u>16,667</u>
Total assets	<u>\$ 3,558,127</u>	<u>\$ 114,731,373</u>	<u>\$ 81,215,092</u>	<u>\$ 37,074,408</u>
Liabilities				
Due to other governmental units				
Due to State of Michigan	\$ 1,364,041	\$ 59,955,848	\$ 26,968,192	\$ 34,351,697
Fines and fees due to local libraries	290,827	1,034,273	1,223,139	101,961
Agency deposits	<u>1,903,259</u>	<u>76,157,559</u>	<u>75,440,068</u>	<u>2,620,750</u>
Total liabilities	<u>\$ 3,558,127</u>	<u>\$ 137,147,680</u>	<u>\$ 103,631,399</u>	<u>\$ 37,074,408</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.	136
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	142
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.	146
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.	149
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.	151

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									
	2016*	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net investment in capital assets	\$ 111,255,538	\$ 112,970,569	\$ 112,174,398	\$ 104,330,730	\$ 113,151,478	\$ 112,014,491	\$ 109,387,852	\$ 110,087,094	\$ 96,135,351	\$ 81,991,023
Restricted	22,089,108	22,685,963	20,170,121	20,227,256	19,273,135	17,801,312	19,421,942	23,416,355	33,748,813	38,510,706
Unrestricted	15,217,024	16,048,186	67,896,554	77,718,270	68,670,542	64,920,525	59,447,035	54,493,996	60,985,302	68,819,561
Total Governmental Activities										
Net Position	148,561,670	151,704,718	200,241,073	202,276,256	201,095,155	194,736,328	188,256,829	187,997,445	190,869,466	189,321,290
Business-Type Activities										
Net investment in capital assets	1,777,050	1,682,228	1,489,576	1,170,787	530,943	447,167	222,198	232,381	2,025	3,037
Restricted	21,264,376	20,599,457	21,646,866	22,579,168	23,478,259	23,576,310	24,049,598	24,494,919	24,560,157	24,403,583
Unrestricted										
Total Business-Type Activities										
Net Position	23,041,426	22,281,685	23,136,442	23,749,955	24,009,202	24,023,477	24,271,796	24,727,300	24,562,182	24,406,620
Primary Government										
Net investment in capital assets	111,255,538	112,970,569	112,174,398	104,330,730	113,151,478	112,014,491	109,387,852	110,087,094	96,137,376	81,994,060
Restricted	23,866,158	24,368,191	21,659,697	21,398,043	19,804,078	18,248,479	19,644,140	23,648,736	33,748,813	38,510,706
Unrestricted	36,481,400	36,647,643	89,543,420	100,297,438	92,148,801	88,496,835	83,496,633	78,988,915	85,545,459	93,223,144
Total Primary Government										
Net Position	\$ 171,603,096	\$ 173,986,403	\$ 223,377,515	\$ 226,026,211	\$ 225,104,357	\$ 218,759,805	\$ 212,528,625	\$ 212,724,745	\$ 215,431,648	\$ 213,727,910

*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**

	2016*	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities:										
Legislative	\$ 386,596	\$ 467,165	\$ 441,294	\$ 399,151	\$ 459,777	\$ 428,578	\$ 476,002	\$ 547,466	\$ 548,719	\$ 627,625
Judicial	15,951,012	16,995,782	16,209,766	15,693,406	15,783,718	14,502,573	13,855,639	14,519,351	14,215,044	13,317,030
General government	13,037,515	14,214,900	14,509,005	14,013,699	13,580,523	15,447,894	16,425,170	17,110,266	15,345,245	13,401,945
Public safety	30,498,813	32,905,190	33,036,226	31,265,666	30,932,957	28,476,232	28,916,634	29,113,616	27,231,508	25,226,290
Public works	5,936,308	1,113,013	1,717,110	956,091	300,235	2,446,691	1,625,519	2,153,528	(739,191)	1,264,883
Health and welfare	60,825,404	64,251,760	66,399,041	63,709,147	67,599,332	63,874,693	63,386,274	60,438,578	56,762,909	57,160,468
Community and economic development	953,552	1,090,188	807,476	710,324	742,845	621,591	572,601	638,164	624,254	601,758
Culture and recreation	3,931,818	5,059,018	3,569,748	3,502,223	3,103,891	3,218,940	2,979,627	2,810,712	2,263,151	1,868,818
Interest on long-term debt	1,045,275	1,578,129	1,163,255	942,708	959,132	1,039,869	1,120,937	1,215,945	1,308,463	1,018,189
Total Governmental Activities Expenses	\$ 132,566,293	\$ 137,675,135	\$ 137,842,921	\$ 131,192,415	\$ 133,462,410	\$ 130,057,061	\$ 129,357,603	\$ 128,547,626	\$ 119,580,102	\$ 114,487,006
Business-Type Activities:										
Delinquent tax collection	153,157	2,004,536	2,025,379	2,110,897	2,088,653	2,565,390	2,619,364	2,637,015	2,602,228	2,541,550
Total Business-Type Activities Expenses	\$ 153,157	\$ 2,004,536	\$ 2,025,379	\$ 2,110,897	\$ 2,088,653	\$ 2,565,390	\$ 2,619,364	\$ 2,637,015	\$ 2,602,228	\$ 2,541,550
Total Primary Government Expenses	\$ 132,719,450	\$ 139,679,671	\$ 139,868,300	\$ 133,303,312	\$ 135,551,063	\$ 132,622,441	\$ 131,976,967	\$ 131,184,641	\$ 122,182,330	\$ 117,028,556
Program Revenues										
Governmental Activities:										
Charges for services:										
Judicial	\$ 3,515,097	\$ 4,258,011	\$ 4,131,540	\$ 4,298,591	\$ 4,428,208	\$ 4,321,400	\$ 4,264,283	\$ 3,664,644	\$ 3,802,269	\$ 3,737,197
General government	5,998,183	7,531,480	7,755,264	8,261,854	7,936,150	7,212,417	6,889,492	6,742,345	7,281,714	7,937,129
Public safety	6,216,667	7,549,221	7,310,998	6,726,691	7,833,957	6,012,143	6,394,977	6,191,172	6,032,691	5,047,927
Public works	308,126	376,166	378,009	337,849	363,870	389,376	349,904	344,926	405,175	403,922
Health and welfare	3,449,260	3,421,008	2,994,799	2,810,393	2,910,475	2,882,631	2,453,458	2,534,330	2,784,867	2,575,152
Community and economic development	62,968	225,426	52,968	35,830	2,873	22,095	18,552	441	10,901	10,605
Culture and recreation	628,278	716,220	600,025	788,511	460,470	470,163	474,325	522,197	522,973	560,488
Interest on long-term debt	-	2,044,122	1,821,294	1,815,595	1,822,460	2,382,030	2,388,298	2,779,913	2,774,563	2,769,438
Operating grants and contributions	52,522,855	61,175,917	60,350,883	58,200,664	62,917,831	61,739,527	59,359,989	53,071,822	51,809,963	51,516,123
Capital grants and contributions	-	-	-	92,695	2,283,472	1,653,505	446,900	2,213,859	613,507	1,513,884
Total Governmental Activities Program Revenues	\$ 72,701,434	\$ 87,297,571	\$ 85,395,780	\$ 83,368,563	\$ 90,969,766	\$ 87,085,287	\$ 83,040,178	\$ 78,065,649	\$ 76,038,643	\$ 76,071,865
Business-Type Activities:										
Charges for services:										
Delinquent tax collection	915,284	1,162,809	1,300,687	2,015,105	2,064,177	2,307,223	2,113,782	2,795,750	2,201,594	1,711,915
Total Business-Type Activities Program Revenues	\$ 915,284	\$ 1,162,809	\$ 1,300,687	\$ 2,015,105	\$ 2,064,177	\$ 2,307,223	\$ 2,113,782	\$ 2,795,750	\$ 2,201,594	\$ 1,711,915
Total Primary Government Program Revenues	\$ 73,616,718	\$ 88,460,380	\$ 86,696,467	\$ 85,383,668	\$ 93,033,943	\$ 89,392,510	\$ 85,153,960	\$ 80,861,399	\$ 78,240,237	\$ 77,783,780

