

County of Kent, Michigan



Comprehensive Annual Financial Report Year Ended December 31, 2011



County of Kent,
Michigan



Year Ended
December 31,
2011

Comprehensive
Annual Financial
Report

Prepared by: Fiscal Services Department

Fiscal Services Director
Stephen W. Duarte

County Administrator/Controller
Daryl J. Delabbio

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COUNTY OF KENT, MICHIGAN

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INTRODUCTORY SECTION

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COUNTY OF KENT, MICHIGAN

ELECTED OFFICERS

For the Year Ended December 31, 2011

BOARD OF COMMISSIONERS

Sandi Frost Parrish
Chair

Ted Vonk
Vice Chair

Tom Antor
Dick Bulkowski
Carol Hennessy
Dan Koorndyk
Roger Morgan
Gary Rolls
Shana Shroll
Dick Vander Molen
Michael Wawee, Jr

Jack Boelema
Candace Chivis
Bill Hirsch
Harold Mast
Stan Ponstein
Jim Saalfeld
Jim Talen
Harold Voorhees

Mary Hollinrake
Clerk-Register of Deeds

William Byl
Drain Commissioner

William Forsyth
Prosecuting Attorney

Lawrence Stelma
Sheriff

Kenneth Parrish
Treasurer

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OFFICE OF THE ADMINISTRATOR

Daryl J. Delabbio, County Administrator/Controller



*Kent County Administration Building 300 Monroe Avenue, N.W. Grand Rapids, Michigan 49503-2206
Phone: (616) 632 - 7570 • Fax: (616) 632 - 7565 • e-mail: daryl.delabbio@kentcountymi.gov*

June 8, 2012

To the Board of Commissioners and the Citizens of Kent County:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report for the County of Kent for the fiscal year ended December 31, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, has issued an unqualified ("clean") opinion on the County's financial statements for the year ended December 31, 2011. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

Profile of the Government

The County of Kent encompasses an area of approximately 864 square miles and is located in the central west portion of Michigan's Lower Peninsula. The County of Kent is the fourth most populous County in the State of Michigan (State) with a 2011 population of 608,453. It is approximately 64 miles west of Lansing, the state capital. The County is empowered by the State to levy a property tax on real and personal properties located within the County.

The County is composed of twenty-one townships, five villages and nine cities. The 2010 census population of the County resides as follows: townships (223,746); cities (371,492); and villages (7,384). The County seat is located in the City of Grand Rapids, which is the second largest city in the State. The County was organized as a County by the territorial legislature on March 24, 1836.

The County is governed by a Board of Commissioners (Board) whose numbers ranged from three in 1836 up to 77 as recently as 1968. As a result of a United States Supreme Court decision in 1969, the number of commissioners was reduced to 21. The Board took action in 1992 to reduce further the number of members to 19 effective January 1993. The Board is responsible for establishing policies, adopting the budget, appointing committee memberships, and hiring the County Administrator/Controller. The Administrator/Controller is responsible for carrying out the policies set forth by the Board and overseeing the day-to-day operations of the County. The Board is elected on a partisan basis every two years from districts of approximately equal size. The other five elected officers of the County, which include the Sheriff, Clerk/Register of Deeds, Prosecuting Attorney, Drain Commissioner and Treasurer, are elected on a partisan basis serving four-year terms.

The County provides a wide and varied range of services in the following areas: law enforcement, correctional facility, three court systems, airport, fire, social services, both State and County funded public health, park system and zoo. The Department of Public Works manages a waste-to-energy incinerator and landfill, maintains some local unit water and sanitary sewer systems, and provides for the construction of these local systems. The Kent County CMH Authority (operating as "Network 180") is a component unit that provides mental health services. The Kent County Drain Commission, another component unit, is responsible for the construction and maintenance of County drains and the control of lake levels. In addition, the Road Commission is a component unit providing maintenance to County roads.

Annually, the Board is required to adopt a final budget by December 31 for the subsequent fiscal year. This budget serves as the foundation for the County's financial planning and control. The budget is prepared by fund, function (e.g. public safety) and department (e.g. Sheriff). Department heads may transfer resources within the activities they manage. Transfers between departmental budgets and above administrative amounts set by the Board need special approval from the governing body.

Local Economy

Commercial/Industrial Base

The Grand Rapids-Wyoming Metropolitan Statistical Area (MSA), of which the County is the hub, has been one of the fastest growing regions of the United States. Numerous expansions, renovations, constructions, modernizations and developments have been completed, are in the process of being completed or are in the planning stages. Among the factors which have encouraged major projects and have attracted numerous firms from outside the area are: a strong but highly

diversified base of industries, an excellent work force, educational opportunities, excellent employer/employee relations, good location and transportation facilities, utilities and possibly the most important, quality of life.

Within the County, the State Taxable Value (STV) for commercial property increased from \$4.38 billion in 2006 to \$5.04 billion in 2011, for an average annual increase of 3.0%. Industrial property STV decreased in value from \$2.48 billion in 2006 to \$1.89 billion in 2011, for an average annual decrease of 4.8%.

Convention Facilities

In 2000, the City of Grand Rapids and the County jointly created the Grand Rapids -- Kent County Convention/Arena Authority. The function of this independent authority is to own and operate the DeVos Place Convention Center and the Van Andel Arena. The Van Andel Arena was completed in 1996, has a seating capacity of 12,000 and it is used for professional hockey games, concerts, family shows and other entertainment events. The DeVos Place Convention Center renovation and expansion was completed in 2005. This facility encompasses one million square feet of total gross floor area including a 40,000 square foot ballroom. The project was completed at a total cost of \$212 million. The completion of this project has enabled several large conventions to take place, with a significant number of bookings made for local, state, regional and national conferences that extend beyond 2012.

Regional Government Coordination

The Grand Valley Metropolitan Council ("Metro Council") was formed in 1990 and has a membership of 35 local governments including the County. Created by State enabling legislation, the Metro Council is coordinating the efforts of its members to provide services while eliminating duplication. It is also engaged in issues that have no boundaries such as clean air, water and sewers and transportation. The Metro Council also is working with its area legislators to develop a regional presence at the State capital. Its legislative committee has broad community participation, which includes the Chamber of Commerce, Kent Intermediate School District and environmental interests. The Metro Council's Water and Sewer Committee has members from Ottawa and Kent Counties, the private and environmental sectors and water and sewer providers. The Metro Council routinely works with a range of partners to accomplish its mission. Key partnerships are with Grand Valley State University's Office for Economic Expansion and Water Resources Institute, the Michigan Municipal League, and the Michigan Departments of Transportation, Environmental Quality and Commerce.

Medical Services

The residents of the County are served by a number of hospitals. The public and non-profit hospitals in the County have approximately 2,732 licensed beds. In 2000, the Van Andel Institute (VAI) opened, with the stated mission ". . . to become one of the world's preeminent private medical research institutions within

the next decade” which has become a reality. The Van Andel Institute has three component parts: the Van Andel Research Institute (VARI), the Van Andel Education Institute (VAEI) and the Van Andel Institute (VAI). The VARI is an independent medical research organization dedicated to preserving, enhancing and expanding the frontiers of medical science. The VAEI is an independent education institute whose mission is to conduct the Van Andel Educational Technology School, and to achieve excellence by embracing and strengthening the fundamental issues of education. The VAI supports the other two organizations. In July 1999, legislation was adopted in support of investing \$50 million a year over the next 20 years to fund a Life Sciences Corridor—a joint venture between the State, several Michigan universities, and the VARI.

The research being conducted at the VARI is expected to serve as a growth pole, anchoring and propelling growth of a newly developing bioscience industry cluster. It is anticipated that this will draw outside business and related sectors into the region to take advantage of economic opportunities created by the Institute. VARI has constructed a 240,000 square-foot, eight story building expansion that opened in December 2009. This expansion nearly triples the Institute’s laboratory space, allowing for growth of current laboratories and expanded research into neurological diseases. Michigan State University Medical School began construction of a new \$90 million, 180,000 square foot medical school in the spring of 2008. The MSU college of Human Medicine began to transition its programming to temporary local facilities in the fall of 2009. The new medical facility was opened in 2010 and is expected to reach a capacity of 400 students in 2013. In 2012, MSU also purchased the former Grand Rapids Press headquarters along with five parking properties for use as research space and additional parking. The facility is in close proximity to the newly constructed medical facility.

Employment

Major industries that are located within the boundaries of Kent County, or in close proximity, include manufacturers of office equipment and furniture, heating controls, automotive parts, financial institutions, health care, retail food/merchandise and insurance companies. This diversified employment base adds to the strength of the local economy. During the past ten years, the unemployment rate has fluctuated from a decade low of 4.8 percent (October 2005) to a decade high of 11.8 percent (July 2009). Unemployment leveled out in 2010 declined in 2011 and is expected to continue to decline over the remainder of 2012.

Long-Term Financial Planning/Financial Policies

Budgeting and Forecasting

As stated earlier, the budget serves as the foundation for the County’s financial planning and control. As part of the budget process, management prepares an annual budget for the General Fund. The forecasted General Fund Revenues, Expenses and Fund Balances for the period including the current budget (FY2012)

and FY2013 is as follows. The revenue forecast projects annual increases (decreases) of 1.4 and 0.9 percent respectively. Expenditures during this period have projected annual increases (decreases) of 1.4 and 0.9 percent respectively. Based on the current financial forecast, the County will be able to continue most current service levels without raising its tax rate while retaining a projected fund balance of \$68.7 million at December 31, 2013.

Establishment and Use of General Fund Fund Balance

Kent County's classification and use of General Fund fund balance changed during 2010. The Kent County Board of Commissioners adopted a new Fund Balance Policy, which was implemented for the fiscal year 2010. The effect of which was an early implementation of GASB Statement No. 54 Fund Balance Reporting. As a result, the presentation of fund balance for the Governmental Funds, along with the terminology used changed.

It is the Board of Commissioner's policy that the County shall maintain adequate General Fund equity (restricted and committed), along with maintaining a minimum fund balance to provide for contingencies, for contingent liabilities not covered by the County's insurance programs, and to provide for cash flow needs resulting from a midyear tax levy.

Pursuant to its policy, the County annually establishes "commitments" for maintaining restrictions in utilization of fund balance and "assignments" noting the Board's intent regarding the utilization of fund balance.

The County maintains nonspendable General Fund fund balance equal to the balance of any long-term outstanding balances due from other County funds and for permanent fund corpus at the balance sheet date. The County also maintains nonspendable General Fund fund balance equal to the value of its inventory balances and prepaid expenses.

The County commits annually a portion of fund balance, equal to 10% of the subsequent year's General Fund and subsidized governmental fund budgets, for budget stabilization to insulate County programs and current service levels from large and unanticipated one-time General Fund expenditure requirements as a result of a swift unforeseen event.

The County also maintains a minimum fund balance equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out, to protect against cash flow shortfalls related to timing of project revenue receipts. Cash flow shortfalls are also related to property tax revenues, in anticipation of a July 1 (midyear) property tax billing.

Capital Improvement Program

The County established a Capital Improvement Fund to account for the acquisition or construction of major capital items not otherwise provided for in enterprise or trust funds. The County has annually deposited to this fund a not-less-than sum of monies equivalent to the revenues to be generated from 0.2 mills of the general property tax levy. Since the County has recently issued bonds to construct and renovate several facilities, the amount of money needed for current capital was temporarily reduced. Consequently, the County, with the Board's approval, limited its 2010 and 2011 deposits to the Capital Improvement Fund to the equivalent of 0.15 mills of the general property tax levy. The County returned to 0.2 mills in 2012.

None of the other fiscal policies had a significant impact on the current period financial statements.

Future Financing

The County issued \$28.5 million of Delinquent Tax Anticipation Notes in May 2012.

Major Initiatives

Given the continued pressure for providing more and more services with limited resources, Kent County's focus has been on long-term sustainability. This includes the long-term financial stability of Kent County along with supporting our local governmental partners and taking a leadership role with respect to innovative strategies that yield a more cost-effective and efficient delivery of services.

It is Kent County's goal to maintain a total General Fund fund balance between \$68 to \$70 million dollars. This is being accomplished by making tough budgetary cuts that have kept Kent County operating within its current revenue stream.

Kent County managers continue to look at restructuring through business process reengineering. Managers review vacant positions and look to consolidate those positions and duties along with utilizing external collaboration to reduce positions.

Over the past couple of years, Kent County, working with its employee groups, made some changes to the employees' group insurance in an effort to contain healthcare costs. Co-pays and deductibles were increased along with a change in the major medical structure and percentages. Changes were also made to the pension plan, including an increase to the age and service requirements for normal retirements, along with a change in the contribution maximum for employees. These changes will help contain the cost of employee benefits.

The County continues to work towards generating additional revenues along with shifting and reducing costs and utilizing technology to contain costs.

Kent County put into operation an innovative reverse auction procurement tool during 2009. A reverse auction (also called a procurement auction or e-auction) is a real-time auction, conducted via the internet, where sellers compete to sell goods or services for progressively lower prices. The reverse auction increases competition and transparency for commodity purchases, while streamlining the procurement process through technological and workflow advances with the objective of obtaining the lowest overall cost for the citizens of Kent County. This system is completely paperless and provides immediate notification to the vendor and the purchasing department when the bid is awarded.

Since this is performed via the internet, the reverse auction allows all departments within the County to participate in the process, which allows for volume pricing and lowers overall cost. Because of the success of this effort, during 2010, participation in the reverse auction process was opened up to local units of government in an effort of collaboration with the local units of government to help them lower their overall costs and continue to increase the competition and lower prices. By the end of 2011, 14 local units of government along with 2 Counties were actively participating in the reverse auction process.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kent for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County of Kent received the GFOA's Distinguished Budget Presentation Award, for its annual budget document for Fiscal Year 2012. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The County of Kent is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). Kent County is one of four counties in the State of Michigan that holds all three of the GFOA awards simultaneously. The PAFR is a report created for the citizens of Kent County with the purpose of summarizing the presentation of financial information contained in the Kent County Comprehensive Annual Financial Report. This report is intended to inform the public of the County's

financial condition in a less technical and more user friendly format. The PAFR can be found on the County's website at:

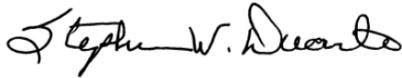
<http://www.accesskent.com/YourGovernment/Departments/Fiscal/documents.htm>.

The preparation of this report would not have been possible without the efficient and dedicated effort of the entire staff of the Fiscal Services Department. We express our appreciation to all employees of the County who assisted and contributed to its preparation. We also express our gratitude to the Board of Commissioners for their interest and support in planning and conducting the financial operations and management of the County of Kent in a responsible and progressive manner.

Respectfully submitted,



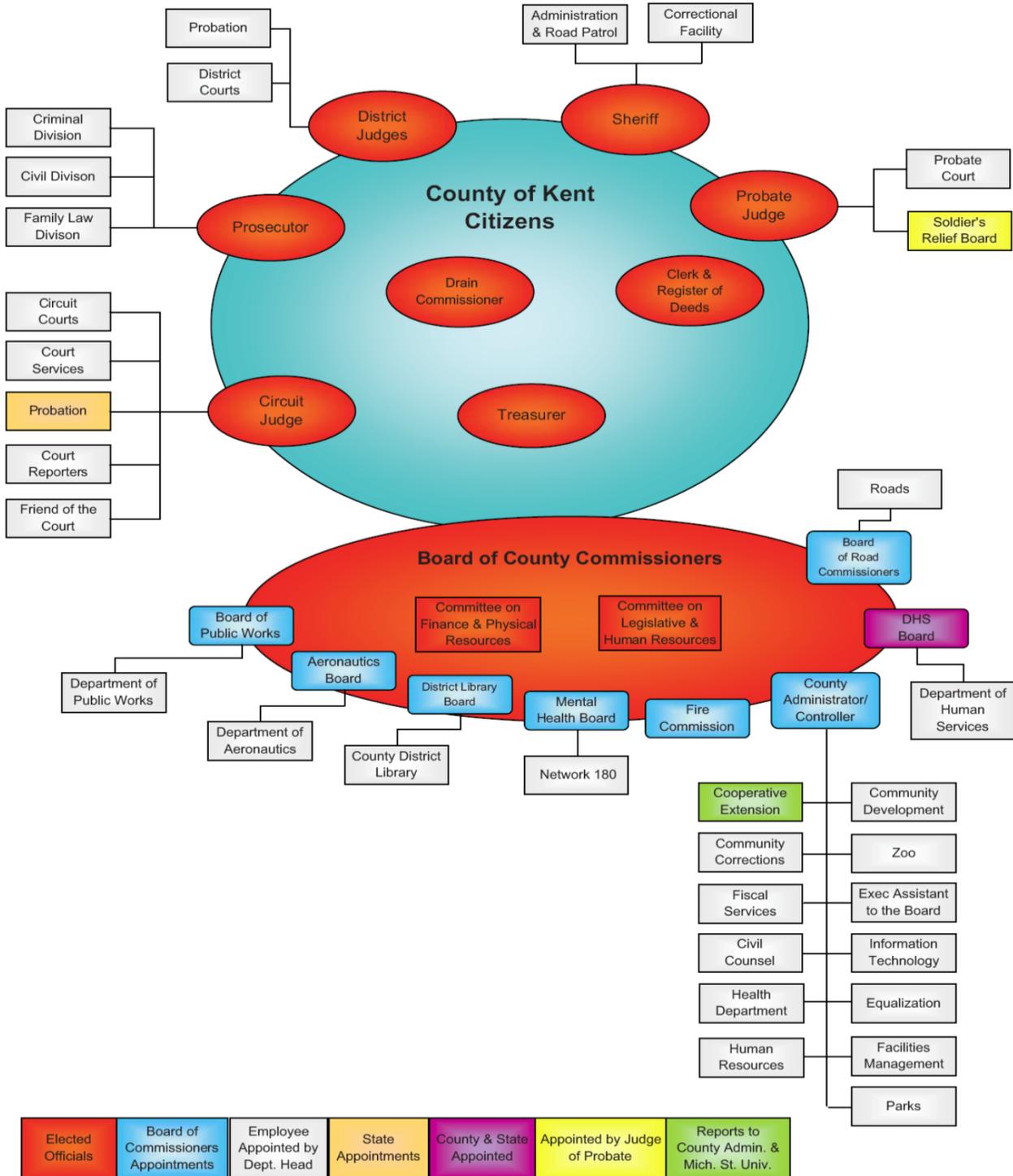
Daryl J. Delabbio
County Administrator/Controller



Stephen W. Duarte
Fiscal Services Director

COUNTY OF KENT, MICHIGAN

Table of Organization



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Kent Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 8, 2012

Honorable Members of the
Board of Commissioners
of the County of Kent, Michigan
Grand Rapids, Michigan

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 Kent, Michigan* (the "County"), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kent County Community Mental Health Authority (Network180) discretely presented component unit, which represents 10 percent of the total assets and 73 percent of total revenue of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kent County Community Mental Health Authority, is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kent, Michigan as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 8, 2012, on our consideration of the County of Kent, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 28 and the schedules of funding progress and employer contributions on pages 114 to 119 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Kent, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Kent, Michigan's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the County of Kent, Michigan (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. 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 3-10 of this report. All amounts, unless otherwise indicated, are expressed **in thousands of dollars**.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$518,590 (net assets). Of this amount, \$151,132 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$5,226. As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$99,953, a decrease of \$11,115 in comparison with the prior year. Approximately 44.5 percent of this total amount or \$44,428 is unassigned fund balance.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$44,428 or 34.47 percent of total General Fund expenditures.
- Total government-wide liabilities decreased by approximately \$22,981 (4.88 percent) during the current fiscal year. Liabilities for governmental activities decreased by approximately \$11,503 and liabilities decreased by \$11,478 for business-type activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, health and welfare, cultural and recreation, judicial, and community and economic development. The business-type activities of the County include the Gerald R. Ford International Airport, Department of Public Works and delinquent tax collection and administration.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate Road Commission, a legally separate Community Mental Health Authority, legally separate Drainage Districts, a legally separate Housing Commission and a legally separate Land Bank Authority for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 30-32 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Child Care Fund, both of which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 33-38 of this report.