*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**

	2016*	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue										
Governmental activities	\$ (59,864,859)	\$ (50,377,564)	\$ (52,447,141)	\$ (47,823,852)	\$ (42,492,644)	\$ (42,971,774)	\$ (46,317,425)	\$ (50,481,977)	\$ (43,521,489)	\$ (38,415,141)
Business-type activities	762,127	(841,727)	(724,692)	(95,792)	(24,476)	(258,157)	(505,582)	158,735	(400,634)	(829,635)
Total Primary Government Net Expense	\$ (59,102,732)	\$ (51,219,291)	\$ (53,171,833)	\$ (47,919,644)	\$ (42,517,120)	\$ (43,229,931)	\$ (46,823,007)	\$ (50,323,242)	\$ (43,922,093)	\$ (39,244,776)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 49,877,687	\$ 44,593,727	\$ 42,185,402	\$ 41,102,895	\$ 40,693,219	\$ 41,220,281	\$ 42,348,687	\$ 43,680,112	\$ 43,141,153	\$ 41,740,361
Unrestricted grants and contributions	4,462,913	4,729,722	4,124,536	3,180,245	3,659,304	6,003,393	51,346	52,393	29,044	21,545
Investment earnings	2,135,192	1,090,878	2,717,490	3,233,155	1,362,564	1,362,564	3,206,795	3,305,967	1,342,489	6,740,703
Miscellaneous	21,727	472,033	1,234,530	1,448,322	1,113,633	701,587	780,973	368,669	379,989	524,250
Transfers	226,145	150,000	150,000	152,440	152,160	163,448	189,008	202,815	176,960	24,224
Total Governmental Activities	\$ 56,723,664	\$ 51,026,360	\$ 50,411,958	\$ 49,392,747	\$ 48,851,471	\$ 49,451,273	\$ 46,576,809	\$ 47,609,956	\$ 45,069,635	\$ 49,051,063
Business-Type Activities:										
Unrestricted grants	\$ -	\$ -	\$ -	\$ 89	\$ -	\$ -	\$ -	\$ -	\$ 3,577	\$ -
Investment earnings	223,759	136,970	261,179	(13,544)	160,201	159,838	200,078	157,817	702,619	999,816
Miscellaneous	(226,145)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(1,434)	(150,000)	-
Transfers	(2,386)	(13,030)	111,179	(163,455)	10,201	9,838	50,078	6,383	556,196	-
Total Business-Type Activities	\$ (2,386)	\$ (13,030)	\$ 111,179	\$ (163,455)	\$ 10,201	\$ 9,838	\$ 50,078	\$ 6,383	\$ 556,196	\$ -
Total Primary Government	\$ 56,721,278	\$ 51,013,330	\$ 50,523,137	\$ 49,229,292	\$ 48,861,672	\$ 49,461,111	\$ 46,626,887	\$ 47,616,339	\$ 45,625,831	\$ 50,050,899
Changes in Net Position										
Governmental activities	\$ (3,141,195)	\$ 648,796	\$ (2,035,183)	\$ 1,568,895	\$ 6,358,827	\$ 6,479,499	\$ 259,384	\$ (2,872,021)	\$ 1,548,176	\$ 10,635,942
Business-type activities	759,741	(854,757)	(613,513)	(259,247)	(14,275)	(248,319)	(455,504)	165,118	155,562	170,181
Total Primary Government	\$ (2,381,454)	\$ (205,961)	\$ (2,648,696)	\$ 1,309,648	\$ 6,344,552	\$ 6,231,180	\$ (196,120)	\$ (2,706,903)	\$ 1,703,738	\$ 10,806,123

*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									
	2016*	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved										
Unreserved										
Nonspendable										
Restricted	\$ 424,706	\$ 444,102	\$ 642,649	\$ 816,756	\$ 952,893	\$ 1,063,101	\$ 1,211,907	\$ 2,463,646	\$ 2,399,141	\$ 2,383,291
Committed	9,985,518	11,020,236	11,019,013	14,172,606	13,484,895	3,895,553	3,621,836	14,249,311	19,685,285	19,763,187
Assigned	14,320,359	15,003,982	16,602,224	20,196,920	18,143,143	24,208,298	21,236,492			
Unassigned	3,084,268	2,852,701	1,821,126	2,857,105	3,102,893	2,892,842	2,124,534			
Total General Fund	18,841,248	9,971,344	13,251,045	9,918,253	12,055,123	13,705,990	10,596,307			
	\$ 46,656,099	\$ 39,292,365	\$ 43,336,057	\$ 47,961,640	\$ 47,738,947	\$ 45,765,784	\$ 38,791,076	\$ 16,712,957	\$ 22,084,426	\$ 22,146,478
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Permanent funds										
Debt service funds										
Nonspendable	\$ 385,645	\$ 374,645	\$ 509,221	\$ 468,989	\$ 675,596	\$ 480,256	\$ 234,865			
Restricted	12,097,819	11,659,957	9,339,384	8,747,803	4,650,108	4,585,792	6,653,473			
Committed	664	2,246	415	897	1,871	1,500	1,000			
Assigned	2,727,536	2,891,724	2,470,882	2,638,975	2,954,171	2,986,441	4,230,262			
	\$ 15,211,664	\$ 14,928,572	\$ 12,319,902	\$ 11,856,664	\$ 8,281,746	\$ 8,053,989	\$ 11,119,600	\$ 36,463,477	\$ 48,511,583	\$ 63,470,807

*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				
	2016*	2015	2014	2013	2012
Revenues					
Taxes	\$ 49,288,581	\$ 43,736,614	\$ 42,185,402	\$ 41,102,695	\$ 40,693,219
Intergovernmental	60,867,666	70,964,433	69,894,252	67,009,472	75,638,236
Charges for services	10,353,455	13,137,167	11,504,844	11,581,189	11,158,863
Fines and forfeits	61,440	69,428	74,400	60,548	79,085
Investment earnings (loss)	813,997	318,138	721,442	(77,480)	540,901
Licenses and permits	1,292,215	1,271,158	1,179,701	1,193,107	1,043,694
Rental Income	1,581,580	4,272,100	4,958,509	5,273,139	5,260,790
Other revenues	2,884,674	3,086,381	3,241,866	2,832,192	2,643,273
Total Revenues	127,143,608	136,855,419	133,760,416	128,974,862	137,058,061
Expenditures					
Legislative	343,622	465,069	443,624	395,482	453,693
Judicial	14,174,177	16,881,469	16,172,323	15,698,396	15,743,611
General government	9,552,325	12,713,706	42,393,192	10,978,892	10,404,481
Public safety	25,896,853	32,092,116	31,928,910	30,990,804	31,023,756
Public works	5,787,870	861,849	1,285,200	916,331	1,220,024
Health and welfare	57,712,387	63,182,493	63,162,724	63,281,014	67,406,382
Community and economic development	3,270,914	1,088,435	813,518	704,966	737,947
Culture and recreation	-	2,936,867	2,627,130	3,076,797	2,394,183
Other governmental functions	94,215	120,695	252,124	130,386	129,846
Capital outlay	1,795,627	4,405,545	5,273,866	2,293,633	3,106,519
Debt service					
Interest and fiscal charges	785,868	634,278	1,019,424	927,990	950,360
Principal	365,000	3,595,000	2,140,000	1,690,000	1,738,499
Total Expenditures	119,778,858	138,977,522	167,512,035	131,084,691	132,604,000
Excess of Revenues Over (Under) Expenditures	7,364,750	(2,122,103)	(33,751,619)	(2,109,829)	4,454,061
Other Financing Sources (Uses)					
Transfers from other funds	10,129,099	13,996,966	12,970,917	10,149,065	10,200,577
Transfers to other funds	(9,845,171)	(13,451,466)	(12,520,917)	(9,736,625)	(9,748,417)
Proceeds from capital lease	-	-	-	-	-
Issuance of land contract	-	-	-	-	-
Issuance of bonds	-	11,955,000	29,285,000	5,495,000	-
Refunding bonds issued	-	-	-	-	-
Premium(Discount) on bonds issued	-	1,744,362	(145,726)	-	-
Payment to refunding bond escrow agent	-	(13,557,781)	-	-	-
Total Other Financing Sources (Uses)	283,928	687,081	29,589,274	5,907,440	452,160
Net Change in Fund Balances	\$ 7,648,678	\$ (1,435,022)	\$ (4,162,345)	\$ 3,797,611	\$ 4,906,221
Debt Service as a Percentage of Noncapital Expenditures (1)	0.98%	3.14%	1.95%	2.03%	2.08%

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

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

(Continued)

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

	Fiscal Year				
	2011	2010	2009	2008	2007
Revenues					
Taxes	\$ 41,220,280	\$ 42,348,687	\$ 43,680,112	\$ 43,141,153	\$ 41,740,361
Intergovernmental	73,502,034	64,864,135	60,128,208	56,434,209	56,197,074
Charges for services	9,416,373	9,182,235	8,512,541	9,964,645	9,767,081
Fines and forfeits	1,094,561	1,059,777	1,008,906	943,444	1,019,126
Investment earnings (loss)	565,297	686,816	598,424	3,470,029	4,362,275
Licenses and permits	923,264	682,162	652,886	639,978	624,236
Rental Income	5,776,717	5,888,783	6,372,474	6,272,068	6,442,950
Other revenues	3,059,623	1,872,377	1,514,342	1,665,938	1,764,038
Total Revenues	135,558,149	122,467,893	122,531,464	121,917,141	121,917,141
Expenditures					
Legislative	424,362	486,009	540,483	559,364	625,263
Judicial	14,520,814	14,069,261	14,357,862	14,485,029	13,576,215
General government	11,807,932	13,293,991	13,303,007	13,068,576	12,752,949
Public safety	28,472,398	28,961,133	28,255,423	27,511,087	25,809,803
Public works	1,131,288	1,267,255	1,137,666	807,457	863,260
Health and welfare	64,304,327	63,515,125	59,250,617	58,809,002	57,774,307
Community and economic development	619,453	579,516	634,793	633,980	600,570
Culture and recreation	2,517,148	2,234,518	2,123,869	1,774,863	1,498,687
Other governmental functions	176,388	225,829	149,627	272,874	147,251
Capital outlay	5,485,160	2,556,903	17,165,013	20,669,867	8,856,079
Debt service					
Interest and fiscal charges	1,034,730	1,115,198	1,207,113	1,302,601	1,059,013
Principal	2,110,000	2,035,000	2,335,000	2,235,000	1,830,000
Total Expenditures	132,604,000	140,460,473	142,129,700	125,393,397	125,393,397
Excess of Revenues Over (Under) Expenditures	2,954,149	(17,992,580)	(19,598,236)	(3,476,256)	(3,476,256)
Other Financing Sources (Uses)					
Transfers from other funds	9,016,885	15,888,171	26,901,059	28,937,698	18,396,869
Transfers to other funds	(8,153,437)	(15,435,158)	(26,398,244)	(24,360,738)	(18,343,645)
Proceeds from capital lease	-	35,995	70,190	-	-
Issuance of land contract	91,500	-	-	-	-
Issuance of bonds	-	-	-	-	10,000,000
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	78,851
Payment to refunding bond escrow agent	-	-	-	-	-
Total Other Financing Sources (Uses)	954,948	573,005	4,576,960	10,132,075	10,132,075
Net Change in Fund Balances	\$ 3,909,097	\$ (17,419,575)	\$ (15,021,276)	\$ 6,655,819	\$ 6,655,819
Debt Service as a Percentage of Noncapital Expenditures (1)	2.47%	2.28%	2.83%	3.38%	2.48%

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

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

(Concluded)