Proprietary Funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Aeronautics Department, Department of Public Works and Delinquent Tax Revolving Fund. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its risk management and employee benefit programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Aeronautics Department, Department of Public Works and Delinquent Tax Revolving Fund, all of which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column. The basic proprietary fund financial statements can be found on pages 39-44 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 45-46 of this report.

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. The notes to the financial statements can be found on pages 53-111 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found on pages 114-119 of this report.

The combining statements referred to earlier in connection with non-major governmental funds can be found on pages 124-181 of this report.

Government-Wide Financial Analysis

As previously stated, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$518,590 at the close of the most recent fiscal year.

County of Kent's Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 157,092	\$ 171,067	\$ 165,332	\$ 166,022	\$ 322,424	\$ 337,089
Capital assets, net of accumulated depreciation	250,467	241,668	394,100	405,989	644,567	647,657
Total assets	407,559	412,735	559,432	572,011	966,991	984,746
Long-term liabilities outstanding	135,771	141,854	262,638	271,538	398,409	413,392
Other liabilities	40,933	46,353	9,059	11,637	49,992	57,990
Total liabilities	176,704	188,207	271,697	283,175	448,401	471,382
Net assets:						
Invested in capital assets, net of related debt	132,743	130,574	193,838	200,535	326,581	331,109
Restricted	14,617	19,216	26,260	27,267	40,877	46,483
Unrestricted	83,495	74,738	67,637	61,034	151,132	135,772
Total Net Assets	\$ 230,855	\$ 224,528	\$ 287,735	\$ 288,836	\$ 518,590	\$ 513,364

A substantial portion of the County's net assets, \$326,581 (63.0 percent), reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets of \$40,877 (7.9 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of unrestricted net assets of \$151,132 (29.1 percent) to meet its ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, and for its separate governmental and business-type activities.

There was a decrease of \$4,599 in restricted net assets reported in connection with the County's governmental activities. The majority of the decrease (\$4,400) of the \$4,599 decrease was the result of a reduction in the amount of funds restricted for the Revenue Sharing Reserve Fund mandated by the State of Michigan. The fund was liquidated as of December 31, 2011.

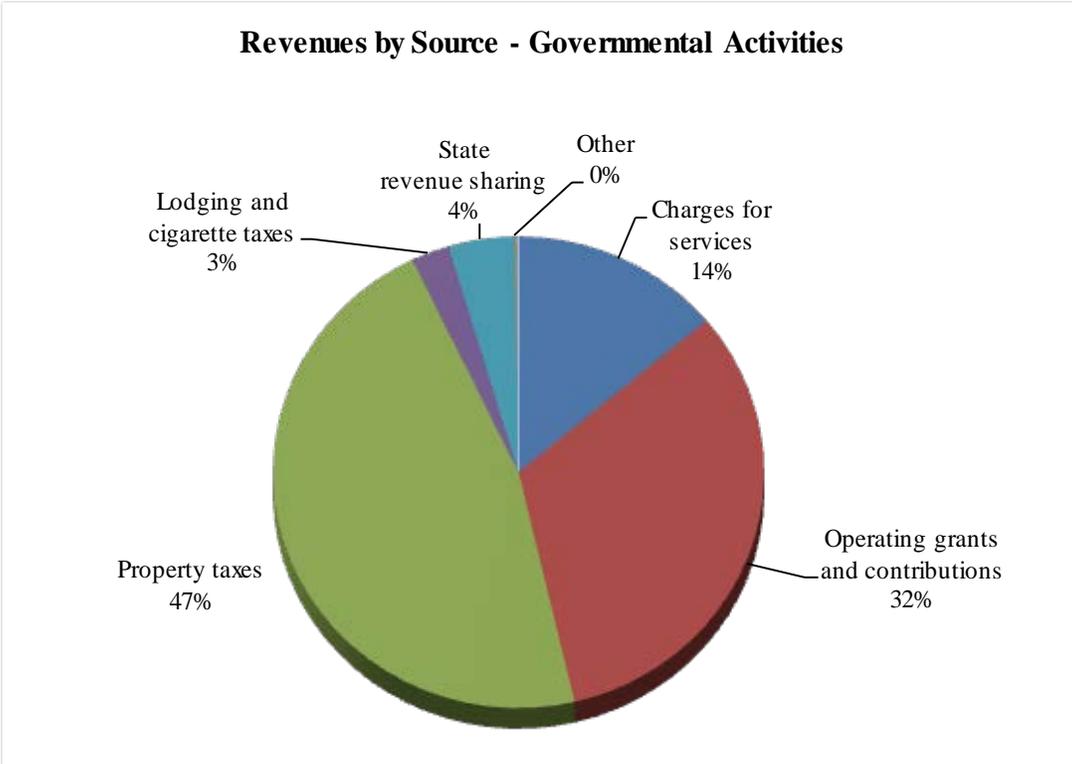
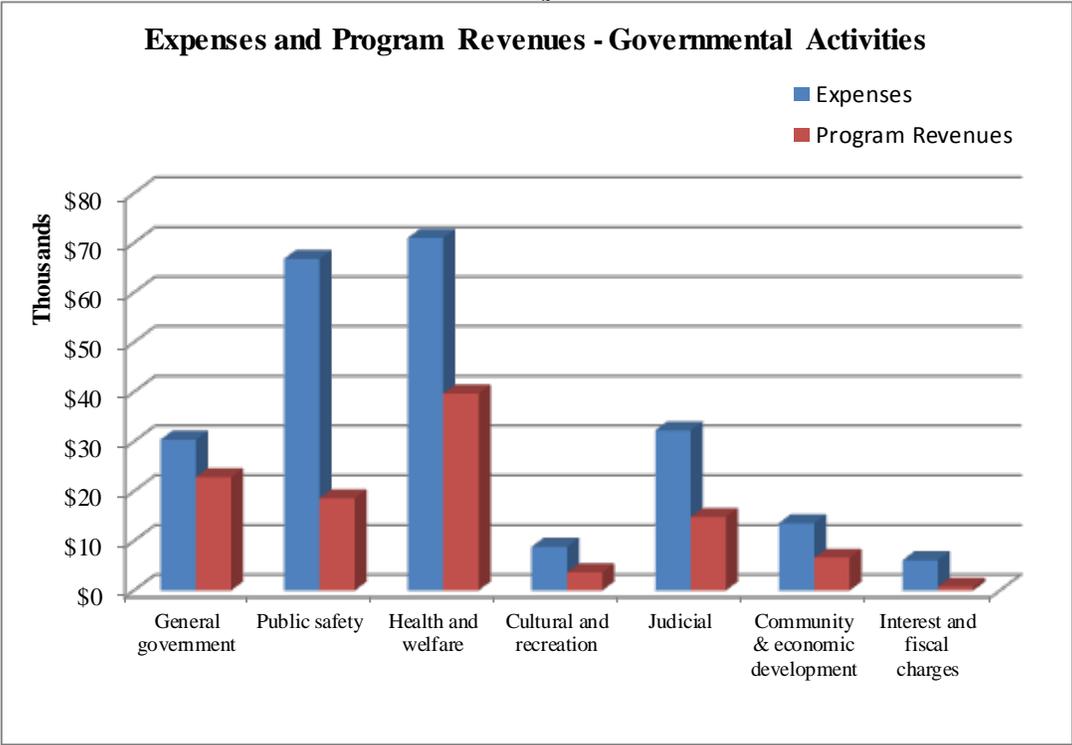
There was a decrease of \$1,007 in restricted net assets reported in connection with the County's business-type activities. The \$1,007 decrease is attributable to a decrease in restricted net assets for Department of Public works for debt service and Aeronautics Department for capital improvements.

County of Kent's Changes in Net Assets

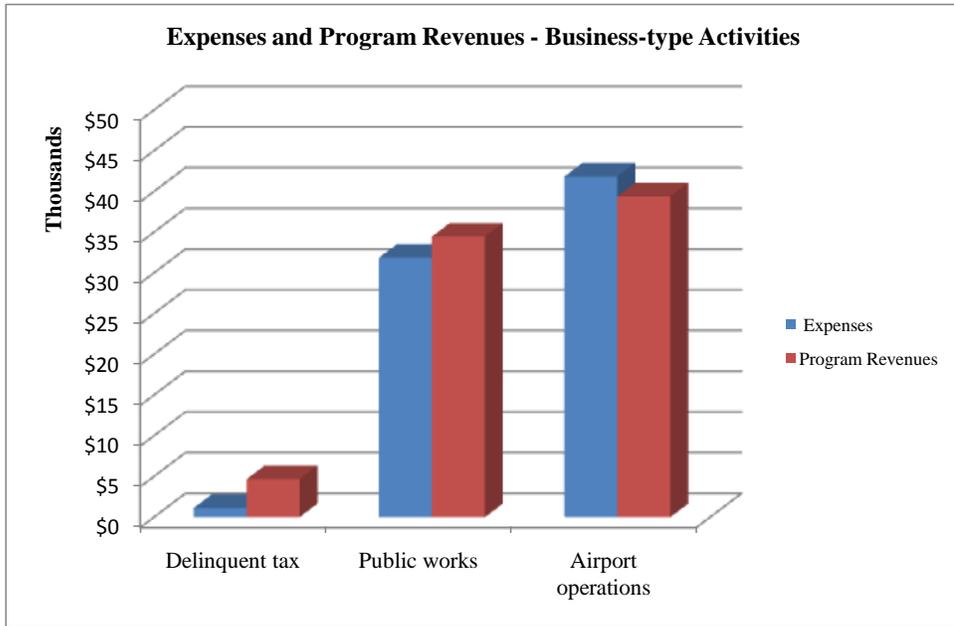
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 31,959	\$ 31,734	\$ 70,427	\$ 77,457	\$ 102,386	\$ 109,191
Operating grants and contributions	74,819	68,206	484	275	75,303	68,481
Capital grants and contributions	-	-	7,619	11,606	7,619	11,606
General revenues:						
Property taxes	107,247	109,494	-	-	107,247	109,494
State revenue sharing	10,226	-	-	-	10,226	-
Other taxes	5,804	4,924	-	-	5,804	4,924
Other	415	818	200	355	615	1,173
Total revenues	230,470	215,176	78,730	89,693	309,200	304,869
Expenses:						
General government	30,357	26,436	-	-	30,357	26,436
Public safety	66,780	65,967	-	-	66,780	65,967
Health and welfare	70,988	73,266	-	-	70,988	73,266
Cultural and recreation	8,768	9,046	-	-	8,768	9,046
Judicial	32,241	33,184	-	-	32,241	33,184
Community & economic development	13,559	11,699	-	-	13,559	11,699
Interest and fiscal charges	6,102	6,364	-	-	6,102	6,364
Airport operations	-	-	41,834	43,167	41,834	43,167
Department of Public Works	-	-	31,875	33,095	31,875	33,095
Delinquent tax	-	-	1,122	1,167	1,122	1,167
Total expenses	228,795	225,962	74,831	77,429	303,626	303,391
Increase (decrease) in nets assets before transfers	1,675	(10,786)	3,899	12,264	5,574	1,478
Transfers	4,652	5,181	(5,000)	(5,147)	(348)	34
Increase (decrease) in net assets	6,327	(5,605)	(1,101)	7,117	5,226	1,512
Net Assets, beginning of year, as restated	224,528	230,133	288,836	281,719	513,364	511,852
Net Assets, end of year	\$ 230,855	\$ 224,528	\$ 287,735	\$ 288,836	\$ 518,590	\$ 513,364

The County's net assets increased by \$5,226 during the current fiscal year. The increase is due to the reinstatement of State revenue sharing which resulted in additional revenue funding of \$10,226 over prior years.

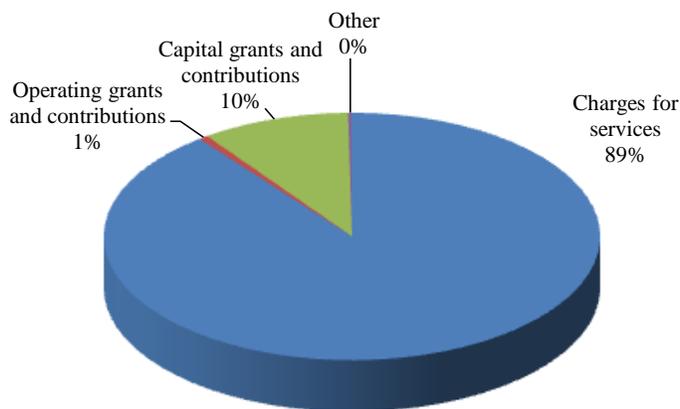
Governmental Activities. Governmental activities increased the County's net assets by \$6,327. The key element of this increase is due to receiving \$10,226 of State revenue sharing.



Business-type Activities. Business-type activities decreased the County’s net assets by \$1,101. The key element of this decrease was a decrease in operating revenues and contributions received in the form of grants from federal and state governments during the current fiscal year.



Revenues by Source - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The information related to the governmental funds fund balances reflects the implementation of GASB 54 which greatly changed how fund balances are classified on the Balance Sheet.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$99,953 a decrease of \$11,115 in comparison with the prior year. Of this amount, 44.5 percent (\$44,428) constitutes unassigned fund balance, which is available for spending at the government's discretion, however it is limited to the minimum fund balance requirements per the County's Fund Balance policy. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is classified as one of the following: A) Nonspendable for 1) inventories and prepaids (\$460), 2) long-term cash advances to the Kent County CMH Authority (\$283) and the Drainage District (\$442), or 3) is nonspendable as permanent fund corpus to generate income to pay for the purchase and maintenance of animals at the zoo (\$73); B) Restricted per external/third-party mandates (\$25,237); C) is committed for economic stabilization (\$23,055); or D) has been assigned for other specific uses in the County's general operations (\$5,975).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$44,428 while total fund balance amounted to \$68,654. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.47 percent of total General Fund expenditures, while total fund balance represents 53.3 percent of that same amount.

The fund balance of the County's General Fund increased by \$54 during the current fiscal year. Key factors in this change are as follows:

- Decrease in total expenses relating to the General Fund of \$2,119 (1.6 percent).
- Interfund transfers in decreased by \$10,149 (33.2 percent).

The General Fund budgeted for a decrease in fund balance of \$5,133 and the actual increase in fund balance was \$54. Significant changes in budgetary variances are as follows:

- Tax revenues had a negative budgetary variance of \$1,082, of which, the majority relates to both current and delinquent property tax revenues which were down from budgeted amounts.
- Intergovernmental revenue had a positive budgetary variance of \$3,369. The majority of this relates to increases in state revenue sharing and local funding.
- Charges for services had a negative budgetary variance of \$911. The majority of this was due to a reduction in court fees (\$577) as well as a reduction in admission fees (\$221), and sales utilities (\$133).
- Expenditures had an overall positive budgetary variance of \$7,483, of which the greatest portions related to general government, (\$2,047), public safety (\$3,842), and judicial (\$1,253). General government expenditures decreased for most departments with the largest decreases relating to

courthouse and prosecuting attorney. Public safety expenditures decreased for most departments with the largest decreases relating to jail, sheriff and road patrol. Judicial expenditures decreased for most departments with the largest decreases coming from the circuit court.

The Child Care Fund accounts for the care of neglected, abused and delinquent juveniles. Revenues are provided through State reimbursements and General Fund appropriations. The Child Care Fund fund balance remained unchanged at \$100.

Proprietary Funds. The County's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Aeronautics Department at the end of the year amounted to \$23,667, those for the Department of Public Works amounted to \$29,900 and those for the Delinquent Tax Revolving Fund amounted to \$13,012. The Aeronautics Department had a total increase in unrestricted net assets of \$1,513, the Department of Public Works had a total increase in unrestricted net assets of \$5,440 while the Delinquent Tax Revolving Fund experienced a decrease in unrestricted net assets of \$981. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

During the year, there was a \$141 increase in appropriations between the original and final amended budget. Following are the main components of the change:

- \$246 increase in health & welfare primarily related to intergovernmental activities.
- \$108 decrease in public safety activities primarily related to the Jail and Sheriff road patrol costs.

Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2011 amounted to \$644,567 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, motor vehicles, drains, landfill cells and zoo animals. The total decrease in the County's investment in capital assets for the current fiscal year was 0.5 percent (a 3.6 percent increase for governmental activities and a 2.9 percent decrease for business-type activities).

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

- General government land purchases of \$1,112 mostly attributable to the acquisition of agricultural property development rights (\$900).
- Increase in Construction in Progress of \$10,154 mainly related to the Detention/Correctional Facility remodeling and energy improvement projects funded by federal grants.

County of Kent's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 55,258	\$ 54,146	\$ 25,151	\$ 25,152	\$ 80,409	\$ 79,298
Property easements	36	-	-	-	36	-
Construction in process	64,467	54,313	1,828	3,362	66,295	57,675
Landfill cells			3,801	4,436	3,801	4,436
Land improvements	7,873	7,911	113,124	118,043	120,997	125,954
Buildings and improvements	110,187	112,559	193,705	202,290	303,892	314,849
Waste-to-Energy facility			32,443	34,420	32,443	34,420
Machinery and equipment	8,006	8,353	22,352	16,466	30,358	24,819
Office equipment	-	-	1,097	1,185	1,097	1,185
Motor vehicles	4,279	4,010	599	635	4,878	4,645
Infrastructure	340	368	-	-	340	368
Zoo animals	21	8	-	-	21	8
Total	\$ 250,467	\$ 241,668	\$394,100	\$ 405,989	\$ 644,567	\$ 647,657

Additional information on the County's capital assets can be found in Note 7 on pages 81-84 of this report.