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

Fiscal Year	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Other Property (1)	Total Assessed Value (2)	Total Direct Tax Rate	Total Taxable Value (3)	Total Estimated Actual Value	Percentage of Assessed to Estimated Values
2007	\$ 8,322,378,855	\$ 1,525,255,251	\$ 1,138,353,787	\$ 733,806,001	\$ 11,719,793,894	4.3572	\$ 9,585,665,481	\$ 23,594,493,916	49.67%
2008	8,454,588,788	1,592,147,608	1,183,541,453	767,449,246	11,997,727,095	4.3572	9,898,685,191	24,198,304,107	49.58%
2009	8,170,901,810	1,554,014,430	1,193,763,947	787,679,437	11,706,359,624	4.3572	10,018,437,711	23,614,026,941	49.57%
2010	7,618,003,419	1,493,136,163	1,105,242,878	774,492,392	10,990,874,852	4.3565	9,612,697,661	22,131,690,729	49.66%
2011	7,348,848,650	1,358,447,695	1,050,128,006	734,285,453	10,491,709,804	4.3565	9,405,987,828	21,107,443,588	49.71%
2012	7,139,399,451	1,315,140,102	1,080,595,641	725,875,775	10,261,010,969	4.3565	9,316,153,677	20,639,625,256	49.72%
2013	7,273,964,717	1,288,721,092	1,086,596,997	736,291,306	10,385,574,112	4.3565	9,450,229,465	20,882,404,189	49.73%
2014	7,694,150,150	1,317,239,300	1,181,977,000	758,937,100	10,952,303,550	4.3565	9,752,001,895	21,997,982,694	49.79%
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%

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Direct Rates										
Operating	4.7666	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000	3.6000
Parks	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3165	0.3148
E-911	0.4407	0.4407	0.4407	0.4400	0.4400	0.4400	0.4400	0.4400	0.4400	0.4377
Roads										0.4974
Community Mental Health										0.2984
Total Direct Rate (1)	5.5238	4.3572	4.3572	4.3565	4.3565	4.3565	4.3565	4.3565	4.8565	5.1483
City and Village Rates										
Coopersville	14.9025	15.1987	14.4594	14.4928	14.5294	14.4403	14.4432	14.3554	14.2923	14.5490
Ferrysburg	11.5828	11.5027	10.3377	10.2377	10.1377	10.5377	10.4518	10.9518	10.9474	10.7773
Grand Haven	13.1853	14.3642	14.3609	14.6124	15.3612	15.3565	15.3609	15.3613	15.1810	15.1541
Holland	15.6497	15.9894	15.9904	16.3913	16.3350	17.3658	17.3639	17.5051	17.4522	17.4627
Hudsonville	11.2050	11.2623	11.2639	11.2848	11.2779	11.2785	11.2719	11.2729	11.2876	11.2952
Zeeland	11.3854	11.4854	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354	11.2354
Spring Lake Village	11.8619	11.8619	11.6619	11.6619	11.6619	11.6619	11.6619	11.6619	10.3600	10.3600
Township Rates	1.35-8.12	1.35-7.97	1.35-7.97	1.45-7.97	1.45-7.91	1.45-8.07	1.38-8.07	1.38-8.21	1.45-8.17	1.45-6.73
School Rates										
Homestead	3.00 - 9.25	2.8 - 9.25	3.0 - 9.25	2.97 - 9.25	2.97 - 9.25	2.97 - 9.25	3.00 - 10.59	3.00 - 10.87	3.00 - 10.94	3.00 - 10.94
Non-Homestead	21.00 - 26.78	20.80 - 27.25	21.00 - 27.25	20.97 - 27.25	20.97 - 27.25	20.97 - 27.25	21.00 - 28.59	21.00 - 28.49	21.00 - 28.94	21.00 - 28.94

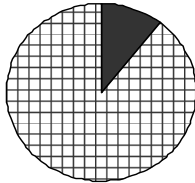
(1) In October of 2004, the State of Michigan suspended State Revenue Sharing payments to counties. To assist counties in preventing the loss of key services, the county property tax levy was gradually moved up from December to July over three years. Effective December 2004 through 2006 tax collection, 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	2016			2007		
		Assessed Valuation	Rank	Percentage of Total County Assessed Value	Assessed Valuation	Rank	Percentage of Total County Assessed Value
Consumers Energy	Utility	\$ 656,494,513	1	6.29%	\$ 334,367,823	1	3.49%
Gentex Corporation	Automotive Components	164,085,352	2	1.57%	85,197,352	3	0.89%
Fairlife, LLC	Food Products	49,997,700	3	0.48%			
Shape Corp.	Metal Extrusion	48,477,536	4	0.46%	37,105,778	6	0.39%
Mead Johnson and Co.	Food Products	39,192,792	5	0.38%	53,808,724	5	0.56%
Michigan Electric Transmission	Utility	34,003,200	6	0.33%			
ARC Holland Real Estate Holdings	Real Estate Holdings	33,148,364	7	0.32%			
Leprino Foods Inc.	Cheese Production	25,156,242	8	0.24%	32,756,441	7	0.34%
Herman Miller Inc.	Office Furniture	21,451,767	9	0.21%	63,372,031	4	0.66%
Request Foods Inc.	Food Products	21,108,667	10	0.20%			
Mirant Michigan Investments	Utility				156,341,444	2	1.63%
Bil Mar Foods Inc./Sara Lee	Food Products				28,852,456	8	0.30%
Delphi Automotive	Automotive Components				25,163,200	9	0.26%
Parke-Davis Co.	Pharmaceutical				23,617,558	10	0.25%
		<u>\$ 1,093,116,133</u>		<u>10.47%</u>	<u>\$ 762,949,593</u>		<u>7.96%</u>

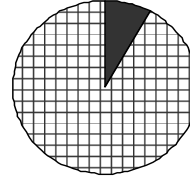
Source: Ottawa County Equalization Department. The 2016 and 2007 total Taxable Values were \$10,438,660,200 and \$9,585,665,481.

**Concentration of Taxpayers in
Ottawa County - 2016**



■ Top Ten Taxpayers ▨ All Other Taxpayers

**Concentration of Taxpayers in
Ottawa County - 2007**



■ Top Ten Taxpayers ▨ All Other Taxpayers

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

Fiscal Year Ended	Taxes Levied in the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
12/31/2006	\$ 38,982,510	\$ 37,412,013	95.97%	\$ 1,431,298	\$ 38,843,311	99.64%
12/31/2007	41,867,866	40,269,739	96.18%	1,519,725	41,789,464	99.81%
12/31/2008	43,144,926	41,437,107	96.04%	1,611,711	43,048,818	99.78%
12/31/2009	43,598,505	42,093,132	96.55%	1,323,082	43,416,214	99.58%
12/31/2010	41,800,971	40,617,242	97.17%	605,193	41,222,435	98.62%
12/31/2011	40,967,095	39,933,281	97.48%	665,147	40,598,428	99.10%
12/31/2012	40,575,521	39,739,895	97.94%	531,503	40,271,398	99.25%
12/31/2013	41,141,033	40,348,866	98.07%	519,299	40,868,165	99.34%
12/31/2014	41,589,916	40,864,866	98.26%	499,450	41,364,316	99.46%
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%

(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	(rounded) Per Capita Personal Income (2)		Population (2)	Direct Per Capita Debt	Assessed Value (3)	Bonds Percent of Assessed Value
						Personal Income	Income (2)				
2007	\$ 29,680,000	\$ 28,840	\$ 106,239	\$ 29,815,079	0.35%	\$ 8,568,204	\$ 32,950	260,037	115	\$ 11,719,793,894	0.25%
2008	27,445,000	n/a	70,826	27,515,826	0.31%	8,839,900	33,752	261,906	105	11,997,727,095	0.23%
2009	25,110,000	n/a	79,204	25,189,204	0.30%	8,505,525	32,355	262,879	96	11,706,359,624	0.21%
2010	23,075,000	n/a	47,391	23,122,391	0.26%	8,777,522	33,233	263,801	88	10,990,874,852	0.21%
2011	20,965,000	91,500	11,999	21,068,499	0.22%	9,537,798	35,833	266,122	79	10,491,709,804	0.20%
2012	19,330,000	n/a	n/a	19,330,000	0.20%	9,865,865	36,663	269,329	72	10,261,010,969	0.19%
2013	23,135,000	n/a	n/a	23,135,000	0.22%	10,342,908	37,928	272,701	85	10,385,574,112	0.22%
2014	50,280,000	n/a	n/a	50,280,000	0.46%	10,866,601	39,330	276,292	182	10,952,303,550	0.46%
2015	46,685,000	n/a	n/a	46,685,000	0.39%	11,931,299	42,619	279,955	167	11,812,032,747	0.40%
2016	46,320,000	n/a	n/a	46,320,000	n/a	n/a	n/a	n/a	n/a	12,438,366,229	0.37%

(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. No update for 2016 as of January 11, 2016.

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

**COUNTY OF OTTAWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2016**

	Net Debt Outstanding	Percentage Applicable To County of Ottawa	Amount Applicable To County of Ottawa (2)
Direct:			
County at large	\$ 46,320,000	100.0%	\$ 46,320,000
Total Direct	46,320,000		46,320,000
Overlapping:			
Townships Debt Guaranteed by County (1)	92,499,162	100.0%	92,499,162
School districts	942,017,431	79.8%	751,457,042
Cities and villages (1)	102,993,843	83.0%	85,521,877
Grand Rapids Community College	50,855,000	1.5%	757,740
Library	8,665,000	100.0%	8,665,000
Holland Area Swimming Pool	1,965,000	69.3%	1,361,745
Total Overlapping	1,198,995,436		940,262,566
Grand Total	\$ 1,245,315,436		\$ 986,582,566

(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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed Value of Property	\$ 12,438,366,229	\$ 11,812,032,747	\$ 10,952,303,550	\$ 10,385,574,112	\$ 10,261,010,969	\$ 10,491,709,804	\$ 10,990,874,852	\$ 11,706,359,624	\$ 11,997,727,095	\$ 11,719,793,894
Debt Limit 10% of Assessed Value	1,243,836,623	1,181,203,275	1,095,230,355	1,038,557,411	1,026,101,097	1,049,170,980	1,099,087,485	1,170,635,962	1,199,772,710	1,171,979,389
Amount of Debt Applicable to Limit										
General Obligation Bond Debt:										
Primary Government	46,320,000	46,685,000	50,280,000	23,135,000	19,330,000	20,965,000	23,075,000	25,110,000	27,445,000	29,680,000
Component Units Guaranteed by County (1)	121,261,099	119,591,501	106,474,501	113,574,060	115,904,572	121,358,501	121,659,501	107,590,501	95,398,501	101,703,236
Other Debt						103,499	-	-	-	28,840
Less: Resources Restricted to Paying Principal	(451,461)	(490,774)	(530,837)	(451,878)	(611,843)	(636,892)	(684,327)	(225,925)	(147,515)	(167,828)
Total Net debt applicable to Limit	167,129,638	165,785,727	156,223,664	136,257,182	134,622,729	141,790,108	144,050,174	132,474,576	122,695,986	131,244,248
Legal Debt Margin	\$ 1,076,706,985	\$ 1,015,417,548	\$ 939,006,691	\$ 902,300,229	\$ 891,478,368	\$ 907,380,872	\$ 955,037,311	\$ 1,038,161,386	\$ 1,077,076,724	\$ 1,040,735,141
Total Net Debt applicable to the Limit as a percentage of Debt Limit	13.44%	14.04%	14.26%	13.12%	13.12%	13.51%	13.11%	11.32%	10.23%	11.20%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.344%	1.404%	1.426%	1.312%	1.312%	1.351%	1.311%	1.132%	1.023%	1.120%
Debt Per Capita of Total Net General Obligation Debt	n/a	\$592.19	\$564.80	\$498.96	\$499.31	\$532.19	\$546.06	\$503.94	\$468.47	\$504.71
Primary Government Net Debt applicable to the Limit as a percentage of Debt Limit	3.72%	3.95%	4.59%	2.23%	1.88%	2.00%	2.10%	2.14%	2.29%	2.53%
Ratio of Primary Government Net General Obligation Bond Debt to Estimated Actual Value of Property (2)	0.18%	0.20%	0.23%	0.11%	0.09%	0.10%	0.10%	0.11%	0.11%	0.13%
Primary Government Debt Per Capita of Net General Obligation Bond Debt (3)	n/a	\$166.76	\$181.78	\$84.72	\$71.69	\$78.69	\$87.47	\$95.52	\$104.79	\$114.14

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

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

(3) See Demographic and Economic Statistics for Population.

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

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

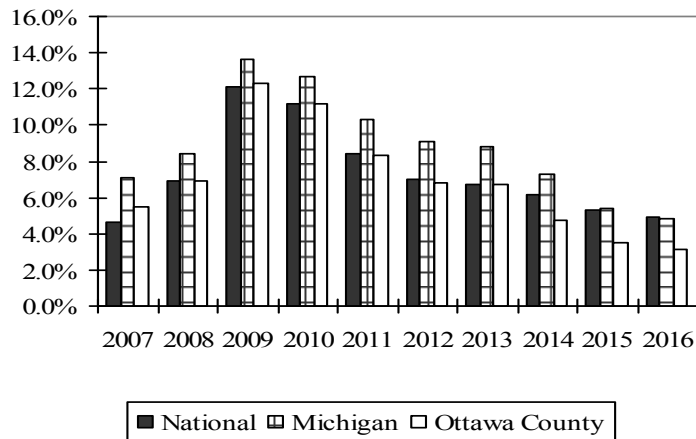
Calendar Year	Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2007	260,037	\$ 8,568,204	\$ 33,065	33.5	46,688	5.6%
2008	261,906	8,839,900	33,845	33.8	46,485	6.9%
2009	262,879	8,505,525	32,204	34.6	47,521	12.1%
2010	263,801	8,777,502	33,589	34.7	47,913	11.2%
2011	266,429	9,547,640	35,853	34.9	48,548	8.4%
2012	269,616	10,003,942	37,127	35.4	48,422	7.0%
2013	273,080	10,287,208	37,699	34.7	48,657	6.7%
2014	276,598	10,866,601	39,330	34.7	48,799	4.7%
2015	279,955	11,931,299	42,619	34.7	48,744	3.5%
2016	n/a	n/a	n/a	n/a	n/a	3.1%

n/a: Information is unavailable.