Long-Term Debt. At the end of the current fiscal year, the County had total installment debt outstanding of \$365,754. Of this amount, \$15,110 (4.1 percent) comprises debt not backed by the full faith and credit of the government. The remainder of the County debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**County's Outstanding Debt
General Obligation and Revenue Bonds**

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Primary Government						
Limited tax pledge bonds	\$ 126,545	\$ 131,275	\$ 40,500	\$ 44,500	\$ 167,045	\$ 175,775
Limited revenue bonds	-	-	182,805	146,740	182,805	146,740
Revenue bonds	-	-	15,110	58,195	15,110	58,195
Capital lease obligations	794	811	-	-	794	811
Total	<u>\$ 127,339</u>	<u>\$ 132,086</u>	<u>\$238,415</u>	<u>\$ 249,435</u>	<u>\$ 365,754</u>	<u>\$ 381,521</u>

The County's total installment debt decreased by \$15,767 (4.1 percent) during the current fiscal year. The net decrease was mainly attributable to annual principal payments.

The County maintains an "AAA" rating from Standard & Poor's and "Aaa" rating from Moody's for its general obligation debt. The revenue bonds of the Gerald R. Ford International Airport qualified for an "BBB+" (March 2011 update) from Standard & Poor's and "A2" rating from Moody's; however, they were insured by MBIA qualifying them for Standard & Poor's rating of "AAA" and Moody's "A3" (October 2009).

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$2,173,517, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County long-term debt can be found in Note 8 on pages 85-90.

Economic Factors and Next Year's Budget and Rates

- The average annual unemployment rate for the County for 2011 was 8.0 percent, which is a decrease from a rate of 10.2 percent a year ago. This is significantly below the State's average annual unemployment rate of 10.3 percent for 2011.
- Inflationary trends in the region compare favorably to national indices.

The County considered these factors in preparing the County's budget for the 2012 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund was \$44,428. The County has appropriated \$3,400 for spending in the 2012 fiscal year budget. This appropriation of available fund balance allows the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2012 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County of Kent's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, may be addressed to the Fiscal Services Director, County Administration Building, 300 Monroe Avenue N.W., Grand Rapids, Michigan 49503-2221.

BASIC FINANCIAL STATEMENTS

COUNTY OF KENT, MICHIGAN

Statement of Net Assets

December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash, investments, and accrued interest	\$ 117,812,298	\$ 104,230,536	\$ 222,042,834	\$ 41,231,784
Receivables, net	40,474,815	30,835,122	71,309,937	17,618,765
Internal balances	(3,388,181)	1,261,761	(2,126,420)	-
Due from component units	461,527	-	461,527	-
Due from primary government	-	-	-	514,459
Restricted assets:				
Cash, investments, and accrued interest	-	26,355,894	26,355,894	-
Accounts receivable, net	-	604,698	604,698	-
Other assets	1,005,101	2,044,152	3,049,253	3,132,936
Advances to component units	725,700	-	725,700	-
Capital assets not being depreciated	119,760,796	26,978,797	146,739,593	3,592,792
Capital assets being depreciated, net	130,706,628	367,121,243	497,827,871	261,376,114
Total assets	407,558,684	559,432,203	966,990,887	327,466,850
Liabilities				
Accounts payable and accrued liabilities	18,036,056	8,962,762	26,998,818	19,606,740
Due to primary government	-	-	-	461,527
Unearned revenue	22,896,458	95,821	22,992,279	2,894,304
Advances from primary government	-	-	-	725,700
Long-term liabilities:				
Due within one year	10,379,248	38,963,263	49,342,511	2,452,190
Due in more than one year	125,391,677	223,675,264	349,066,941	8,295,702
Total liabilities	176,703,439	271,697,110	448,400,549	34,436,163
Net assets				
Invested in capital assets, net of related debt	132,742,530	193,838,321	326,580,851	257,310,482
Restricted for:				
Public safety	8,707,508	-	8,707,508	-
Health and welfare	553,575	-	553,575	-
Community and economic development	2,492,254	-	2,492,254	-
Debt service	-	20,519,120	20,519,120	-
Capital projects	-	2,684,430	2,684,430	10,326,313
Property tax foreclosures	-	3,057,141	3,057,141	-
Other state mandated programs	2,748,334	-	2,748,334	-
Permanent fund:				
Expendable	42,411	-	42,411	-
Nonexpendable	73,000	-	73,000	-
Unrestricted	83,495,633	67,636,081	151,131,714	25,393,892
Total net assets	\$ 230,855,245	\$ 287,735,093	\$ 518,590,338	\$ 293,030,687

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

COUNTY OF KENT, MICHIGAN

Statement of Activities For the Year Ended December 31, 2011

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 30,356,607	\$ 10,570,786	\$ 12,221,043	\$ -	\$ (7,564,778)
Public safety	66,779,986	9,138,839	9,424,252	-	(48,216,895)
Health and welfare	70,988,245	3,943,509	35,711,859	-	(31,332,877)
Cultural and recreation	8,768,185	3,245,124	355,858	-	(5,167,203)
Judicial	32,241,005	5,052,987	9,745,614	-	(17,442,404)
Community and economic development	13,559,429	8,044	6,590,496	-	(6,960,889)
Interest and fiscal charges	6,101,253	-	770,005	-	(5,331,248)
Total governmental activities	228,794,710	31,959,289	74,819,127	-	(122,016,294)
Business-type activities:					
Airport operations	41,834,242	31,629,680	154,245	7,618,724	(2,431,593)
Public works	31,874,739	34,134,422	329,578	-	2,589,261
Delinquent tax collection and administration	1,121,577	4,662,867	-	-	3,541,290
Total business-type activities	74,830,558	70,426,969	483,823	7,618,724	3,698,958
Total primary government	\$ 303,625,268	\$ 102,386,258	\$ 75,302,950	\$ 7,618,724	\$ (118,317,336)
Component units					
Road Commission	\$ 51,924,313	\$ 3,943,912	\$ 41,208,399	\$ 508,836	\$ (6,263,166)
CMH Authority	137,418,393	-	137,040,639	-	(377,754)
Drainage Districts	2,238,078	-	710,201	228,935	(1,298,942)
Housing Commission	4,874,672	-	4,764,306	-	(110,366)
Land Bank Authority	58,584	136,907	85,000	-	163,323
Total component units	\$ 196,514,040	\$ 4,080,819	\$ 183,808,545	\$ 737,771	\$ (7,886,905)

continued...

COUNTY OF KENT, MICHIGAN

Statement of Activities For the Year Ended December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net revenue (expense)	<u>\$ (122,016,294)</u>	<u>\$ 3,698,958</u>	<u>\$ (118,317,336)</u>	<u>\$ (7,886,905)</u>
General revenues:				
Property taxes	107,247,129	-	107,247,129	-
Lodging excise taxes	5,803,776	-	5,803,776	-
State revenue sharing	10,225,945	-	10,225,945	-
Unrestricted investment earnings	698,556	150,538	849,094	403,663
Gain of sale of capital assets	-	49,731	49,731	18,738
Other revenue	(284,009)	-	(284,009)	167,554
Transfers - internal activities	<u>4,652,165</u>	<u>(5,000,000)</u>	<u>(347,835)</u>	<u>-</u>
Total general revenues and transfers	<u>128,343,562</u>	<u>(4,799,731)</u>	<u>123,543,831</u>	<u>589,955</u>
Change in net assets	6,327,268	(1,100,773)	5,226,495	(7,296,950)
Net assets, beginning of year, as restated	<u>224,527,977</u>	<u>288,835,866</u>	<u>513,363,843</u>	<u>300,327,637</u>
Net assets, end of year	<u>\$ 230,855,245</u>	<u>\$ 287,735,093</u>	<u>\$ 518,590,338</u>	<u>\$ 293,030,687</u>

concluded

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

COUNTY OF KENT, MICHIGAN

Balance Sheet Governmental Funds December 31, 2011

	General Fund (101)	Child Care (292 and 293)	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash, investments, and accrued interest	\$ 70,812,582	\$ -	\$ 33,848,242	\$ 104,660,824
Receivables, net:				
Accounts	954,485	-	3,807,234	4,761,719
Property taxes	5,663,573	-	19,660,252	25,323,825
Due from other governments	818,096	3,315,200	3,421,981	7,555,277
Loans	-	-	2,344,049	2,344,049
Due from other funds	1,862,633	662,207	626,028	3,150,868
Due from component units	461,527	-	-	461,527
Advances to component units	725,700	-	-	725,700
Inventories	94,026	-	151,940	245,966
Prepays	294,657	-	-	294,657
Total assets	\$ 81,687,279	\$ 3,977,407	\$ 63,859,726	\$ 149,524,412
Liabilities				
Accounts payable	\$ 3,455,739	\$ 1,300,824	\$ 5,317,150	\$ 10,073,713
Accrued liabilities	3,007,594	188,335	588,195	3,784,124
Due to other governments	-	-	313,607	313,607
Due to other funds	1,598,007	2,388,218	1,768,749	5,754,974
Deferred revenue	4,972,389	-	24,672,506	29,644,895
Total liabilities	13,033,729	3,877,377	32,660,207	49,571,313
Fund balances (Note 16)				
Nonspendable	1,114,383	-	144,497	1,258,880
Restricted	-	-	25,236,629	25,236,629
Committed	23,054,680	-	-	23,054,680
Assigned	56,318	100,030	5,818,393	5,974,741
Unassigned	44,428,169	-	-	44,428,169
Total fund balances	68,653,550	100,030	31,199,519	99,953,099
Total liabilities and fund balances	\$ 81,687,279	\$ 3,977,407	\$ 63,859,726	\$ 149,524,412

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

COUNTY OF KENT, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Assets of Governmental Activities
December 31, 2011

Fund balances - total governmental funds \$ 99,953,099

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated	119,760,796
Capital assets being depreciated, net	130,706,628

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenue in the governmental funds, and thus are not included in fund balance.

Deferred property taxes receivable	4,404,388
Deferred loans receivable	2,344,049

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

Net assets of governmental activities accounted for in internal service funds:

Total internal service fund net assets	10,564,721
Internal service fund net assets accounted for in business-type activities	(1,056,406)

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds payable	(127,339,316)
Unamortized bond premiums/discounts, net	(4,481,449)
Unamortized deferred bond issuance costs	464,478
Unamortized deferred loss on bond refunding	987,778
Compensated absences and early retirement incentive	(4,826,938)
Landfill remediation liability	(111,000)
Accrued interest on long-term debt	(515,583)

Net assets of governmental activities \$ 230,855,245

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

COUNTY OF KENT, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2011

	General Fund (101)	Child Care (292 and 293)	Nonmajor Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 84,842,764	\$ -	\$ 28,343,770	\$ 113,186,534
Licenses and permits	302,085	-	1,576,325	1,878,410
Intergovernmental	20,059,917	14,854,409	28,724,676	63,639,002
Charges for services	17,477,651	192,383	6,454,332	24,124,366
Fines and forfeitures	87,072	-	503,954	591,026
Investment earnings	339,885	-	296,969	636,854
Contributions and reimbursements	12,830,449	272,689	8,411,025	21,514,163
Other	2,114,680	79,027	8,188,205	10,381,912
Total revenue	138,054,503	15,398,508	82,499,256	235,952,267
Expenditures				
Current:				
General government	35,922,987	-	2,266,235	38,189,222
Public safety	57,085,692	-	9,049,113	66,134,805
Health and welfare	8,488,875	30,849,043	31,924,639	71,262,557
Cultural and recreation	7,591,658	-	1,569	7,593,227
Judicial	19,709,628	-	11,723,589	31,433,217
Community and economic development	85,000	-	13,486,048	13,571,048
Debt service:				
Principal	-	-	4,989,990	4,989,990
Interest and fiscal charges	-	-	6,323,222	6,323,222
Capital outlay	-	-	12,735,600	12,735,600
Total expenditures	128,883,840	30,849,043	92,500,005	252,232,888
Revenue over (under) expenditures	9,170,663	(15,450,535)	(10,000,749)	(16,280,621)
Other financing sources (uses)				
Issuance of long-term debt	-	-	243,620	243,620
Transfers in	20,456,819	15,450,535	17,253,350	53,160,704
Transfers out	(29,739,744)	-	(18,768,795)	(48,508,539)
Proceeds from sale of capital assets	166,202	-	103,199	269,401
Total other financing sources (uses)	(9,116,723)	15,450,535	(1,168,626)	5,165,186
Net change in fund balances	53,940	-	(11,169,375)	(11,115,435)
Fund balances, beginning of year, as restated	68,599,610	100,030	42,368,894	111,068,534
Fund balances, end of year	\$ 68,653,550	\$ 100,030	\$ 31,199,519	\$ 99,953,099

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

COUNTY OF KENT, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Assets of Governmental Activities
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds \$ (11,115,435)

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

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

Capital assets purchased/constructed	15,445,401
Donated capital assets	345,858
Depreciation expense	(6,789,523)
Proceeds on the sale of capital assets	(269,401)
Loss on the sale of capital assets	66,653

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Net change in deferred property taxes receivable	(174,498)
Net change in deferred loans receivable	(36,636)

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

Issuance of long-term debt	(243,620)
Principal payments on long-term liabilities	4,989,990

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 governmental funds.

Change in accrued interest payable on long-term debt	13,189
Amortization of bond premiums/discounts	319,561
Amortization of deferred issuance costs	(33,493)
Amortization of deferred loss on refunding	(77,288)
Change in the accrual for compensated absences and early retirement incentive	715,600
Change in landfill remediation liability	379,205

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

Net operating income (loss) of the internal service funds	3,178,300
Operating income (loss) of the internal service funds allocated to business-type activities	(457,442)
Interest income from internal service funds	70,847

Change in net assets of governmental activities \$ 6,327,268

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

COUNTY OF KENT, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2011

(With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ 85,924,850	85,924,850	\$ 84,842,764	\$ (1,082,086)	\$ 84,499,583
Licenses and permits	110,800	110,800	302,085	191,285	102,132
Intergovernmental	16,675,748	16,690,748	20,059,917	3,369,169	9,033,732
Charges for services	18,388,919	18,388,919	17,477,651	(911,268)	17,142,184
Fines and forfeitures	166,500	166,500	87,072	(79,428)	108,154
Investment earnings	887,500	887,500	339,885	(547,615)	62,904
Contributions and reimbursements	14,111,281	14,115,281	12,830,449	(1,284,832)	12,758,537
Other	4,438,858	4,460,784	2,114,680	(2,346,104)	3,024,234
Total revenue	140,704,456	140,745,382	138,054,503	(2,690,879)	126,731,460
Expenditures					
Current:					
General government	37,979,872	37,969,836	35,922,987	(2,046,849)	35,483,051
Public safety	61,035,790	60,927,575	57,085,692	(3,841,883)	59,632,271
Health and welfare	8,244,719	8,491,569	8,488,875	(2,694)	8,117,084
Culture and recreation	7,917,619	7,930,108	7,591,658	(338,450)	7,504,675
Judicial	20,962,538	20,962,538	19,709,628	(1,252,910)	20,115,303
Community and economic development	85,000	85,000	85,000	-	150,000
Total expenditures	136,225,538	136,366,626	128,883,840	(7,482,786)	131,002,384
Revenue over (under) expenditures	4,478,918	4,378,756	9,170,663	4,791,907	(4,270,924)
Other financing sources (uses)					
Transfers in	24,250,000	24,250,000	20,456,819	(3,793,181)	30,605,290
Transfers out	(33,967,404)	(33,987,054)	(29,739,744)	4,247,310	(26,389,961)
Proceeds from sale of capital assets	225,000	225,000	166,202	(58,798)	154,491
Total other financing sources (uses)	(9,492,404)	(9,512,054)	(9,116,723)	395,331	4,369,820
Net change in fund balance	(5,013,486)	(5,133,298)	53,940	5,187,238	98,896
Fund balance, beginning of year, as restated	68,599,610	68,599,610	68,599,610	-	68,500,714
Fund balance, end of year	\$ 63,586,124	63,466,312	\$ 68,653,550	\$ 5,187,238	\$ 68,599,610

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

COUNTY OF KENT, MICHIGAN

Statement of Revenue, Expenditures and Changes in Fund Balances
 Budget and Actual - Child Care Special Revenue Fund
 For the Year Ended September 30, 2011
 (With Comparative Totals for the Year Ended September 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Intergovernmental	\$ 16,608,073	\$ 16,608,073	\$ 14,854,409	\$ (1,753,664)	\$ 14,307,939
Charges for services	210,000	210,000	192,383	(17,617)	201,875
Contributions and reimbursements	465,000	465,000	272,689	(192,311)	534,573
Other	77,000	77,000	79,027	2,027	70,000
Total revenue	17,360,073	17,360,073	15,398,508	(1,961,565)	15,114,387
Expenditures					
Current:					
Health and welfare	35,039,605	35,039,605	30,849,043	(4,190,562)	30,240,687
Revenue over (under) expenditures	(17,679,532)	(17,679,532)	(15,450,535)	2,228,997	(15,126,300)
Other financing sources					
Transfers in	17,679,532	17,679,532	15,450,535	(2,228,997)	15,038,705
Net change in fund balance	-	-	-	-	(87,595)
Fund balance, beginning of year	100,030	100,030	100,030	-	187,625
Fund balance, end of year	\$ 100,030	\$ 100,030	\$ 100,030	\$ -	\$ 100,030