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, updated with most recent census figures
- (2) U.S. Census Bureau, American Fact Finder, updated with most recent census figures
- (3) Michigan Student Data System, based upon data collected on legislated count day
- (4) U.S. Department of Labor, Bureau of Labor Statistics, updated with most recent census figures

**National, State and County
Unemployment Rates**



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

Employer	Type of Business	2016			2007		
		Employees (1)	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gentex Corporation	Automotive Mirrors	4,905	1	n/a	2,674	3	2.3%
Herman Miller	Office Furniture	3,694	2	n/a	4,380	1	3.8%
Grand Valley State University (3)	Higher Education	3,374	3	n/a	2,319	5	2.0%
Shape Corporation	Metal Roll Forming	2,547	4	n/a	1,388	7	1.2%
Holland Hospital	Health Care	2,032	5	n/a	1,812	6	1.6%
Haworth, Inc. (2)	Office Furniture	1,996	6	n/a	2,349	4	2.0%
Magna Mirrors (2)	Automotive Mirrors	1,805	7	n/a			
YanFeng	Automotive Interiors	1,564	8	n/a			
Meijer	Retailer	1,355	9	n/a	1,280	9	1.1%
Grand Haven Public Schools	Education	1,205	10	n/a			
Johnson Controls (2)	Automotive Interiors				2,774	2	2.4%
Magna Donnelly	Automotive Windows & Mirrors				1,326	8	1.2%
County of Ottawa	Government				1,192	10	1.0%
		24,477		0.0%	21,494		18.7%

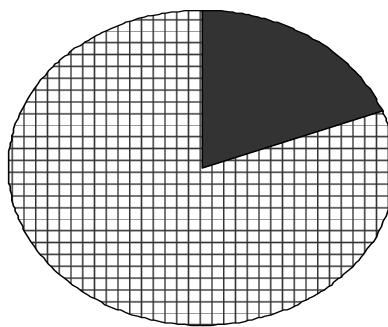
Source: Lakeshore Advantage. Total employment in 2016 is n/a and in 2007 was 128,800

(1) Excludes temporary employment agencies

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

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

Concentration of Employers in Ottawa County



■ Top Ten Employers ▨ All Other Employers

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

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Legislative	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Judicial	139,180	136,020	128,570	126,081	127,060	128,185	125,025	132,075	126,775	125,775
General Government	171,165	170,950	168,090	165,780	166,000	164,482	166,075	180,500	179,650	180,150
Public Safety	236,200	235,200	224,200	219,200	219,200	219,870	219,893	222,200	218,950	217,200
Public Works	4,250	4,250	4,300	3,800	3,400	3,720	4,420	4,720	4,720	4,720
Health and welfare	282,030	344,320	376,460	377,089	344,863	350,175	342,755	366,954	375,455	382,455
Community and economic development	8,400	7,900	6,400	5,900	5,953	5,850	5,950	6,950	6,950	6,950
Culture and recreation	19,750	17,750	17,250	17,250	15,750	16,000	15,000	15,000	13,000	13,000
Total	871,975	927,390	936,270	926,100	893,226	899,282	890,118	939,399	936,500	941,250

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Judicial										
Circuit Court										
Total Civil Filings	318	328	411	363	443	423	524	572	595	554
Total Criminal Filings	849	930	922	884	928	918	1,007	1,040	1,087	1,182
Total Appeals Filings	59	56	70	60	58	53	49	47	43	51
Domestic Relations Filings	1,742	1,593	1,468	1,587	1,556	1,524	1,473	1,539	1,566	1,524
Personal Protection Filings	628	550	580	598	747	783	706	803	648	620
Juvenile Code Filings	921	1,055	1,023	1,209	1,337	1,413	1,479	1,560	1,578	2,396
Adoption Filings	143	118	112	139	120	142	147	149	163	170
Misc. Family Filings	90	81	71	76	71	67	72	50	65	67
District Court										
Felony Cases	1,309	1,385	1,390	1,281	1,411	1,378	1,420	1,419	1,542	1,584
Misdemeanor Cases	7,715	7,216	8,136	8,669	9,087	8,630	9,314	9,646	10,301	10,606
General Civil Cases	4,556	4,633	4,210	4,806	6,225	5,672	6,292	6,367	7,067	6,532
Probate Court										
Estates, Trusts Filings	391	417	425	371	404	373	372	704	371	389
Civil, Other Filings	19	16	23	11	15	10	13	26	17	9
Guardianships, Conservators et al	589	611	612	545	516	548	519	1,020	501	562
Public Safety										
Jail:										
Subjects Admitted	6,365	5,899	6,776	7,015	7,453	7,136	7,622	7,864	8,079	8,473
Average daily population	286.0	301.0	317.0	338.0	352.0	327.8	330.7	352.0	366.6	395.0
Police:										
Calls for Service	70,555	69,830	67,334	65,179	66,683	65,596	64,773	67,754	72,665	76,171
Criminal Arrests	6,760	6,403	6,893	6,307	6,943	6,989	7,748	8,616	9,177	9,755
Traffic Violations	17,034	19,630	19,984	21,494	22,867	21,423	21,321	24,886	24,170	26,283
Health and welfare										
Public Health										
# of Fixed Food Service										
Inspections	1,617	1,188	1,201	1,183	968	1,047	1,065	1,022	1,124	1,123
% of new entrants enrolled in school immunized	96%	96%	99%	99%	99%	99%	99%	99%	99%	98%
Maternal/Infant Health Services										
# of Visits	2,047	2,026	2,587	3,065	2,804	3,216	3,146	3,645	4,155	4,720
# of Dental Services with Miles of Smiles and Sealant Program	8,754	8,989	8,776	10,163	10,476	9,630	8,981	8,498	8,940	7,748
Mental Health										
# of Persons Served	3,443	2,848	2,798	2,784	3,513	3,276	3,205	3,203	3,064	3,076
Culture and recreation										
Parks:										
# of Operating Days	99	103	96	98	97	101	98	101	99	100
Daily Permits	42,211	41,214	32,693	33,004	36,511	33,267	38,576	30,670	31,524	30,450
Annual Permits	8,734	6,934	7,017	5,981	6,516	5,845	6,420	5,431	5,115	5,925

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

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
Register of Deeds:										
# of Deeds Recorded	12,120	11,707	11,099	11,898	11,210	9,559	9,633	8,933	9,428	10,173
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	19,360	20,173	21,206	20,173	20,076	17,757	19,382	19,016	21,096	21,182
County Treasurer:										
# of Receipts Written - General Collections (including online)	n/a	n/a	n/a	n/a	n/a	19,581	16,729	18,357	14,239	15,172
Real Properties Returned Delinquent	4,563	5,575	6,302	6,525	7,295	7,738	8,946	9,620	8,141	8,071
Fiscal Services:										
# of A/P Checks/ACH Processed	3,728	3,991	4,092	4,772	5,396	5,891	6,800	7,493	7,179	7,043
# of Invoices Issued	19,580	21,471	21,403	23,006	25,074	27,529	24,330	24,399	25,278	25,678
Facilities Maintenance:										
# of Work Orders Processed	10,092	9,921	9,227	9,392	12,031	10,526	11,087	10,839	15,200	11,929
	7,317	5,843	9,890	27,886	39,818	40,540	39,223	45,054	44,211	41,775

Source: Ottawa County Departments

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

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety:										
Vehicular Patrol Units	139	139	139	135	134	133	133	136	137	134
Sheriff's Substations	10	10	10	8	8	8	8	8	8	8
Health and welfare										
Number of Clinics	3	3	3	3	3	3	3	3	4	4
Culture and recreation										
Total Park Acres (1)	3,991	3,542	3,542	3,542	3,542	3,542	3,542	3,429	3,560	3,360
General Government										
Total Square Footage of Buildings	637,810	637,810	644,220	644,220	642,020	642,020	647,104	647,104	728,033	582,161
Number of IT Servers	149	124	124	88	77	62	57	49	33	28

Source: Ottawa County Departments

(1) Does not include Park Open Space

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

The County has approximately 867 full-time equivalent employees, approximately 354 of whom are members of the seven unions. The details of membership and states of their agreements are as follows:

	Fiscal Year	
	2016	
	Number of Employees	Expiration Date of Contract
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible) Road Patrol/Detectives	119	12/31/2017
Police Officers Association of Michigan (POAM Non-312) (P.A. 312 Non-Eligible)	79	12/31/2017
Police Officers Labor Counsel (POLC 312) (P.A. 312 Eligible)	19	12/31/2017
Police Officers Labor Counsel (POLC Non-312) (P.A. 312 Non-Eligible)	6	12/31/2017
O.C. Employees Association (District Court)	52	12/31/2017
Friend of the Court Employees Association	36	12/31/2017
O.C. Juvenile Court Employees Association	43	12/31/2017
Non-union County employees	513	n/a
Total	867	

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

Source: Ottawa County Human Resources Department

SINGLE AUDIT



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

March 29, 2017

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 nine-month period ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2017. Our report includes a reference to other auditors who audited the financial statements of the Community Mental Health Special Revenue Fund as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 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.

Wendell Haefner LLC



Vredeveld Haefner LLC

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

March 29, 2017

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 nine-month period ended September 30, 2016. 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, 2016.

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 identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-002 that we consider to be a significant deficiency.

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 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.

Wendell Haefner LLC

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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	151970	\$ 17,083
National School Lunch Program	10.555	MDE	Child Nutrition	151960	26,567
National School Lunch Program	10.555	MDE	Child Nutrition	151980	7,097
					<u>33,664</u>
Total Child Nutrition Cluster					<u>50,747</u>
Commodity Supplemental Food Program	10.565	MDE	Food Distribution	160930	14,589
Commodity Supplemental Food Program - Commodities	10.565	MDE	Food Distribution	160930	67,247
					<u>81,836</u>
Emergency Food Assistance Program (Food Commodities)	10.568	MDE	Food Distribution	160990	202,619
Emergency Food Assistance Program (Administrative Costs)	10.568	MDE	Food Distribution	160990	28,522
					<u>231,141</u>
Total Food Distribution Cluster					<u>312,977</u>
Total U.S. Department of Agriculture					<u>363,724</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Continuum of Care Program - HUD 7	14.267	Direct		MI0270L5F191508	53,541
Continuum of Care Program - HUD 1	14.267	Direct		MI0270L5F191407	145,163
Continuum of Care Program - HUD 1	14.267	Direct		MI0271L5F191508	20,498
Continuum of Care Program - HUD 3	14.267	Direct		MI0271L5F191407	59,591
Continuum of Care Program - HUD 3	14.267	Direct		MI0269L5F191508	3,096
Continuum of Care Program - HUD 4	14.267	Direct		MI0269L5F191407	8,751
Continuum of Care Program - HUD 4	14.267	Direct		MI0326L5F191404	11,019
Continuum of Care Program - HUD 5	14.267	Direct		MI0385L5F191401	12,814
					<u>314,473</u>
Community Development Block Grants	14.228	MSHDA		MSC-2012-5826-HOA	32,529
Total U.S. Department of Housing and Urban Development					<u>347,002</u>
<u>U.S. Department of the Interior:</u>					
Fish and Wildlife Management Assistance	15.608	Direct			44,586
Total U.S. Department of the Interior					<u>44,586</u>
<u>U.S. Department of Justice:</u>					
Drug Court Discretionary Grant Program	16.585	Direct			54,404
Edward Byrne Memorial Competitive Grant Program	16.751	Direct			184
Total U.S. Department of Justice					<u>54,588</u>
<u>U.S. Department of Transportation:</u>					
Hazardous Materials Emergency Preparedness Planning	20.703	MSP			2,320
National Priority Safety Programs - HVE	20.616	MSP	Highway Safety	PT-16-12	41,635
National Priority Safety Programs - Underage Drinking Enforcement	20.616	MSP	Highway Safety	AL-16-10	15,612
					<u>57,247</u>
Total Highway safety cluster					<u>57,247</u>
Total U.S. Department of Transportation					<u>59,567</u>
<u>U.S. Environmental Protection Agency:</u>					
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	Direct			26,001
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	Direct			41,259
					<u>67,260</u>
Capitalization Grants for Drinking Water State Revolving Funds - A1	66.468	MDEQ	Drinking Water State Revolving	FS97548712	438
Capitalization Grants for Drinking Water State Revolving Funds - A3	66.468	MDEQ	Drinking Water State Revolving		1,000
Capitalization Grants for Drinking Water State Revolving Funds - A4	66.468	MDEQ	Drinking Water State Revolving		3,311
					<u>4,749</u>
Total Drinking Water State Revolving Cluster					<u>4,749</u>
Beach Monitoring and Notification Program Implementation Grants	66.472	MDEQ		CU00E99305	5,356
Total U.S. Environmental Protection Agency					<u>77,365</u>
<u>U.S. Department of Energy:</u>					
Weatherization Assistance for Low-Income Persons	81.042	MDHHSS		DOE-16-70025-1	25,384
Weatherization Assistance for Low-Income Persons	81.042	MDHHSS		DOE-13-70025-3	116,926
					<u>142,310</u>
Total U.S. Department of Energy					<u>142,310</u>