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

COUNTY OF KENT, MICHIGAN

Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-type Activities - Enterprise Funds				Governmental
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
Assets					
Current assets:					
Cash, investments, and accrued interest	\$ 22,210,341	\$ 47,013,732	\$ 35,006,463	\$ 104,230,536	\$ 13,151,474
Accounts receivable, net	1,566,678	4,689,785	(100)	6,256,363	489,945
Taxes receivable	-	-	20,279,272	20,279,272	-
Contracts receivable	-	550,000	-	550,000	-
Due from other governments	-	-	1,929,487	1,929,487	-
Due from other funds	-	-	288,789	288,789	272,589
Inventories	148,917	-	-	148,917	-
Prepays	160,212	52,448	-	212,660	-
Restricted cash, investments, and accrued interest	14,077,430	437,000	-	14,514,430	-
Restricted accounts receivable, net	604,698	-	-	604,698	-
Total current assets	<u>38,768,276</u>	<u>52,742,965</u>	<u>57,503,911</u>	<u>149,015,152</u>	<u>13,914,008</u>
Noncurrent assets:					
Restricted cash, investments and accrued interest	3,549,373	8,292,091	-	11,841,464	-
Contracts receivable	-	1,820,000	-	1,820,000	-
Capital assets not being depreciated	22,825,924	4,152,873	-	26,978,797	-
Capital assets being depreciated, net	312,908,488	54,212,755	-	367,121,243	-
Deferred bond issuance costs, net	1,553,213	129,362	-	1,682,575	-
Total noncurrent assets	<u>340,836,998</u>	<u>68,607,081</u>	<u>-</u>	<u>409,444,079</u>	<u>-</u>
Total assets	<u>379,605,274</u>	<u>121,350,046</u>	<u>57,503,911</u>	<u>558,459,231</u>	<u>13,914,008</u>
Liabilities					
Current liabilities:					
Accounts payable	989,593	2,245,782	464,306	3,699,681	500,601
Accrued liabilities	808,918	439,968	-	1,248,886	2,848,428
Due to other funds	77,664	5,770	-	83,434	258
Due to other governments	-	5,112	(1,751)	3,361	-
Accrued interest	-	76,820	176,972	253,792	-
Unearned revenue	95,821	-	-	95,821	-
Payable from restricted assets:					
Accrued interest	3,757,042	-	-	3,757,042	-
Current portion of long-term debt	-	437,000	-	437,000	-
Current portion of long-term debt	4,787,899	1,007,069	32,731,295	38,526,263	-
Total current liabilities	<u>10,516,937</u>	<u>4,217,521</u>	<u>33,370,822</u>	<u>48,105,280</u>	<u>3,349,287</u>
Noncurrent liabilities, net of current portion:					
Bonds payable	184,247,753	31,363,539	8,063,972	223,675,264	-
Total liabilities	<u>194,764,690</u>	<u>35,581,060</u>	<u>41,434,794</u>	<u>271,780,544</u>	<u>3,349,287</u>
Net assets					
Invested in capital assets, net of related debt	146,698,760	47,139,561	-	193,838,321	-
Restricted for:					
Debt service	11,790,029	8,729,091	-	20,519,120	-
Capital improvements	2,684,430	-	-	2,684,430	-
Property tax foreclosures	-	-	3,057,141	3,057,141	-
Unrestricted	23,667,365	29,900,334	13,011,976	66,579,675	10,564,721
Total net assets	<u>\$ 184,840,584</u>	<u>\$ 85,768,986</u>	<u>\$ 16,069,117</u>	<u>\$ 286,678,687</u>	<u>\$ 10,564,721</u>

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

COUNTY OF KENT, MICHIGAN

Reconciliation

Net Assets of Enterprise Funds
to Net Assets of Business-type Activities
December 31, 2011

Net assets - total enterprise funds \$ 286,678,687

Amounts reported for *business-type activities* in the statement of net assets are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. A portion of the net assets of the internal service funds is allocated to the enterprise funds and reported in the statement of net assets.

Net assets of business-type activities accounted for in governmental-type internal service funds

1,056,406

Net assets of business-type activities

\$ 287,735,093

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

COUNTY OF KENT, MICHIGAN

Statement of Revenue, Expenses and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds				Governmental
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
Operating revenue					
Charges for services	\$ 31,629,680	\$ 33,334,823	\$ 719,684	\$ 65,684,187	\$ 21,964,991
Interest and penalties	-	-	2,972,340	2,972,340	-
Collection fees	-	-	1,229,113	1,229,113	-
Auction proceeds, net	-	-	(258,270)	(258,270)	-
Other	-	799,599	-	799,599	-
Total operating revenue	31,629,680	34,134,422	4,662,867	70,426,969	21,964,991
Operating expenses					
Salaries and fringes	8,262,509	4,750,597	-	13,013,106	167,167
Materials and supplies	750,259	1,795,122	-	2,545,381	-
Administrative and general	-	2,547,554	-	2,547,554	-
Contractual services	8,656,297	14,308,879	404,484	23,369,660	79,363
Landfill maintenance	-	3,637,650	-	3,637,650	-
Benefit payments and refunds	-	-	-	-	17,547,453
Depreciation	16,274,703	4,203,986	-	20,478,689	-
Other	8,378	54,546	285,093	348,017	992,708
Total operating expenses	33,952,146	31,298,334	689,577	65,940,057	18,786,691
Operating income (loss)	(2,322,466)	2,836,088	3,973,290	4,486,912	3,178,300
Nonoperating revenue (expenses)					
Passenger facility charges	4,635,636	-	-	4,635,636	-
Customer facility charges	1,543,299	-	-	1,543,299	-
Investment earnings	154,245	329,578	150,538	634,361	70,847
Interest expense	(8,252,159)	(570,486)	(432,000)	(9,254,645)	-
Gain (loss) on sale of capital assets	49,731	(93,298)	-	(43,567)	-
Total nonoperating revenue (expenses)	(1,869,248)	(334,206)	(281,462)	(2,484,916)	70,847
Income (loss) before capital contributions and transfers	(4,191,714)	2,501,882	3,691,828	2,001,996	3,249,147
Capital contributions	1,439,789	-	-	1,439,789	-
Transfers out	-	-	(5,000,000)	(5,000,000)	-
Change in net assets	(2,751,925)	2,501,882	(1,308,172)	(1,558,215)	3,249,147
Net assets, beginning of year, as restated	187,592,509	83,267,104	17,377,289	288,236,902	7,315,574
Net assets, end of year	\$ 184,840,584	\$ 85,768,986	\$ 16,069,117	\$ 286,678,687	\$ 10,564,721

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

COUNTY OF KENT, MICHIGAN

Reconciliation

Change in Net Assets of Enterprise Funds
to Change in Net Assets of Business-type Activities
For the Year Ended December 31, 2011

Change in net assets - total enterprise funds \$ (1,558,215)

Amounts reported for *business-type activities* in the statement of activities
are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. A portion of the operating income (loss) of the internal service funds is allocated to the enterprise funds and reported in the statement of activities.

Net operating income (loss) from business-type activities accounted for in
governmental-type internal service funds

457,442

Change in net assets of business-type activities

\$ (1,100,773)

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

COUNTY OF KENT, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 32,652,396	\$ 35,695,840	\$ 40,926,441	\$ 109,274,677	\$ 21,622,018
Payments to vendors	(10,654,070)	(21,270,282)	(598,400)	(32,522,752)	(108,890)
Payments for personnel services	(8,301,880)	(4,824,890)	-	(13,126,770)	(167,198)
Benefit payments	-	-	-	-	(17,788,943)
Other payments	(395,726)	-	-	(395,726)	(1,421,148)
Delinquent taxes purchased	-	-	(32,078,716)	(32,078,716)	-
Net cash provided by operating activities	13,300,720	9,600,668	8,249,325	31,150,713	2,135,839
Cash flows from noncapital financing activities					
Proceeds from issuance of long-term debt	-	-	32,000,000	32,000,000	-
Premium on issuance of long-term debt	-	-	367,840	367,840	-
Principal paid on long-term debt	-	-	(36,000,000)	(36,000,000)	-
Interest paid on long-term debt	-	-	(697,163)	(697,163)	-
Intergovernmental payments	-	-	(5,288,789)	(5,288,789)	-
Net cash used in noncapital financing activities	-	-	(9,618,112)	(9,618,112)	-
Cash flows from capital and related financing activities					
Passenger facility charges collected	4,689,138	-	-	4,689,138	-
Customer facility charges collected	1,543,912	-	-	1,543,912	-
Capital contributions received	1,153,839	-	-	1,153,839	-
Proceeds from sale of capital assets	30,019	59,738	-	89,757	-
Purchase of capital assets	(7,416,056)	(1,241,073)	-	(8,657,129)	-
Principal paid on capital debt	(4,180,000)	(970,000)	-	(5,150,000)	-
Interest and agent fees paid on capital debt	(9,059,081)	(571,456)	-	(9,630,537)	-
Proceeds from issuance of long-term debt	38,675,000	-	-	38,675,000	-
Premium on issuance of long-term debt	2,373,714	-	-	2,373,714	-
Cash transferred to escrow for defeased bonds	(41,554,821)	-	-	(41,554,821)	-
Cash paid for issuance costs	(378,565)	-	-	(378,565)	-
Net cash used in capital and related financing activities	(14,122,901)	(2,722,791)	-	(16,845,692)	-
Cash flows from investing activities					
Interest received on investments	205,323	329,578	150,538	685,439	70,847
Net increase (decrease) in cash and cash equivalents	(616,858)	7,207,455	(1,218,249)	5,372,348	2,206,686
Cash and cash equivalents, beginning of year	40,454,002	48,535,368	36,224,712	125,214,082	10,944,788
Cash and cash equivalents, end of year	\$ 39,837,144	\$ 55,742,823	\$ 35,006,463	\$ 130,586,430	\$ 13,151,474
Classification on the statement of net assets					
Cash, investments, and accrued interest	\$ 22,210,341	\$ 47,013,732	\$ 35,006,463	\$ 104,230,536	\$ 13,151,474
Current restricted cash, investments, and accrued interest	14,077,430	437,000	-	14,514,430	-
Noncurrent restricted cash, investments, and accrued interest	3,549,373	8,292,091	-	11,841,464	-
	\$ 39,837,144	\$ 55,742,823	\$ 35,006,463	\$ 130,586,430	\$ 13,151,474

continued...

COUNTY OF KENT, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
Cash flows from operating activities					
Operating income (loss)	\$ (2,322,466)	\$ 2,836,088	\$ 3,973,290	\$ 4,486,912	\$ 3,178,300
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	16,274,703	4,203,986	-	20,478,689	-
Bad debt expense	8,378	-	-	8,378	-
Change in:					
Accounts receivable	10,443	877,950	150	888,543	(70,673)
Taxes receivable	-	-	2,395,636	2,395,636	-
Contracts receivable	-	530,000	-	530,000	-
Due from other governments	-	-	1,789,072	1,789,072	-
Due from other funds	-	-	-	-	(272,589)
Inventories	(6,664)	-	-	(6,664)	-
Prepays	(109,445)	1,711	-	(107,734)	-
Accounts payable	(398,403)	500,080	78,707	180,384	(29,527)
Accrued liabilities	(67,626)	(74,293)	-	(141,919)	(669,930)
Due to other funds	-	5,770	-	5,770	258
Due to other governments	-	-	(1,751)	(1,751)	-
Accrued interest	-	-	14,221	14,221	-
Unearned revenue	(88,200)	-	-	(88,200)	-
Kentwood landfill liability	-	8,376	-	8,376	-
Closure and post-closure care	-	711,000	-	711,000	-
Net cash provided by operating activities	<u>\$ 13,300,720</u>	<u>\$ 9,600,668</u>	<u>\$ 8,249,325</u>	<u>\$ 31,150,713</u>	<u>\$ 2,135,839</u>

concluded

Non-cash transactions

The Aeronautics Department received non-cash capital contributions of \$285,950 for the year ended December 31, 2011.

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

COUNTY OF KENT, MICHIGAN

Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Private-purpose Trust Fund	Agency Funds
Assets				
Cash and cash equivalents	\$ 100,824	\$ -	\$ -	\$ -
Pooled cash, investments, and accrued interest	-	60,938,736	6,580	8,981,703
Receivables	1,197,262	-	-	1,180
Due from brokers	476,475	-	-	-
Investments, at fair value:				
U.S. government obligations	40,407,111	-	-	-
U.S. government agency obligations	40,629,030	-	-	-
Municipal obligations	352,385	-	-	-
Corporate obligations	40,737,591	-	-	-
Common stock	293,358,827	-	-	-
Foreign obligations	5,835,152	-	-	-
Foreign common stock	2,982,565	-	-	-
Money market funds	18,624,685	-	-	-
Domestic equity mutual funds	9,498,901	-	-	-
International equity mutual funds	50,854,550	-	-	-
Domestic fixed income mutual funds	19,230,303	-	-	-
International fixed income mutual funds	19,142,035	-	-	-
Real estate securities	48,694,661	-	-	-
Mortgage-backed securities fund	23,336,517	-	-	-
Total investments, at fair value	613,684,313	-	-	-
Total assets	615,458,874	60,938,736	6,580	\$ 8,982,883
Liabilities				
Accounts payable	209,608	-	-	\$ 8,378,135
Due to brokers	445,637	-	-	-
Due to other governments	-	-	-	86,673
Liability under securities lending transactions	14,268,165	-	-	-
Undistributed collections	-	-	-	518,075
Total liabilities	14,923,410	-	-	\$ 8,982,883
Net assets				
Held in trust for:				
Employees' pension benefits	590,004,027	-	-	
Other postemployment benefits	10,531,437	-	-	
Investment pool participants	-	60,938,736	-	
Individuals and organizations	-	-	6,580	
Total net assets	\$ 600,535,464	\$ 60,938,736	\$ 6,580	

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

COUNTY OF KENT, MICHIGAN

Statement of Changes in Fiduciary Net Assets Fiduciary Funds For the Year Ended December 31, 2011

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Private-purpose Trust Fund
Additions			
Contributions:			
Employer	\$ 10,494,701	\$ -	\$ -
Plan members	7,056,456	-	-
Purchases by participants	-	22,706,949	-
Total contributions	17,551,157	22,706,949	-
Investment income:			
Net increase in fair value of investment of securities	703,579	-	-
Interest	6,461,811	379,820	38
Securities lending	27,159	-	-
Net increase in fair value of collateral under securities lending transactions	11,498	-	-
Dividends	8,532,166	-	-
Other income	45,739	-	-
Total investment income	15,781,952	379,820	38
Investment expense	(2,240,696)	-	-
Net investment income	13,541,256	379,820	38
Total additions	31,092,413	23,086,769	38
Deductions			
Benefit payments	27,101,395	-	-
Administrative expenses	1,424,027	-	-
Refunds of contributions	613,564	-	-
Redemption by participants	-	19,007,399	-
Total deductions	29,138,986	19,007,399	-
Change in net assets	1,953,427	4,079,370	38
Net assets, beginning of year	598,582,037	56,859,366	6,542
Net assets, end of year	\$ 600,535,464	\$ 60,938,736	\$ 6,580

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

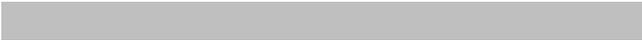
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COUNTY OF KENT, MICHIGAN

Combining Statement of Net Assets Discretely Presented Component Units December 31, 2011

	Road Commission	CMH Authority	Drainage Districts
Assets			
Cash, investments, and accrued interest	\$ 14,333,590	\$ 22,937,305	\$ 3,197,712
Receivables, net	7,292,814	2,326,755	7,999,196
Due from primary government	-	514,459	-
Other assets	2,750,927	165,600	189,728
Capital assets not being depreciated	2,486,055	-	1,106,737
Capital assets being depreciated, net	246,759,741	5,639,824	8,976,549
Total assets	273,623,127	31,583,943	21,469,922
Liabilities			
Accounts payable and accrued liabilities	3,712,575	15,763,539	111,558
Due to primary government	-	-	460,961
Unearned revenue	-	2,894,304	-
Advances from primary government	-	283,256	442,444
Long-term liabilities:			
Due within one year	1,155,198	-	1,296,992
Due in more than one year	1,934,270	-	6,361,432
Total liabilities	6,802,043	18,941,099	8,673,387
Net assets			
Invested in capital assets, net of related debt	249,245,796	5,639,824	2,424,862
Restricted for capital improvements	10,326,313	-	-
Unrestricted	7,248,975	7,003,020	10,371,673
Total net assets	\$ 266,821,084	\$ 12,642,844	\$ 12,796,535

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



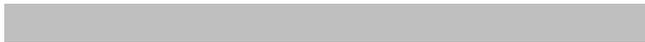
Housing Commission	Land Bank Authority	Total
\$ 622,275	\$ 140,902	\$ 41,231,784
-	-	17,618,765
-	-	514,459
566	26,115	3,132,936
-	-	3,592,792
-	-	261,376,114
<u>622,841</u>	<u>167,017</u>	<u>327,466,850</u>
15,389	3,679	19,606,740
566	-	461,527
-	-	2,894,304
-	-	725,700
-	-	2,452,190
-	-	8,295,702
<u>15,955</u>	<u>3,679</u>	<u>34,436,163</u>
-	-	257,310,482
-	-	10,326,313
<u>606,886</u>	<u>163,338</u>	<u>25,393,892</u>
<u>\$ 606,886</u>	<u>\$ 163,338</u>	<u>\$ 293,030,687</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2011

	Road Commission	CMH Authority	Drainage Districts
Expenses			
Road Commission	\$ 51,924,313	\$ -	\$ -
CMH Authority	-	137,418,393	-
Drainage Districts	-	-	2,238,078
Housing Commission	-	-	-
Land Bank Authority	-	-	-
Total expenses	<u>51,924,313</u>	<u>137,418,393</u>	<u>2,238,078</u>
Program revenues			
Charges for services	3,943,912	-	-
Operating grants and contributions	41,208,399	137,040,639	710,201
Capital grants and contributions	508,836	-	228,935
Total program revenues	<u>45,661,147</u>	<u>137,040,639</u>	<u>939,136</u>
Net revenue (expense)	<u>(6,263,166)</u>	<u>(377,754)</u>	<u>(1,298,942)</u>
General revenues			
Unrestricted investment earnings	157,576	242,344	-
Gain on sale of capital assets	18,738	-	-
Other revenue	167,554	-	-
Total general revenues	<u>343,868</u>	<u>242,344</u>	<u>-</u>
Change in net assets	(5,919,298)	(135,410)	(1,298,942)
Net assets, beginning of year, as restated	<u>272,740,382</u>	<u>12,778,254</u>	<u>14,095,477</u>
Net assets, end of year	<u>\$ 266,821,084</u>	<u>\$ 12,642,844</u>	<u>\$ 12,796,535</u>

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



Housing Commission	Land Bank Authority	Total
\$ -	\$ -	\$ 51,924,313
-	-	137,418,393
-	-	2,238,078
4,874,672	-	4,874,672
-	58,584	58,584
<u>4,874,672</u>	<u>58,584</u>	<u>196,514,040</u>
-	136,907	4,080,819
4,764,306	85,000	183,808,545
-	-	737,771
<u>4,764,306</u>	<u>221,907</u>	<u>188,627,135</u>
<u>(110,366)</u>	<u>163,323</u>	<u>(7,886,905)</u>
3,728	15	403,663
-	-	18,738
-	-	167,554
<u>3,728</u>	<u>15</u>	<u>589,955</u>
(106,638)	163,338	(7,296,950)
<u>713,524</u>	<u>-</u>	<u>300,327,637</u>
<u>\$ 606,886</u>	<u>\$ 163,338</u>	<u>\$ 293,030,687</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *County of Kent, Michigan* (the “County” or the “government”) was organized as a county by the territorial legislature on March 24, 1836. A 19-member Board of Commissioners governs the County. The County provides the following services: public safety, highways and streets, sanitation, health and social services, judicial, cultural and recreation, public improvements and general governmental administration.

The financial statements of the County have been prepared in conformity with 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

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and as such, 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 combined financial statements to emphasize that they are legally separate from the government.

The Friend of the Court, Health, Child Care, Veterans’ Trust, and Special Projects-Fiscal Year-End Special Revenue Funds as well as the Kent County Road Commission and Kent County CMH Authority discretely presented component units are maintained and included in the accompanying financial statements on a September 30 fiscal year basis. The Community Development and Shelter Plus Care Special Revenue Funds are maintained and included on a June 30 fiscal year basis. The Housing Commission discretely presented component unit has historically been reported on a June 30 fiscal year basis, but is now being accounted for on a December 31 year-end. As such, the financial activity for the Housing Commission as presented in the accompanying financial statements is for the 18-month period from July 1, 2010 to December 31, 2011.

Blended Component Units

Kent County Building Authority - The Kent County Building Authority is governed by a board which is appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County’s public buildings. It is reported in the Debt Service and Capital Projects Funds and has a December 31 year-end. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Kent County Road Commission (the “Road Commission”) - The Road Commission is responsible for the maintenance and construction of the County road system. The County appoints the members of the Road Commission and is a direct beneficiary of the services provided. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. The component unit is audited individually and complete financial statements can be obtained from the Road Commission’s administrative office.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Kent County Community Mental Health Authority (Network180, the "CMH") - The CMH Authority, which operates as Network180, was created to operate, control and manage an integrated behavioral healthcare system to serve Kent County. The County is a direct beneficiary of the services provided. The County appoints the members of the CMH Authority's Board and provides financial support. Consequently, the County exercises effective control through its power of appointment. The component unit is audited individually and complete financial statements can be obtained from the CMH's administrative office.

Drainage Districts - The Drainage Districts consist of over 500 individual districts created for alleviating drainage problems and is under the control over the County Drain Commissioner. Each drainage district accounts for the construction, maintenance, and financing costs associated with its drain program. Each individual district is a separate legal entity with power to assess the benefiting communities, including the County and the State of Michigan for road drainage. The County is a direct beneficiary of the service provided and its employees run the day-to-day operations. In addition, the County often pledges its full faith and credit for the long-term debt of the drainage districts. Based on the recommendations of the Michigan Department of Treasury, the County has determined that it would be misleading to exclude this entity from the County reporting entity.

The financial activity of the Drainage Districts for the year ended December 31, 2011 is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from the Kent County Drain Commissioner.

Kent County Housing Commission ("Housing Commission") - The Housing Commission is a policy-making body that oversees the distribution of rental assistance to low-income residents of the County. The County is a direct beneficiary of the services provided and is financially responsible for its activities. Because members of the Commission are appointed by the Chairman of the Kent County Board of Commissioners, the County exercises effective control over its activities. In addition, County employees run the day-to-day operations. The Housing Commission does not issue separate financial statements.

Kent County Land Bank Authority ("Land Bank") - The Land Bank was incorporated pursuant to the Michigan Land Bank Fast Track Act (Public Act 258) and an intergovernmental agreement between the Land Bank and the County of Kent. The Land Bank was established on September 8, 2010 and began operations subsequent to January 1, 2011. The Land Bank is governed by a five-member board, the chair of which is the Kent County Treasurer; the other four members are appointed by the Kent County Board of Commissioners. Because members of the Land Bank are appointed by the Kent County Board of Commissioners, the County exercises effective control over its activities. The Land Bank does not issue separate financial statements.

Administrative Offices

Kent County Road Commission
1500 Scribner Avenue NW
Grand Rapids, MI 49504-3299

Kent County CMH Authority
728 Fuller Avenue NE
Grand Rapids, MI 49503

Kent County Drainage Districts
1500 Scribner Avenue NW
Grand Rapids, MI 49504-3299

Kent County Housing Commission
82 Ionia Ave. NW Ste. 390
Grand Rapids, MI 49503

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Kent County Land Bank Authority
82 Ionia Ave. NW Ste. 360
Grand Rapids, MI 49503

Other Related Entities

John Ball Zoo Society (the “Society”) - The John Ball Zoo Society is a 501(c)(3) not-for-profit organization that provides private support for the John Ball Zoo, which is owned by the County. The Society operates a membership program, manages food services and the gift shop, coordinates publicity and promotions, and conducts fund-raising operations. The County has determined that the operations of the Society are immaterial in relation to the County’s reporting entity as a whole, and as such, the Society is not reported as a component unit of the County.

Kent County Parks Foundation (the “Foundation”) - The Kent County Parks Foundation is a 501(c)(3) not-for-profit organization that was created for the purpose of acquiring real estate for public park and recreation purposes, and for the purposes of development, construction and maintenance of improvements on real estate for public park and recreation purposes. The Chair of the County Board of Commissioners (or designee) serves on the Foundation’s Board of Directors. The County has determined that the operations of the Foundation are immaterial in relation to the County’s reporting entity as a whole, and as such, the Foundation is not reported as a component unit of the County.

Joint Ventures

The County participates in the following activities, which are considered to be joint ventures in relation to the County due to the formation of an organization by contractual agreement between two or more participants that maintain joint control, financial interest, and fiscal responsibility.

City of Grand Rapids and County of Kent Joint City/County Building Authority - The County entered into an agreement with the City of Grand Rapids to acquire, construct, furnish, equip, operate and maintain buildings for any legitimate public purpose of the governmental units. This authority is not included in these financial statements because, upon retirement of the related financing, title to the facilities will be conveyed to the City of Grand Rapids or the Convention/Arena Authority.

The Joint Building Authority has completed projects which include construction of an exhibition hall, remodeling of the Civic Auditorium, site development of the City and County administrative buildings, construction, furnishings and equipment of a public museum and a convention center.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Complete financial statements of the City of Grand Rapids and County of Kent Joint City/County Building Authority are available from the City of Grand Rapids Administrative offices. Summary financial information is as follows:

Statement of Net Assets	June 30, 2011
Total assets	\$ 202,137,853
Total liabilities	<u>100,586,935</u>
Total net assets	<u>\$ 101,550,918</u>

Statement Revenue, Expenses and Change in Net Assets	Year Ended June 30, 2011
Operating revenue	\$ -
Operating expenses	<u>4,628,533</u>
Operating loss	(4,628,533)
Nonoperating revenue (expenses), net	<u>587,724</u>
Change in net assets	(4,040,809)
Net assets, beginning of year	<u>105,591,727</u>
Net assets, end of year	<u>\$ 101,550,918</u>

As of June 30, 2011, the Joint Building Authority had capital appreciation bonds payable outstanding in the amount of \$98,914,665, including accrued interest of \$28,525,761. These bonds are retired through lease payments made by the City and County and through payments from the County of Kent lodging excise tax. The bonds are secured by a limited full faith and credit pledge of the County. The interest rates on these bonds range from 3.75% to 5.59%, with final maturities due in 2032.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The annual principal and interest requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	\$ 4,915,000	\$ 1,270,912	\$ 6,185,912
2013	5,365,000	1,009,453	6,374,453
2014	5,850,000	727,566	6,577,566
2015	6,085,000	427,297	6,512,297
2016	3,513,371	3,370,554	6,883,925
2017-2021	16,769,109	21,286,229	38,055,338
2022-2026	14,472,446	29,103,454	43,575,900
2027-2031	11,284,220	38,575,780	49,860,000
2032	2,134,758	9,005,242	11,140,000
Total	\$ 70,388,904	\$ 104,776,487	\$ 175,165,391

Convention/Arena Authority - The County entered into an agreement with the City of Grand Rapids to establish an authority pursuant to the Convention Facility Authority Act. The Authority is a separate legal entity established for the purpose of acquiring, constructing and operating convention facilities. The operating agreement provides that any facility operating deficits will be covered first by the net income of other Authority facilities, second by an operating reserve fund, and third by certain lodging excise tax revenues. Any remaining deficit will be shared equally by the County and the City of Grand Rapids.

Complete financial statements of the City of Grand Rapids and County of Kent Joint Convention and Arena Authority are available from the City of Grand Rapids Administrative offices. Summary financial information is as follows:

Statement of Net Assets	June 30, 2011
Total assets	\$ 29,002,557
Total liabilities	<u>5,325,564</u>
Total net assets	<u>\$ 23,676,993</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Statement Revenue, Expenses and Change in Net Assets	Year Ended June 30, 2011
Operating revenue	\$ 10,347,658
Operating expenses	<u>11,440,080</u>
Operating loss	(1,092,422)
Nonoperating revenue (expenses), net	354,587
Transfer of constructed assets	<u>(1,102,407)</u>
Change in net assets	(1,840,242)
Net assets, beginning of year	<u>25,517,235</u>
Net assets, end of year	<u><u>\$ 23,676,993</u></u>

Government-Wide and Fund Financial Statements

The government wide financial statements (i.e., the statement of net assets 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. *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 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. *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.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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 revenues to be available if they are collected within 90 days of the end of the current fiscal period, except taxes and E-911 surcharge collections which must be collected within 60 days, health department revenue which must be collected within 120 days, and expenditure-driven grants which must be collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. 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 government.

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *Child Care Special Revenue Fund* accounts for the care of neglected, abused and delinquent juveniles. Revenues are provided through state reimbursements and General Fund appropriations.

The County reports the following major proprietary funds:

The *Aeronautics Department Fund* accounts for the operation and maintenance of the Gerald R. Ford International Airport. Financing is provided primarily by user charges.

The *Department of Public Works Fund* accounts for the construction and financing of solid waste disposal, sewage disposal and public water system improvements; operation and maintenance of solid waste disposal; and planning and implementation of County programs relative to solid waste reduction. Financing is provided primarily by user charges.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The *Delinquent Tax Revolving Fund* accounts for money advanced by the County to other local taxing units and various County funds to purchase delinquent taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties and interest.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *Permanent Fund* accounts for assets that are permanently restricted for the purchase and maintenance of animals and animal shelters at the John Ball Zoo. The principal must be maintained intact and invested.

Internal Service Funds account for the insurance activity of the County provided to other departments and funds on a cost reimbursement basis.

The *Pension and Other Postemployment Benefits Trust Funds* account for the activities of the Employees' Retirement Plan, a defined-benefit pension plan, and the Voluntary Employees' Beneficiary Association (VEBA) trust, which accumulate resources for retirement and other postemployment benefit payments to qualified employees.

The *Investment Trust Fund* accounts for funds held in trust by the County for local units of government.

The *Private-Purpose Trust Fund* accounts for money held in trust by the County for the perpetual care of certain cemetery lots owned by individuals. The cemeteries are owned and operated by the local townships. The principal must be maintained intact and invested.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The General Fund provides certain central services to other funds of the County which are presented as program expenses in the funds receiving services. The related General Fund revenue has been netted against program expense in the government-wide statement of activities.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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 enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net assets are assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities and equity

Deposits and investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition. Investments, exclusive of certificates of deposit, are stated at fair value. Certificates of deposit are carried at cost plus accrued interest, since the original maturity dates are less than one year or the certificates are non-participating (i.e., there is no available market for trade prior to maturity).

State statutes and County policy authorize the County to invest in:

Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

Bankers' acceptances of United States banks.

Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are deferred.

Loans receivable consists of Community Development Block Grant funds advanced to area residents for home improvements, which must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on the related property.

Restricted assets

Assets which are restricted for specified uses by bond debt requirements, grant provisions or other external requirements are classified as restricted assets. Liabilities payable from such restricted assets are separately classified.

Restricted assets in the Aeronautics Department relate to bond proceeds restricted for airport construction, passenger facility charges restricted for capital improvements, and customer facility charges restricted for rental car-related capital improvements.

The Department of Public Works’ restricted assets relate primarily to future maintenance of closed landfill sites, repair and maintenance of waste-to-energy operations, contract retainages for construction projects and debt retirement.

Other assets

Inventories recorded in the General Fund, Health Fund and the Aeronautics Department are accounted for utilizing the consumption method and are valued at lower of cost (first-in, first-out) or market. The Road Commission utilizes the consumption method, valuing inventory at average cost. Amounts recorded in the Land Bank Authority are for properties being held for rehabilitation and/or resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Capital assets

Capital assets, which include property, buildings and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets having a useful life in excess of three years and whose costs exceed \$10,000 (\$300,000 for Drain infrastructure). Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their market value as of the donation date.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset constructed.

Property, infrastructure, buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10-50
Infrastructure	8-40
Building and improvements	20-50
Waste-to-Energy facility	40
Machinery and equipment	3-25
Office equipment and furniture	3-10
Motor vehicles	3-20
Zoo animals	17

The amount presented as capital assets not being depreciated includes intangible assets consisting of land development rights acquired for the purpose of farmland and ranch preservation. These assets are deemed to have an indefinite useful life, and therefore are not being amortized.

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

Landfill costs are amortized as engineered sections of the landfill are utilized.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Road Commission - Discretely Presented Component Unit

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Road Commission as all land evidenced by a deed, buildings and building improvements with a minimum cost of \$5,000 and \$2,500, respectively, all infrastructure, all licensed and road maintenance equipment, computers and computer software costing more than \$1,000 and \$2,500, respectively, and all other equipment with a minimum cost of \$2,500. Such assets are recorded at historical cost or estimated historical cost of purchase or construction. Donated capital assets are valued at estimated fair market value at the date of donation.

Capital assets are depreciated using the sum-of-the-years digits method for road equipment and the straight-line method for all other capital assets and infrastructure over the following useful lives:

	Years
Buildings and storage bins	25-50
Equipment	3-8
Roads	8-20
Other infrastructure	20-40

Community Mental Health Authority - Discretely Presented Component Unit

Capital assets whose cost exceeds \$5,000 are capitalized and recorded at cost. Routine maintenance and repairs are charged to operations, as incurred. Upon sale or retirement, the related costs and accumulated depreciation are removed with the resulting gain or loss reflected in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Land improvements	5-20
Leasehold improvements	5-20
Equipment and furniture	3-10

Compensated absences

Eligible employees are permitted to accumulate earned but unused vacation pay benefits in varying amounts based on length of service and certain other established criteria. Vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Accrued vacation time is reported as a component of accrued liabilities in the Aeronautics Department and the Department of Public Works.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Long-term obligations

In the government wide financial statements and proprietary fund types in the fund financial statements, 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Fund equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Administrator/Controller or his/her designee. Unassigned fund balance is the residual classification for the General Fund.

The County Board of Commissioners has formally established a budget stabilization arrangement under which it commits General Fund fund balance in an amount equal to 10 percent of the subsequent year's adopted General Fund and subsidized governmental fund budgets to insulate County programs and current service levels from large (\$1 million or more) and unanticipated one time General Fund expenditure requirements, reductions in budgeted General Fund revenues due to a change in state or federal requirements, adverse litigation, catastrophic loss, or any similar swift unforeseen event. This commitment may be used if one of the several potential qualifying events occurs (as detailed in a Board of Commissioners resolution), the County Administrator/Controller estimates the qualifying event will cost \$1 million or more, and the Board of Commissioners, by majority vote of members present, affirms the qualifying event. As of December 31, 2011, the balance in the stabilization arrangement was \$23,054,680.

The County Board of Commissioners has adopted a minimum fund balance policy in which the total fund balance of the General Fund will be equal to at least 40 percent of the subsequent year's adopted General Fund budgeted expenditures and transfers out. If the General Fund balance falls below the minimum range, the County will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy. At December 31, 2011, total fund balance of the General Fund met the minimum percentage requirement.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Interfund transactions

During the course of normal operations, the County has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

Passenger facility charges and customer facility charges

Passenger facility charges are collected for capital projects and are being used to pay debt service on the Airport Revenue Refunding Bonds, Series 2009. In 2005, an increase to the passenger facility charges rate was approved which will be used for terminal improvements.

Customer facility charges are collected for rental car related capital projects. This charge, which amounts to \$3 per transaction day on rental car transactions, was approved by the Aeronautics Board on August 31, 2005. The revenue was used to develop new rental car service facilities and rental vehicle ready/return spaces in the parking structure.

Capital contributions

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration, with certain matching funds provided by the Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred. Grants for capital assets acquisition, facilities development and rehabilitation are reported in the statement of net assets - proprietary funds, after nonoperating revenues and expenses as capital contributions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Reclassifications

Certain prior year comparative amounts have been reclassified to conform to the current year's presentation. Except as described in Note 20, these reclassifications had no effect on the previously reported net assets or fund balances.

2. BUDGETARY INFORMATION

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General Fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually. Debt service funds are also included in the budgetary process; however, State statutes do not require legally adopted budgets for such funds. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The County Administrator submits to the Finance Committee a proposed operating budget for the fiscal year commencing the first day of the following fiscal year.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgets are adopted and are authorized by resolution at the department (activity) level within funds by the County Board of Commissioners. This is the local legal level of budgetary control. All unexpended and unobligated appropriations lapse at year-end.
7. Adoption and amendments of all budgets used by the County are governed by Public Act 621, which was followed during the year. The appropriations resolution is based on the projected expenditures budget of the department heads of the County. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the County Board of Commissioners. The County Administrator is authorized to transfer budgeted amounts within an activity, subject to the condition that the total expenditures do not exceed the approved appropriations by activity. Supplemental appropriations were necessary during the year.

P.A 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the department level basis for all governmental funds, which is the legal level of control. During the year ended December 31, 2011 the County had expenditures of \$587,739 in the drain department of the General Fund that was in excess by \$2,338 of the final amended budget balance of \$585,401.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

3. DEPOSITS AND INVESTMENTS

General County

Most cash, investments and accrued interest of the individual funds, except those of the retirement plans, are combined in the County's Pooled Cash and Investment System (Money Max), which is managed by the County Treasurer. The external portion of the Money Max investment pool is reported as an investment trust fund in the fiduciary funds. The internal portion is reported as "cash, investments, and accrued interest" in each fund.