COUNTY OF OTTAWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through Agency	Cluster	Pass Through Number	Expenditures
<u>U.S. Department of Health and Human Services:</u>					
Public Health Emergency Preparedness	93.069	MDHHS			\$ 108,100
Public Health Emergency Preparedness	93.069	MDHHS			34,510
Public Health Emergency Preparedness	93.069	MDHHS			29,588
					<u>172,198</u>
Food and Drug Administration_Research	93.103	MDARD			2,007
Food and Drug Administration_Research	93.103	MDARD			5,666
					<u>7,673</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MDHHS			100
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	Direct			219,414
Family Planning_Services	93.217	MDHHS			82,536
Family Planning_Services	93.217	MDHHS			29,822
					<u>112,358</u>
Immunization Cooperative Agreements	93.268	MDHHS			36,870
Immunization Cooperative Agreements	93.268	MDHHS			24,399
Immunization Cooperative Agreements	93.268	MDHHS			399,407
Immunization Cooperative Agreements	93.268	MDHHS			9,844
					<u>470,520</u>
PPHF Capacity Building Assistance to Stngthen Public Health Immunization Infrastructure and Performance	93.539	MDHHS			86,210
Child Support Enforcement - CRP Combined	93.563	MDHHS		CSFOC13-70001	2,107,547
Child Support Enforcement - FOC Incentives	93.563	MDHHS		CSFOC13-70001	419,554
					<u>2,527,101</u>
Low-Income Home Energy Assistance	93.568	MDHSS		LIHEAP13-70025-3	94,277
Low-Income Home Energy Assistance	93.568	MDHSS		LCA16-70025	17,280
Low-Income Home Energy Assistance	93.568	MCA			44,320
					<u>155,877</u>
Community Service Block Grant	93.569	MDHHS		CSBG14-70025	304,330
Community Service Block Grant and Discretionary Awards	93.570	MDHHS		CSBGD14-70025	18,158
Grants to States for Access and Visitation Programs	93.597	MSC			4,394
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758	MDHHS			43,962
Medical Assistance Program	93.778	MDHHS	Medicaid		86,000
Medical Assistance Program	93.778	MDHHS	Medicaid		63,547
Medical Assistance Program	93.778	MDHHS	Medicaid		137,739
					<u>287,286</u>
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE		13 B1 MI SAPT	897,707
Block Grant for Prevention and Treatment of Substance Abuse	93.959	LRE			69,231
Block Grant for Prevention and Treatment of Substance Abuse	93.959	SMBHRE			6,566
					<u>973,504</u>
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			3,750
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			34,695
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			21,791
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			21,790
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			37,633
Maternal and Child Health Services Block Grant to the States	93.994	MDHHS			22,238
					<u>141,897</u>
Total U.S. Department of Health and Human Services					<u>5,524,982</u>
<u>Executive Office of the President:</u>					
Passed through West Michigan Enforcement Team: High Intensity Trafficking Areas Program HIDTA	95.001	WEMET			19,792
Total Executive Office of the President					<u>19,792</u>
<u>U.S. Department of Homeland Security:</u>					
Passed through Michigan Department of State Police: Emergency Management Performance Grant	97.042	MSP			32,281
Passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB: Homeland Security Grant Program	97.067	SRDC		EMW-2015-SS-00033	127,702
Homeland Security Grant Program	97.067	SRDC		EMW-2015-SS-00033	17,671
					<u>145,373</u>
Total U.S. Department of Homeland Security					<u>177,654</u>
Total Expenditures of Federal Awards					\$ 6,811,570

COUNTY OF OTTAWA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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

In 2016, the County changed its fiscal year end from December 31 to September 30. Prior to 2016, certain funds of the County already utilized the fiscal year ended September 30, therefore programs that fall under these funds have a full fiscal year presented in the schedule of expenditures of federal awards, rather than a nine-month period.

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:

<u>Pass Through Agency Name</u>	<u>Pass Through Agency Abbreviation</u>
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 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

5. SUBRECIPIENTS

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

Program Title	CFDA Number	Amount Provided to Subrecipients
National Priority Safety Programs - HVE	20.616	\$ 15,281
National Priority Safety Programs - Underage Drinking Enforcement	20.616	6,139
Homeland Security Grant Program	97.067	57,812
Total		\$ 79,232

6. COMMODITIES EXPENDITURES

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

	CFDA #10.565 Commodities
Expenditures as reported	\$ 67,247
Less - inventory at beginning of year	(17,624)
Add - inventory at end of year	12,726
Commodities received per State of Michigan	\$ 62,349

7. VACCINES EXPENDITURES

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

	CFDA #93.268 Vaccines
Expenditures as reported	\$ 399,407
Less - inventory at beginning of year	(98,461)
Add - inventory at end of year	107,196
Vaccines received per State of Michigan	\$ 408,143

COUNTY OF OTTAWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

2016-001

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

Cause: The County's system of internal controls over financial reporting did not provide for the adjustment of all balances necessary to prepare financial statement in accordance with generally accepted accounting principles. 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 management and posted to prepare the financial statements in accordance with generally accepted accounting principles.

Recommendation: The County should develop procedures to provide for the review and adjustment of financial statements to accurately make all adjustment necessary to prepare the financial statements in accordance with generally accepted accounting principles.

Management Response: The County is in the process of updating their procedure and timeline to address this finding.

COUNTY OF OTTAWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2016-002 - CFDA #93.959

Condition and Criteria: The Uniform Guidance 2 CFR Part 200, Subpart E, Section 200.430 provides the cost principal standards for compensation of personal services. Those standards state that documentation of personnel expenses must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated. During the testing of the allocation of payroll costs we noted that the allocation of personnel costs was partially based on budgeted amounts rather than actual results.

Cause: While the appropriate County employees were aware of the applicable compliance requirements and the necessity for accurate and supported numbers for the allocation base, there was incomplete follow-through to ensure compliance with the cost principal standards.

Effect: Noncompliance with the requirements of the Uniform guidance 2 CFR 200.

Recommendation: The County should develop and implement policies and procedures to ensure that the allocation of personnel costs are consistent with the Uniform Guidance.

Management Response: The County is in the process of strengthening its internal controls over the payroll process to ensure compliance with the County policy and the standards for allocation documentation. The new controls are under evaluation and will be fully implemented by fiscal year 2018 (10/1/17).

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

None noted.