Following is a reconciliation of deposit and investment balances as of December 31, 2011:

	Primary Government	Component Units	Totals
Statement of Net Assets			
Cash, investments, and accrued interest	\$ 222,042,834	\$ 41,231,784	\$ 263,274,618
Restricted cash, investments, and accrued interest	26,355,894	-	26,355,894
Statement of Fiduciary Net Assets			
Pension and VEBA trust funds:			
Cash and cash equivalents	100,824	-	100,824
Investments	613,684,313	-	613,684,313
Other fiduciary funds:			
Pooled cash, investments, and accrued interest	69,927,019	-	69,927,019
Total	\$ 932,110,884	\$ 41,231,784	\$ 973,342,668
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 107,446,013
Pooled certificates of deposit:			
Due within one year			136,036,685
Due within one to five years			12,238,345
Investments:			
Pooled investments, at fair value			70,988,382
Accrued income on pooled investments			716,634
Airport trustee accounts			15,547,071
Timing difference for funds and component units with different fiscal year-ends participating in pooled investments			16,665,240
Pension trust fund investments			603,117,976
VEBA trust fund investments			10,566,337
Cash on hand			19,985
Total			\$ 973,342,668

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. It is County policy to review and verify a bank's creditworthiness through a system of ratio analysis and from information provided by several third-party sources. In addition, the County's investment policy places concentration limits on the total amount deposited with a single financial institution. As of year-end, \$131,672,345 of the County's bank balance of \$153,633,935 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2011:

Pooled investments:	
Money market funds	\$ 12,925,180
Municipal bonds	892,740
U.S. government securities	<u>57,170,462</u>
Total pooled investments	<u>70,988,382</u>
Separately-held investments:	
Money market funds	<u>15,547,071</u>
Total	<u>\$ 86,535,453</u>

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 all investment transactions be conducted through a custodian that will act as the system's third party as evidenced by safekeeping receipts in the County's name. The investment policy requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (SAS 70 report). 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 December 31, 2011, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

Credit Risk. Statutes and various bond indentures authorized the County to invest in obligations of the U.S. Treasury, governmental agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers' acceptances of U.S. banks, U.S. government or federal agency obligation repurchase agreements, obligations of the State of Michigan or any of its political subdivisions rated as investment grade by not less than one standard rating service, and mutual funds composed of the types of investment vehicles named previously.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The Department of Public Works enterprise fund and the County debt service and capital projects funds are authorized to invest in the same types of investments described above, except that additional restrictions are placed on the classifications for commercial paper purchases and the type of financial institution from which investments may be purchased. The County's investment policy requires that commercial paper have a minimum quality rating of P1 from Moody's or A1 from Standard & Poor's at the time of purchase. Mutual fund investments must have a par share value intended to maintain a net asset value of at least \$1.00 per share. Credit risk ratings, where applicable, are summarized as follows:

	Pooled Investments	Separately-held	Totals
S&P AAA/AAAm	\$ 13,817,919	\$ 15,547,071	\$ 29,364,990
S&P AA	57,170,463	-	57,170,463
Total	\$ 70,988,382	\$ 15,547,071	\$ 86,535,453

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. To limit its exposure to fair value losses from rising interest rates, the County's investment policy requires that the investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. This is accomplished by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio as required by the County's policy.

Maturity dates for investments held at year-end are summarized as follows:

	No maturity	Due < 1 year	Due in 1-5 years	Totals
Pooled investments:				
Money market funds	\$ 12,925,180	\$ -	\$ -	\$ 12,925,180
Municipal bonds	-	-	892,740	892,740
U.S. government securities	-	23,258,438	33,912,024	57,170,462
Total pooled investments	12,925,180	23,258,438	34,804,764	70,988,382
Separately-held investments				
Money market funds	15,547,071	-	-	15,547,071
Total	\$ 28,472,251	\$ 23,258,438	\$ 34,804,764	\$ 86,535,453

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The money market funds are comprised of short-term securities (maturity generally less than 90 days).

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy provides that, with the exception of U.S. Treasuries and authorized pools, no more than 25% of the portfolio shall be invested in a single security type or with a single financial institution.

At December 31, 2011, the County had no investment in a single issuer that exceeded 5% of total investments.

Pension and Other Postemployment Benefits Trust Funds

The deposits and investments of the County's pension and other postemployment benefit trust funds are maintained separately from the County's pooled cash and investments, and are subject to separate investment policies and State statutes. Accordingly, the required disclosures for the pension and other postemployment benefits trust deposits and investments are presented separately.

Deposits. The pension and other postemployment benefits trust funds do not maintain any checking or other demand/time deposit accounts. Amounts reported as cash and cash equivalents in the statement of plan net assets are composed entirely of short-term investments in money market accounts.

Investments. The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension and other postemployment benefits trust funds to invest in stocks, governmental and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The retirement boards have the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the pension trust funds' assets. All investment decisions are subject to Michigan law and the respective investment policies established by the retirement boards.

The investments of each pension and other postemployment benefits trust fund are held in a bank administered trust fund.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Following is a summary of pension and other postemployment benefits trust investments as of December 31, 2011:

	Pension Trust			VEBA Trust	Total
	Not on Securities Loan	On Securities Loan	Total		
Investments at fair value					
U.S. government obligations	\$ 29,835,258	\$ 10,571,853	\$ 40,407,111	\$ -	\$ 40,407,111
U.S. government agency obligations	40,629,030	-	40,629,030	-	40,629,030
Municipal obligations	352,385	-	352,385	-	352,385
Corporate obligations	38,145,784	2,591,807	40,737,591	-	40,737,591
Common stock	293,358,827	-	293,358,827	-	293,358,827
Foreign obligations	5,006,345	828,807	5,835,152	-	5,835,152
Foreign common stock	2,982,565	-	2,982,565	-	2,982,565
Money market funds	18,624,685	-	18,624,685	-	18,624,685
Domestic equity mutual funds	-	-	-	9,498,901	9,498,901
International equity mutual funds	49,787,114	-	49,787,114	1,067,436	50,854,550
Domestic fixed income mutual funds	19,230,303	-	19,230,303	-	19,230,303
International fixed income mutual funds	19,142,035	-	19,142,035	-	19,142,035
Real estate and infrastructure securities	48,694,661	-	48,694,661	-	48,694,661
Mortgage-backed securities fund	23,336,517	-	23,336,517	-	23,336,517
Total investments	\$ 589,125,509	\$ 13,992,467	\$ 603,117,976	\$ 10,566,337	\$ 613,684,313

Credit Risk. The Plans' investment policies require that bonds have a minimum quality rating of BBB/Baa at the time of purchase. The overall portfolio is expected to maintain an average credit quality of AA or higher. Money market instruments shall have a minimum quality rating comparable to an A bond rating and commercial paper shall not be rated less than A1/P1 unless held in a diversified short-term commingled fund.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

As of December 31, 2011, the Plans' investments had the following credit risk ratings:

	Pension Trust			VEBA Trust	Total
	Not on Securities Loan	On Securities Loan	Total		
AAA	\$ 50,733,453	\$ -	\$ 50,733,453	\$ -	\$ 50,733,453
AA	5,092,118	1,347,651	6,439,769	-	6,439,769
A	16,021,790	1,289,326	17,311,116	-	17,311,116
BBB	10,149,810	783,637	10,933,447	-	10,933,447
BB	147,498	-	147,498	-	147,498
D	96,094	-	96,094	-	96,094
Unrated	43,853,983	-	43,853,983	-	43,853,983
Not subject to credit risk	463,030,763	10,571,853	473,602,616	10,566,337	484,168,953
Total	\$ 589,125,509	\$ 13,992,467	\$ 603,117,976	\$ 10,566,337	\$ 613,684,313

Custodial Credit Risk. For investments, 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 pension investment policies require that investment securities be held in trust by a third-party institution in the name of the pension trust fund. As such, although uninsured and unregistered, the County's pension investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the name of the pension trust fund. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

The amounts reported as cash and money market funds in the statement of plan net assets are insured by the Federal Depository Insurance Corporation and the Securities Investors Protection Act, respectively, for up to \$250,000 and \$500,000 per financial institution, respectively. The carrying amount of the pension trust account cash and market money accounts as of December 31, 2011 was \$9,255 and \$18,633,940, respectively, of which the insured amount was \$3,509,893. The remaining balance of \$15,124,047 is uninsured and uncollateralized. The bank balance of deposits held by the VEBA trust as of December 31, 2011 was \$91,569, which was fully insured through FDIC coverage.

Concentration of Credit Risk. The Plans' investments are not exposed to concentration of credit risk relative to a single issuer (i.e., company or government agency) inasmuch as no holdings equal or exceed 5% or more of total investments, respectively.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plans mitigate foreign currency risk by requiring the portfolio to be broadly diversified by number of holdings, by geographic location and across industry sectors. Country exposures are monitored through a quarterly performance report. The Plans' exposure to foreign currency risk is as follows:

Investment (currency in US dollar)	Pension Trust	VEBA Trust	Total
Foreign obligations	\$ 5,835,152	\$ -	\$ 5,835,152
Foreign common stock	2,982,565	-	2,982,565
International equity mutual funds	49,787,114	1,067,436	50,854,550
International fixed income mutual funds	19,142,035	-	19,142,035
Total	\$ 77,746,866	\$ 1,067,436	\$ 78,814,302

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Plans' policies provide for their fixed income portfolios to have an average duration of no more than 120 percent of the duration of the stated benchmark.

At December 31, 2011, maturities of the County's pension and VEBA investments were as follows:

	Not on Securities Loan	On Securities Loan	Total	VEBA Trust	Total
Less than 1 year	\$ 1,522,281	\$ 33,289	\$ 1,555,570	\$ -	\$ 1,555,570
1 - 5 years	32,519,563	6,437,018	38,956,581	-	38,956,581
6 - 10 years	34,202,436	4,940,923	39,143,359	-	39,143,359
More than 10 years	45,724,522	2,581,237	48,305,759	-	48,305,759
No maturity	475,156,707	-	475,156,707	10,566,337	485,723,044
Total	\$ 589,125,509	\$ 13,992,467	\$ 603,117,976	\$ 10,566,337	\$ 613,684,313

Securities Lending Risk - Pension Trust Fund. State statutes and a contract approved by the Plan's Board of Trustees permit the pension trust fund to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The lending agreement requires collateral of 102% of the aggregate market value of loaned securities for domestic securities lent. There are no restrictions on the amount of securities that can be loaned.

During the year ended December 31, 2011, the Plan loaned certain U.S. government and agency obligations and equities under securities lending agreements, and received cash as collateral. The cash was used to invest in various investment types, as noted in the summary of Plan investments above. Inasmuch as the Plan has the ability to use cash pledged as collateral by the borrower without borrower default, the investments purchased with such funds and a corresponding liability equal to the amount of original securities on loan have been recorded on the Statement of Net Assets. At year-end, the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. At December 31, 2011, the fair value of securities loaned by the Plan to the broker was \$13,992,467, for which the Plan received cash collateral of \$14,268,165.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Cash and Investment Pool

The County maintains a cash and investment pool called the Money Max System that is available for use by all funds, component units and, on a voluntary basis, by other local units of government, except the Employees' Retirement Plans. The Money Max System is not subject to regulatory oversight, is not registered with the SEC and does not issue a separate report. The net assets value of the pool does not fluctuate and the fair value of the position in the pool is the same as the value of the pool shares. The Money Max System has not provided or obtained any legally binding guarantees during the period to support the value of the shares. Investments are valued monthly. The investment pool follows the County's investment policy.

The following condensed financial statements for the Money Max System include the activity of all funds, component units and local units of government in the investment pool:

Condensed Statement of Net Assets

Assets	
Demand deposits	\$ 104,460,302
Imprest cash	18,985
Certificates of deposit	148,275,030
Pooled investments	70,988,382
Accrued interest	<u>716,634</u>
Total assets	<u>\$ 324,459,333</u>
Net assets	
Available for external pool participants	\$ 60,938,736
Available for internal pool participants	<u>263,520,597</u>
Total net assets	<u>\$ 324,459,333</u>
Shares outstanding (unlimited shares authorized)	324,459,333
Net asset value, offering and redemption price per share	\$ 1

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Condensed Statement of Changes in Net Assets

Revenue	
Interest income	<u>\$ 1,525,834</u>
Shares transactions at net asset value of \$1 per share	
Purchase of units	706,108,284
Redemption of units	<u>(708,955,087)</u>
Net change in net assets and shares resulting from shares transactions	<u>(2,846,803)</u>
Change in net assets	(1,320,969)
Net assets, beginning of year	<u>325,780,302</u>
Net assets, end of year	<u><u>\$ 324,459,333</u></u>

Custodial Credit Risk. At December 31, 2011, the carrying amount of the Money Max System's deposits was \$252,735,332 and the bank balances totaled \$255,121,246. Of the bank balance, \$21,961,590 was insured and \$233,159,656 was uninsured and uncollateralized. In addition, the Money Max System maintained cash on hand of \$18,985. There was no custodial credit risk related to the investments.

Credit risk ratings for the Money Max System are included in the disclosures above.

Concentration of Credit Risk. Concentration of credit risk disclosures are included in the information above.

4. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 5,251,664	\$ 6,544,921	\$ 1,243,559
Less: allowance for uncollectibles	-	(288,558)	-
Taxes (current)	24,689,502	-	-
Taxes (delinquent)	634,323	20,279,272	-
Due from other governments	7,555,277	1,929,487	8,376,010
Loans	2,344,049	-	-
Contracts	-	2,370,000	-
Leases	-	-	7,999,196
Total receivables	<u><u>\$ 40,474,815</u></u>	<u><u>\$ 30,835,122</u></u>	<u><u>\$ 17,618,765</u></u>

Of the amounts reported for receivables above, contracts receivable in the amount of \$1,820,000 and leases receivable in the amount of \$6,620,000 are not expected to be collected within one year.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The amounts recorded as an allowance for uncollectible in business-type activities related to billings receivable from airlines in the Aeronautics Department.

Restricted accounts receivable of \$604,698 consist of earned but not yet received passenger and customer facility charges in the Aeronautics Department. As detailed in the Summary of Significant Accounting Policies, such amounts are restricted for use on capital improvements.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All governmental activities defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue reported in governmental activities were as follows:

	Unavailable	Unearned	Total
Governmental Funds			
Property taxes receivable	\$ 4,404,388	\$ 22,089,200	\$ 26,493,588
Loans receivable	2,344,049	-	2,344,049
Vaccine inventory	-	80,443	80,443
Collections in advance of services	-	726,815	726,815
Total	\$ 6,748,437	\$ 22,896,458	\$ 29,644,895

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 10,574,314	\$ 3,699,681	\$ 19,557,544
Accrued liabilities	6,632,552	1,248,886	-
Due to other governments	313,607	3,361	-
Accrued interest on long-term debt	515,583	4,010,834	49,196
Total payables	\$ 18,036,056	\$ 8,962,762	\$ 19,606,740

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2011, was as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,862,633	\$ 1,598,007
Child care	662,207	2,388,218
Nonmajor governmental funds	626,028	1,768,749
Aeronautics department	-	77,664
Department of public works	-	5,770
Delinquent tax revolving	288,789	-
Internal service funds	272,589	258
Timing differences	(128,000)	(2,254,420)
Total	\$ 3,584,246	\$ 3,584,246

In addition, an interfund balance existed between governmental activities and business-type activities in the amount of \$1,056,406. This resulted from the allocation of a portion of internal service fund net assets of governmental-type internal service funds to business-type activities.

Due to and from component units

	Due from Component Unit	Due to Primary Government	Due from Primary Government	Due to Component Unit
General Fund	\$ 461,527	\$ -	\$ -	\$ -
CMH Authority	-	-	514,459	-
Drainage Districts	-	460,961	-	-
Housing Commission	-	566	-	-
Timing differences	-	-	-	514,459
Total	\$ 461,527	\$ 461,527	\$ 514,459	\$ 514,459

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Advances to and from component units

	Advance to Component Unit	Advance from Primary Government
General Fund	\$ 725,700	\$ -
Drainage Districts	-	442,444
CMH Authority	-	283,256
Total	\$ 725,700	\$ 725,700

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Timing differences are a result of certain funds having a fiscal year-end that is different from the County's year-end.

For the year ended December 31, 2011, interfund transfers consisted of the following:

Transfers Out	Transfers in			Totals
	General Fund	Child Care	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 15,702,900	\$ 14,036,844	\$ 29,739,744
Nonmajor governmental funds	15,456,819	-	3,311,976	18,768,795
Delinquent tax revolving	5,000,000	-	-	5,000,000
Timing differences	-	(252,365)	(95,470)	(347,835)
Total	\$ 20,456,819	\$ 15,450,535	\$ 17,253,350	\$ 53,160,704

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Timing differences are a result of certain funds having a fiscal year-end that is different from the County's year-end.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 54,146,101	\$ 833,837	\$ -	\$ 277,749	\$ 55,257,687
Property easements	-	36,583	-	-	36,583
Construction in progress	54,313,038	13,719,349	(454,311)	(3,111,550)	64,466,526
	<u>108,459,139</u>	<u>14,589,769</u>	<u>(454,311)</u>	<u>(2,833,801)</u>	<u>119,760,796</u>
Capital assets, being depreciated:					
Land improvements	24,749,314	39,000	(7,955)	600,793	25,381,152
Buildings and improvements	162,155,926	57,816	-	998,361	163,212,103
Machinery and equipment	20,476,420	563,667	(340,904)	1,234,647	21,933,830
Motor vehicles	7,105,067	980,318	(678,741)	-	7,406,644
Infrastructure	581,891	-	-	-	581,891
Zoo animals	15,000	15,000	-	-	30,000
	<u>215,083,618</u>	<u>1,655,801</u>	<u>(1,027,600)</u>	<u>2,833,801</u>	<u>218,545,620</u>
Less accumulated depreciation for:					
Land improvements	(16,837,903)	(669,631)	-	-	(17,507,534)
Buildings and improvements	(49,597,155)	(3,428,289)	-	-	(53,025,444)
Machinery and equipment	(12,122,564)	(2,130,758)	325,635	-	(13,927,687)
Motor vehicles	(3,095,431)	(531,042)	499,217	-	(3,127,256)
Infrastructure	(213,768)	(28,479)	-	-	(242,247)
Zoo animals	(7,500)	(1,324)	-	-	(8,824)
	<u>(81,874,321)</u>	<u>(6,789,523)</u>	<u>824,852</u>	<u>-</u>	<u>(87,838,992)</u>
Total capital assets being depreciated, net	<u>133,209,297</u>	<u>(5,133,722)</u>	<u>(202,748)</u>	<u>2,833,801</u>	<u>130,706,628</u>
Governmental activities capital assets, net	<u>\$ 241,668,436</u>	<u>\$ 9,456,047</u>	<u>\$ (657,059)</u>	<u>\$ -</u>	<u>\$ 250,467,424</u>

At December 31, 2011, the County's governmental activities had outstanding commitments through construction contracts of approximately \$9,200,000.

Of the amounts reported in capital assets, \$1,336,785 of machinery and equipment was purchased through a capital lease purchase agreements. Related accumulated depreciation at year-end amounted to \$345,341.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 25,150,722	\$ -	\$ -	\$ -	\$ 25,150,722
Construction in progress	3,362,686	7,311,980	(77,237)	(8,769,354)	1,828,075
	<u>28,513,408</u>	<u>7,311,980</u>	<u>(77,237)</u>	<u>(8,769,354)</u>	<u>26,978,797</u>
Capital assets, being depreciated:					
Landfill cells	9,841,040	-	-	(16,310)	9,824,730
Land improvements	217,788,094	74,775	-	2,086,730	219,949,599
Buildings and improvements	252,867,174	92,346	(43,202)	(156,598)	252,759,720
Waste-to-Energy facility	73,341,151	-	-	-	73,341,151
Machinery and equipment	29,473,390	1,181,613	(768,510)	6,855,532	36,742,025
Office equipment and furniture	2,670,768	61,814	-	-	2,732,582
Vehicles	1,558,496	97,845	(50,815)	-	1,605,526
	<u>587,540,113</u>	<u>1,508,393</u>	<u>(862,527)</u>	<u>8,769,354</u>	<u>596,955,333</u>
Less accumulated depreciation for:					
Landfill cells	(5,404,737)	(619,450)	-	-	(6,024,187)
Land improvements	(99,745,049)	(7,080,922)	-	-	(106,825,971)
Buildings and improvements	(50,577,539)	(8,520,691)	43,202	-	(59,055,028)
Waste-to-Energy facility	(38,920,556)	(1,977,594)	-	-	(40,898,150)
Machinery and equipment	(13,007,474)	(1,998,154)	615,473	-	(14,390,155)
Office equipment and furniture	(1,485,057)	(150,062)	-	-	(1,635,119)
Vehicles	(924,480)	(131,816)	50,816	-	(1,005,480)
	<u>(210,064,892)</u>	<u>(20,478,689)</u>	<u>709,491</u>	<u>-</u>	<u>(229,834,090)</u>
Total capital assets being depreciated, net	<u>377,475,221</u>	<u>(18,970,296)</u>	<u>(153,036)</u>	<u>8,769,354</u>	<u>367,121,243</u>
Business-type activities capital assets, net	<u>\$ 405,988,629</u>	<u>\$ (11,658,316)</u>	<u>\$ (230,273)</u>	<u>\$ -</u>	<u>\$ 394,100,040</u>

At December 31, 2011, the County's business-type activities had outstanding commitments through construction contracts of approximately \$4,894,000.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

Depreciation of governmental activities by function	
General government	\$ 1,525,489
Public safety	2,156,652
Health and welfare	368,735
Cultural and recreation	1,453,261
Judicial	1,285,386
Total	\$ 6,789,523
Depreciation of business-type activities by function	
Aeronautics department	\$ 16,274,703
Department of public works	4,203,986
Total	\$ 20,478,689

Discretely presented component units

Capital assets activity for the Road Commission component unit for the year ended September 30, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Road Commission					
Capital assets, not being depreciated:					
Land	\$ 2,405,372	\$ -	\$ -	\$ -	\$ 2,405,372
Construction in progress	161,845	80,683	-	(161,845)	80,683
	<u>2,567,217</u>	<u>80,683</u>	<u>-</u>	<u>(161,845)</u>	<u>2,486,055</u>
Capital assets, being depreciated:					
Buildings and improvements	11,835,910	-	-	-	11,835,910
Road and shop equipment	18,156,378	1,182,256	(428,874)	161,845	19,071,605
Other equipment	741,645	-	-	-	741,645
Yard and storage bins	2,489,105	-	-	-	2,489,105
Infrastructure	463,893,920	14,068,698	-	-	477,962,618
	<u>497,116,958</u>	<u>15,250,954</u>	<u>(428,874)</u>	<u>161,845</u>	<u>512,100,883</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,235,810)	(268,698)	-	-	(5,504,508)
Road and shop equipment	(16,300,327)	(1,033,836)	425,412	-	(16,908,751)
Other equipment	(642,546)	(52,475)	-	-	(695,021)
Yard and storage bins	(1,357,277)	(93,278)	-	-	(1,450,555)
Infrastructure	(220,143,049)	(20,639,258)	-	-	(240,782,307)
	<u>(243,679,009)</u>	<u>(22,087,545)</u>	<u>425,412</u>	<u>-</u>	<u>(265,341,142)</u>
Total capital assets being depreciated, net	<u>253,437,949</u>	<u>(6,836,591)</u>	<u>(3,462)</u>	<u>161,845</u>	<u>246,759,741</u>
Road Commission capital assets, net	\$ 256,005,166	\$ (6,755,908)	\$ (3,462)	\$ -	\$ 249,245,796

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Estimated future contract obligations related to completion of Road Fund Construction projects in progress at year end, net of estimated revenue from federal aid and contributions from participating communities, total approximately \$1,780,720. The total remaining cost of these uncompleted projects will exceed the above estimated future contract costs due to inspection costs and other noncontract services. It is anticipated that a significant portion of such additional costs will be shared with other governmental units and that the Road Commission's share of these costs will not be material in amount.

Capital assets activity for the CMH Authority component unit for the year ended September 30, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - CMH Authority					
Capital assets, being depreciated:					
Land improvements	\$ 523,756	\$ -	\$ -	\$ -	\$ 523,756
Leasehold improvements	4,638,963	83,600	-	-	4,722,563
Equipment and furniture	1,772,970	184,037	-	-	1,957,007
	<u>6,935,689</u>	<u>267,637</u>	<u>-</u>	<u>-</u>	<u>7,203,326</u>
Less accumulated depreciation for:					
Land improvements	(44,476)	(29,652)	-	-	(74,128)
Leasehold improvements	(251,344)	(168,456)	-	-	(419,800)
Equipment and furniture	(908,523)	(161,051)	-	-	(1,069,574)
	<u>(1,204,343)</u>	<u>(359,159)</u>	<u>-</u>	<u>-</u>	<u>(1,563,502)</u>
CMH Authority capital assets, net	<u>\$ 5,731,346</u>	<u>\$ (91,522)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,639,824</u>

Capital assets activity for the Drainage Districts component unit for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Drainage Districts					
Capital assets, not being depreciated:					
Land	\$ 1,106,737	\$ -	\$ -	\$ -	\$ 1,106,737
Capital assets, being depreciated:					
Infrastructure	24,638,447	436,446	(228,472)	-	24,846,421
Less accumulated depreciation for:					
Infrastructure	(14,658,673)	(1,237,122)	25,923	-	(15,869,872)
Total capital assets being depreciated, net	<u>9,979,774</u>	<u>(800,676)</u>	<u>(202,549)</u>	<u>-</u>	<u>8,976,549</u>
Drainage Districts capital assets, net	<u>\$ 11,086,511</u>	<u>\$ (800,676)</u>	<u>\$ (202,549)</u>	<u>\$ -</u>	<u>\$ 10,083,286</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

8. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
2004 Capital Improvement Bonds, \$10,370,000, due in annual installments of \$240,000 to \$915,000 through December 1, 2024, interest at 2.625 to 5.00%, payable semi-annually	\$ 6,840,000	\$ -	\$ (665,000)	\$ 6,175,000	\$ 685,000
2008 Capital Improvement Bonds, \$14,300,000, due in annual installments of \$585,000 to \$900,000 through June 1, 2028, interest at 3.75 to 4.50%, payable semi-annually	13,090,000	-	(640,000)	12,450,000	655,000
2001 Kent County Building Authority Bonds, \$10,325,000, annually; partially refunded in 2010; paid in full in 2011	480,000	-	(480,000)	-	-
2005 Kent County Building Authority Refunding Bonds, \$49,990,000, due in annual installments of \$1,805,000 to \$4,100,000 through June 1, 2026, interest at 3.625 to 5.50%, payable semi-annually	46,305,000	-	(1,945,000)	44,360,000	2,025,000
2007 Kent County Building Authority Bonds, \$27,000,000, due in annual installments of \$910,000 to \$1,935,000 through June 1, 2029, interest at 4.00 to 5.00%, payable semi-annually	26,090,000	-	(945,000)	25,145,000	980,000
2009 Kent County Building Authority Bonds, \$32,000,000, due in annual installments of \$1,425,000 to \$2,285,000 through December 1, 2030, interest at 2.94 to 6.25%, payable semi-annually	32,000,000	-	-	32,000,000	-

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities (concluded)					
2010 Kent County Building Authority					
Refunding Bonds, \$6,470,000,					
due in annual installments of					
\$55,000 to \$755,000 through					
June 1, 2021, interest at					
2.00 to 4.00%, payable					
semi-annually					
	\$ 6,470,000	\$ -	\$ (55,000)	\$ 6,415,000	\$ 550,000
De Lage equipment capital lease,					
\$1,007,248, due in monthly					
installments of \$22,774 through					
March 1, 2014, including interest					
at 4.07%,					
	810,686	-	(244,830)	565,856	233,336
Capital lease for copiers,					
\$243,620, due in monthly					
installments of \$6,500 to \$7,083					
through December 30, 2014,					
including interest at 7.28%					
	-	243,620	(15,160)	228,460	70,701
Total installment debt	132,085,686	243,620	(4,989,990)	127,339,316	5,199,037
Net bond premium/discount	4,801,010	-	(319,561)	4,481,449	319,561
Deferred loss on advance					
refunding	(1,065,066)	-	77,288	(987,778)	(77,288)
Compensated absences	4,523,274	9,394,876	(9,227,379)	4,690,771	4,690,771
Early retirement incentive	1,019,264	-	(883,097)	136,167	136,167
Landfill remediation liability	490,205	-	(379,205)	111,000	111,000
Total governmental activities	\$ 141,854,373	\$ 9,638,496	\$ (15,721,944)	\$ 135,770,925	\$ 10,379,248

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type Activities					
Airport Revenue Bonds, Series 1998, \$56,180,000, refunded on October 4, 2011, due in one remaining installment of \$1,640,000, interest at 4.80%, due on January 1, 2012	\$ 43,755,000	\$ -	\$ (42,115,000)	\$ 1,640,000	\$ 1,640,000
Airport Revenue Bonds, Series 2007, \$117,360,000, due in annual installments of \$600,000 to \$7,785,000 through January 1, 2037, interest at 4.00 to 5.00%, payable semi-annually	116,760,000	-	(1,050,000)	115,710,000	1,400,000
Airport Revenue Bonds, Series 2009, \$30,110,000, due in annual installments of \$1,605,000 to \$2,645,000 through January 1, 2025, interest at 2.00 to 5.00%, payable semi-annually	29,980,000	-	(1,560,000)	28,420,000	1,605,000
Airport Revenue Refunding Bonds, Series 2011, \$38,675,000, due in annual installments of \$1,785,000 to \$3,290,000 through January 1, 2028, interest at 2.00 to 5.00%, payable semi-annually	-	38,675,000	-	38,675,000	-
2009 Kent County Refuse Disposal Bonds, \$11,895,000, due in annual installments of \$355,000 to \$855,000 through November 1, 2029, interest at 2.00% to 5.00%	11,540,000	-	(440,000)	11,100,000	450,000
2004 Wyoming Water Refunding Bonds, \$5,305,000, due in annual installments of \$55,000 to \$635,000 through November 1, 2015, interest at 2.00 to 4.00%, payable semi-annually	2,900,000	-	(530,000)	2,370,000	550,000

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type Activities (concluded)					
General obligation limited tax notes:					
Series 2009, \$36,000,000, interest at 2.50%, paid in full in 2011	\$ 9,000,000	\$ -	\$ (9,000,000)	\$ -	\$ -
Series 2010, \$35,500,000, interest at 1.00 - 2.50%, due on April 1, 2012	35,500,000	-	(27,000,000)	8,500,000	8,500,000
Series 2011, \$32,000,000, interest at 1.50 - 2.00%, due on April 1, 2013	-	32,000,000	-	32,000,000	24,000,000
Total installment debt	249,435,000	70,675,000	(81,695,000)	238,415,000	38,145,000
Net bond premium/discount	5,963,460	2,741,554	(504,859)	8,200,155	617,818
Deferred loss on advance refunding	(2,352,440)	(1,009,821)	174,092	(3,188,169)	(236,555)
Landfill closure and post-closure liabilities	18,492,165	1,164,273	(444,897)	19,211,541	437,000
Total business-type activities	\$ 271,538,185	\$ 73,571,006	\$ (82,470,664)	\$ 262,638,527	\$ 38,963,263
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year

Discretely-Presented Component Units

Drainage Districts

2008 Grand River Floodwalls and Embankments Drain Bonds, \$7,870,000, due in annual installments of \$285,000 to \$970,000 through November 1, 2020, interest at 2.10 to 4.25% payable semi-annually

	\$ 6,840,000	\$ -	\$ (740,000)	\$ 6,100,000	\$ 775,000
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2003 Silver Creek Drain Bonds, \$5,290,000, due in annual installments of \$235,000 to \$580,000 through November 1, 2015, interest at 2.00 to 4.25%, payable semi-annually

	2,385,000	-	(535,000)	1,850,000	555,000
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Total installment debt	9,225,000	-	(1,275,000)	7,950,000	1,330,000
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COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Discretely-Presented Component Units (Concluded)					
<i>Drainage Districts (Concluded)</i>					
Net bond premium	\$ 67,681	\$ -	\$ (6,883)	\$ 60,798	\$ 6,883
Deferred loss on advance refunding	(392,265)	-	39,891	(352,374)	(39,891)
Total drainage districts component unit	\$ 8,900,416	\$ -	\$ (1,241,992)	\$ 7,658,424	\$ 1,296,992
<i>Road Commission</i>					
Accrued compensated absences	\$ 3,016,566	\$ 1,223,360	\$ (1,150,458)	\$ 3,089,468	\$ 1,155,198

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 5,199,037	\$ 6,137,521	\$ 38,145,000	\$ 8,925,989
2013	6,515,678	5,917,581	14,260,000	9,134,787
2014	6,544,601	5,654,394	6,795,000	8,682,688
2015	6,635,000	5,387,520	7,415,000	8,433,063
2016	6,885,000	5,107,410	7,030,000	8,156,138
2017-2021	38,270,000	20,525,559	40,060,000	35,580,335
2022-2026	41,275,000	10,432,618	47,890,000	24,799,999
2027-2031	16,015,000	1,844,445	35,325,000	14,356,241
2032-2036	-	-	33,710,000	6,324,500
2037	-	-	7,785,000	194,625
	\$ 127,339,316	\$ 61,007,048	\$ 238,415,000	\$ 124,588,365

Year Ended December 31,	Discretely-presented Component Units	
	Principal	Interest
2012	\$ 1,330,000	\$ 295,178
2013	1,390,000	250,010
2014	1,190,000	202,224
2015	1,250,000	158,826
2016	930,000	112,338
2017-2020	1,860,000	148,812
	\$ 7,950,000	\$ 1,167,388

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The Kent County Building Authority bonds are backed by the limited tax, full faith and credit of the County, and debt service requirements are to be funded with lease payments.

There are a number of limitations and restrictions contained in the various bond indentures of the Aeronautics Department. The Department is in compliance with all significant limitations and restrictions. Airport revenue bonds outstanding and interest thereon are secured by a statutory first lien, subject only to prior liens, on the net revenues of the Aeronautics Department. In compliance with the Series 2007 and 2009 Bond agreements, the Department has available a letter of credit totaling \$10,862,500, which has not been drawn upon. The Series 1998 Bond reserve requirement is funded with cash and accrued interest in the amount of \$3,549,373. In addition, the Series 2007 and 2009 Bonds bear the limited tax pledge of the full faith and credit of the County to advance necessary amounts to meet principal and interest payments in the event Department revenues are insufficient to meet requirements. The Series 1998 Bonds are not additionally secured by the County.

The tax notes payable are backed by the limited tax, full faith and credit of the County. Current debt service requirements are funded by the collection of delinquent tax revenues and are maintained in an enterprise fund.

Drain special assessment bonds are backed by the limited tax, full faith and credit of the County. Current debt service requirements are funded through special assessments levied against properties or governmental units deemed to benefit from these public improvements.

The compensated absences liability attributable to the governmental activities will be liquidated by the General Fund, all special revenue funds except Fire Prevention, Correction and Detention, Senior Millage, and Veterans' Trust and the internal service funds. The landfill remediation liability in governmental activities is expected to be paid from the Capital Improvement Program capital projects fund.

Advance Refunding

During fiscal year 2011, the Aeronautics Department issued 2011 Airport Revenue Refunding Bonds in the amount of \$38,675,000 to advance refund \$40,545,000 of 1998 Airport Revenue Bonds. The proceeds of the 2011 Refunding Bonds were used to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the certificates are considered defeased and the liability has been removed from the statement of net assets.

Defeased Debt

A total of \$40,545,000 of the 1998 Airport Revenue Bonds is considered defeased as of December 31, 2011 for the Aeronautics Department, the balance will be called on January 3, 2012. The liability for these defeased bonds has been removed from the statement of net assets.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

9. LEASES

Leases Receivable

The County entered into a lease agreement with the City of Grand Rapids whereby the City leases part of the courthouse facility from the County. Total future lease receipts are as follows:

Year Ended December 31,	Amount
2012	\$ 2,733,667
2013	2,736,064
2014	2,734,490
2015	2,734,844
2016	2,735,367
2017-2021	13,673,420
2022-2026	<u>13,382,340</u>
Total	<u>\$ 40,730,192</u>

The cost of the portion of courthouse facility leased to the City is \$18,140,248 and related accumulated depreciation at December 31, 2011 was \$3,647,412. Annual depreciation expense is approximately \$350,000.

The Aeronautics Department has entered into agreements to lease airport facilities to various airlines and vendors. The aggregate amount of future minimum lease payments receivable, exclusive of expected extensions and airline month-to-month agreements, in each of the next five years and later are as follows:

Year Ended December 31,	Amount
2012	\$ 7,080,277
2013	4,135,806
2014	2,550,500
2015	1,373,084
2016	1,207,950
2017-2035	<u>6,025,168</u>
Total	<u>\$ 22,372,785</u>

Lease Commitments - Primary Government

Under the terms of a contract with the City of Grand Rapids and County of Kent Joint Building Authority, the County and the City are jointly liable for lease payments equal to certain bond obligations of the Authority for a convention facility. Annual payments to the Authority are to be funded from lodging excise tax revenue, accounted for in the lodging excise tax special revenue fund. Rental expense under this lease amounted to \$5,641,319 for the year ended December 31, 2011.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Under the terms of agreements with the City of Grand Rapids and County of Kent Joint Building Authority, the County is obligated to use lodging excise tax revenues to pay principal and interest on selected bonds issued by the Joint Building Authority. At December 31, 2011, there are two such bond issues of the Joint Building Authority dated November 29, 2001 and October 8, 2003, with balances of \$58,098,904 and \$3,430,000, respectively. The County becomes liable for the debt in the event that lodging excise tax revenue is sufficient to meet lease obligations.

Future minimum rental commitments are as follows:

Year Ended December 31,	Amount
2012	\$ 5,843,232
2013	6,055,151
2014	6,273,607
2015	6,502,064
2016	6,736,863
2017-2021	37,493,775
2022-2026	43,690,913
2027-2031	<u>51,760,000</u>
Total	<u>\$ 164,355,605</u>

Lease Commitments - Road Commission Discretely Presented Component Unit

The Road Commission leases road equipment under several operating leases. The following is a schedule of future lease payments:

Year Ended September 30,	Amount
2012	\$ 101,654
2013	70,567
2014	20,485
2015	20,485
2016	20,485
2017	<u>8,535</u>
Total	<u>\$ 242,211</u>

The Road Commission also leases equipment, as needed, on a month-to-month basis. Total rent expense for the year ended September 30, 2011 was \$189,086.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

10. RISK MANAGEMENT

Primary Government

The County 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 County is self-insured and retains the risk for deductible amounts under the County's workers' compensation, property, automobile, and certain general and public officials' liability programs. The County purchases commercial insurance for claims in excess of retention deductible amounts of \$1,000,000 for general liability, \$500,000 for each worker's compensation claim and \$50,000 for each property damage claim, up to various maximum and aggregate policy limits. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year. The County is also self-insured for dental and medical benefits provided to employees who meet certain eligibility requirements.

The County manages its risks internally and has set aside assets for claim settlement in its Risk Management and Employee Benefits internal service funds. These funds allocate the cost of providing claims servicing and claims payments by charging a "premium" to each fund based upon various allocation bases. This charge considers recent trends in actual claims experience of the County as a whole and makes provision for catastrophic losses.

Risk Management and Employee Benefits internal service funds liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an accumulation of case estimates for losses reported prior to the close of the accounting period and estimates for claims that have been incurred but not reported (including future claim adjustment expenses) based on past loss experience and consideration of current claim trends, as well as prevailing social, economic and local conditions. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 5.0%.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Changes in the balances of claims liabilities are as follows:

	Employee Benefits			Risk Management	
	Health	Dental	Unemployment	Property and Liability	Workers' Compensation
Estimated liability, December 31, 2009	\$ 1,291,200	\$ 64,902	\$ -	\$ 848,258	\$ 601,239
Estimated claims incurred	16,617,797	1,211,706	503,504	1,890,062	886,428
Claim payments	(16,577,997)	(1,193,963)	(503,504)	(1,534,910)	(590,454)
Estimated liability, December 31, 2010	1,331,000	82,645	-	1,203,410	897,213
Estimated claims incurred	15,330,558	1,199,823	383,281	935,660	637,962
Claim payments	(15,566,781)	(1,205,090)	(383,281)	(1,373,686)	(630,252)
Estimated liability, December 31, 2011	<u>\$ 1,094,777</u>	<u>\$ 77,378</u>	<u>\$ -</u>	<u>\$ 765,384</u>	<u>\$ 904,923</u>

The Department of Public Works is included in the County's self-insurance program, although separate insurance coverage is maintained for Waste-to-Energy operations. The Aeronautics Department maintains separate coverage from the County.

Kent County Road Commission

The Road Commission is exposed to various risks related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for coverage to employee's health claims and participated in the Michigan County Road Commission Self-Insurance Pool for claims related to general and auto liability insurance. As a member of the pool, the Road Commission is partially insured for general and auto liability, with maximum losses per occurrence of \$25,000 and \$500 respectively, and no limit in the aggregate. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past fiscal years.

The Road Commission is a member of the County Road Association Self-Insurance Fund. As a member, the Road Commission is fully insured for workers' compensation claims incurred on or after January 1, 2000.

The Road Commission is also self-insured for dental claims. The Road Commission estimates the liability for dental claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not been reported. The estimated liability is insignificant and has not been recorded in the accompanying financial statements.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

11. PROPERTY TAXES

County General Fund property taxes are levied on July 1 of each year (the lien date) and are due in full by September 14, though they do not become delinquent until March 1 of the following year. For levies other than the General Fund, the lien date is December 1.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50 percent of the current estimated market value.

The taxable value of real and personal property for 2011, for which revenue was recognized in the General Fund, was \$20,506,183,649. The general operating tax rate for this levy was 4.2803 mills. The taxable value of real and personal property for 2010, for which revenue was recognized in all other funds, was \$21,009,096,542. The tax rates for these levies were 0.7893 mills for Correction and Detention operations and debt service related to the expansion of facilities, and 0.3244 mills assessed for services provided to senior citizens.

12. CONTINGENT LIABILITIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its Corporate Counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

13. BENEFIT PLANS

Kent County Employees' Retirement Plan

The County sponsors and administers the Kent County Employees' Retirement Plan (the "Plan"), a single-employer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission and CMH Authority. The Plan was established and may be amended by the Kent County Board of Commissioners and is administered by the Kent County Employees' Retirement Plan Board. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. It is accounted for as a separate pension trust fund. Stand-alone financial reports are issued that includes financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Human Resources Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Summary of Significant Accounting Policies. The financial statements of the Kent County Employees' Retirement Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administration of the Plan is funded through the Plan's investment earnings.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Kent County Employees' Retirement Plan Board of Trustees, with the assistance of a valuation service.

As of December 31, 2011, employee membership data was as follows:

Retirees and beneficiaries currently receiving benefits	1,164
Terminated employees entitled to but not yet receiving benefits	212
Vested and non-vested active participants	<u>1,626</u>
Total membership	<u><u>3,002</u></u>

Plan members hired through December 31, 2010 are eligible to receive pension benefits upon retirement at age 60 with 5 years of service or at any age with 25 years of service. Members hired on or after January 1, 2011 (January 1, 2012 for the Teamsters-Parks and Airport Command Officers Association) are eligible at age 62 with 5 years of service of age 60 (55 for captains and lieutenants) with 25 years of service. An early retirement option is offered for retirement at age 55 with 15 or more years of service.

Funding Policy. The contribution requirements of Plan members are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and Plan provisions. After meeting eligibility requirements, active Plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. Member rates are either fixed at 6.5% of total salary or variable based on union contracts in place. The variable rate was 6.5% for 2011. The County is required to contribute at actuarially determined rates expressed as a percentage of covered payroll. The County's contribution rate for the year ended December 31, 2011 was 9.29% of projected valuation payroll.

The entry-age actuarial cost method is used to determine plan liabilities. Significant actuarial assumptions used in determining the entry-age actuarial accrued liability include (a) a rate of return on investments of 7% per year compounded annually (b) projected salary increases of 4% attributable to inflation and 0.2% to 5.1% per year depending on age attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis, with a remaining amortization period of 25 years.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

During the year ended December 31, 2011, total contributions of \$15,469,416 were made in accordance with actuarially determined requirements, computed through an actuarial valuation performed as of December 31, 2009. The County contributed \$8,412,960 (9.29% of projected valuation payroll); employees contributed \$7,056,456. The County's contribution consisted of \$8,579,926 normal cost (9.44% of projected valuation payroll) less \$166,966 in amortization of the overfunded actuarial accrued liability (-0.32% of projected valuation payroll).

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Plan was 94.6 percent funded. The covered payroll (annual payroll of active employees covered by the Plan) was \$90,889,046, and the ratio of the UAAL to the covered payroll was 38.7 percent. The unfunded actuarial accrued liability was determined as follows:

Actuarial accrued liability for:	
Active participants (1,355 vested and 271 non-vested)	\$ 318,690,668
Retired participants and beneficiaries currently receiving benefits (1,164 recipients)	315,101,664
Vested terminated participants not yet receiving benefits (212)	<u>16,318,248</u>
Total actuarial accrued liability	650,110,580
Actuarial value of assets (smoothed market value)	<u>614,855,931</u>
 Unfunded actuarial accrued liability	 <u>\$ 35,254,649</u>

The County had initially contributed the annual required contributions ("ARC"), and thus, has never actually had, or had need to report, a net pension obligation ("NPO"), as required under GASB Statement No. 27 as amended by GASB Statement No. 50.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	\$ 5,006,344	100%	\$ -
2010	6,747,873	100%	-
2011	8,412,960	100%	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Road Commission Component Unit

Defined Contribution Pension Plan

The Kent County Road Commission provides pension benefits to full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by Board resolution, the Road Commission contributes up to 6% of employees' gross earnings. Employer contributions and employee contributions for each employee (including interest allocated to the employee's account), are fully vested after one year of service.

The Road Commission's total payroll during the current year was \$13,059,942. The current year contribution was calculated based on covered payroll of \$12,275,215, resulting in employer and employee contributions of \$700,420 and \$811,980, respectively.

Defined Benefit Pension Plan

The Road Commission participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan providing retirement and disability benefits and death benefits to plan members, who retired before the formation of the defined contribution plan, and their beneficiaries. The System is administered by the MERS Retirement Board. The MERS Retirement Board establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Employer contributions to the Plan are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the Plan. Due to the current status of the Plan (closed to any individual not retired as of the date of formation of the defined contribution plan), the only obligation of the employer is to fund any unfunded actuarial accrued liability. Administrative costs of the Plan are financed through investment earnings.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2011, the Road Commission’s annual pension cost was \$-0- and equal to the Road Commission’s required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 8.0%; (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment of 20% of the difference between assumed earnings and market value (5 year seniority) to reflect fair value.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 7,630	100%	\$ -
2010	-	100%	-
2011	-	100%	-

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 46 percent funded. The actuarial accrued liability for benefits was \$400,508, and the actuarial value of assets was \$184,123, resulting in an unfunded actuarial accrued liability (UAAL) of \$216,385.

The schedule of funding progress, presented as RSI 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.

Community Mental Health Authority Component Unit

Defined Benefit Pension Plan

Plan Description. The Authority’s defined benefit pension plan (the “Plan”) provides retirement, disability and death benefits to plan members and beneficiaries. The Authority participates in the Municipal Employees’ Retirement systems of Michigan (MERS), an agent multi-employer public employee pension plan. The CMH Authority Board establishes and amends the benefit provisions of the participants in the Plan. The Plan report may be obtained by writing the Municipal Employees’ Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917.

Basis of Accounting. Plan member contributions are recognized in the period in which the contributions are due. Contributions from the Authority have been reflected when due and a formal commitment and/or statutory/contractual requirement to provide the contribution has been made. Payments to members have been reflected when due and payable in accordance with the terms of the Plan.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Concentrations. All Plan assets are held by MERS.

Method Used to Value Investments. The actuarial value of assets is determined on the basis of a method that calculates expected investment income at the valuation rate of return and adds a portion of the difference between the expected investment income and actual investment income earned on a market value basis. The difference in investment income between expected return and market return is recognized over a 10-year period at the rate of 10% per year. This asset valuation method was first adopted for the December 31, 2005 valuation.

Funding Policy. The annual contributions requirements for the Plan are actuarially determined by MERS. Under the Authority's Plan, both the Authority and Plan members are required to contribute. Contributions are calculated as a percentage of covered payroll. The Authority was required to contribute 6.35% for the fiscal year ended September 30, 2011. The Plan members were required to contribute 6.90% to the Plan for the fiscal year ended September 30, 2011. The required contribution percentages were determined as part of the December 31, 2008 actuarial valuation, using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return and (b) projected salary increases of 4.5% per year.

Reserves. As of the December 31, 2010, actuarial valuation, the Plan's reserves have been fully funded as follows:

Employees' contributions	\$ 3,110,181
Employer contributions and benefit payments	18,785,314

Three-Year Trend Information			
Years Ended September 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	\$ 416,001	100%	\$ -
2010	398,589	100%	-
2011	464,769	100%	-

Funded Status and Funding Progress. As of December 31, 2010, the most recent valuation date, the Plan was 111% funded. The actuarial accrued liability for benefits was \$21,895,495 and the actuarial value of assets was \$19,741,118, resulting in an unfunded actuarial accrued liability of \$(2,154,377), which means the plan is over-funded. The covered payroll (annual payroll for active employees covered by the Plan) was \$6,961,422 and the ratio for the UAAL to the covered payroll was (30.9)%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

14. OTHER POSTEMPLOYMENT BENEFITS

Primary Government

Plan Description. The County administers a single-employer defined benefit healthcare plan (the “Plan”) accounted for in the VEBA Trust Fund. In addition to the retirement benefits described in Note 13, the Plan provides health insurance benefits to certain retirees or their beneficiaries, which are advance funded on an actuarial basis. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Fiscal Services Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2221.

The County pays a monthly flat dollar subsidy for retirees of up to \$350 per month, depending upon the applicable employee group. In addition, the County provides an implicit subsidy due to having one premium based on a blended rate that treats current employees, retirees, eligible beneficiaries and dependents as one homogeneous group. The implicit subsidy is factored into the actuarial computation of the OPEB liability.

Basis of Accounting. The Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Kent County VEBA Board of Trustees, with the assistance of a valuation service.

Membership of the Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	513
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>1,634</u>
Total	<u><u>2,147</u></u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Funding Policy. The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The Plan covers the Management Pay Plan, both exempt and non-exempt, elected officials, including judges, and nine collective bargaining units. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they are receiving a pension from the Kent County Employees' Retirement Plan. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the annual actuarial valuation. For the year ended December 31, 2011, the County contributed \$3,181,372, including cash contributions of \$2,081,741 and an implicit rate subsidy (which did not require cash) of \$1,099,631. Cash payments included \$857,521 for current premiums and an additional \$1,224,220 to prefund benefits. Retirees are responsible for reimbursing the County for the cost of premiums for the selected level of coverage in excess of the subsidy. The retiree's share of premiums can be deducted automatically from his or her monthly pension distribution, or paid directly to the County Treasurer. Since retirees must participate in one of the County's health insurance plans in order to receive the benefit, the entire cost of retiree health care premiums is accounted for in the County's health insurance internal service fund. Retiree reimbursements are reported as operating revenue in the internal service fund. On a quarterly basis, the total amount of retiree subsidies for the previous period is billed to the VEBA. This portion of premium costs, which includes the County subsidy only, comprises the entire amount of benefit payments in the statement of changes in plan net assets.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment 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 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 net OPEB obligation:

Annual required contribution	\$ 3,181,372
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	3,181,372
Contributions made	<u>(3,181,372)</u>
	<hr/>
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u>\$ -</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for current and preceding years were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2009	\$ 2,895,141	100%	\$ -
2010	3,360,259	100%	-
2011	3,181,372	100%	-

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is 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 cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Plan was 23.8 percent funded. The actuarial accrued liability for benefits was \$44,257,602, and the actuarial value of assets was \$10,531,436, resulting in an unfunded actuarial accrued liability (UAAL) of \$33,726,166. The covered payroll (annual payroll of active employees covered by the Plan) was \$91,139,213, and the ratio of the UAAL to the covered payroll was 37.0 percent.

Actuarial Methods and Assumptions. 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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 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 calculations.

In the December 31, 2009, actuarial valuation (used to determine the contribution rates for the year ended December 31, 2011), the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 4.0 percent after ten years. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2011 was thirty years.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Road Commission Component Unit

Plan Description. The Road Commission provides a defined benefit healthcare plan (the “Plan”), to certain retirees and their beneficiaries, with the Municipal Employees’ Retirement System serving as the plan’s administrator. The Plan does not prepare separately-issued financial statements. In accordance with Road Commission policy, pre-Medicare retirees and their dependents are eligible to receive healthcare benefits, with a portion of the contribution required by the participants. The Road Commission purchases Medicare supplemental insurance for retirees eligible for Medicare.

Funding Policy. The Road Commission has no obligation to make contributions in advance of when the premiums are due for payment. Additional amounts to prefund benefits may be determined annually by the Board of Road Commissioners. Expenditures for postemployment healthcare benefits are recognized as the insurance premiums become due, which amounted to \$217,116 in fiscal year 2011. For the year ended September 30, 2011, the Road Commission contributed an additional \$228,950 to the Plan. Retirees receiving benefits were not required to make contributions to the Plan, and therefore, no retiree contributions were made.

Annual OPEB Cost and Net OPEB Obligation. The Road Commission’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Road Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. 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 not to exceed thirty years. The following table shows the components of the Road Commission’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Road Commission’s net OPEB obligation:

Annual required contribution	\$ 457,597
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	457,597
Contributions made	(446,066)
	<hr/>
Increase in net OPEB obligation	11,531
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u>\$ 11,531</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current and two preceding years were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 494,520	100%	\$ -
2010	461,593	100%	-
2011	457,597	97%	11,531

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is 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 cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 18.9 percent funded. The actuarial accrued liability for benefits was \$4,813,836, and the actuarial value of assets was \$911,072, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,902,764. A comparison of the UAAL to covered payroll is not applicable, as the Plan only includes current retirees. All others participate in the defined contribution plan described above.

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

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 historical pattern of sharing of benefit costs between the employer and 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 calculations.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

In the December 31, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after 2008. Both rates included a 4 percent inflation assumption. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 5 years.

Community Mental Health Authority Component Unit

The Authority provides postretirement healthcare insurance for employees who are eligible to retire under the Authority's retirement plan, as long as the retiree is not covered by another employer's healthcare plan or a healthcare plan offered by their spouse's employer. Currently, four retirees are eligible, two of which are active in the Plan. The Plan does not prepare separately-issued financial statements.

Plan Description. The Authority establishes and amends the benefit provisions of the Plan. The Authority pays \$200 per month towards the healthcare insurance premium for a retiree with at least 25 years of service. Retirees with less than 25 years of service receive a pro-rata credit based on years of service in relation to 25 years.

In fiscal year 2008, the Authority adopted the MERS Retiree Health Funding Vehicle (RHFV) as the trust fund for the Plan. All assets placed in the MERS RHFV will be administered by MERS, which acts as an investment fiduciary.

Basis of Accounting. Contributions from the Authority have been reflected when due and a formal commitment and/or statutory/contractual requirement to provide the contribution has been made. Payments to members have been reflected when due and payable in accordance with the terms of the Plan.

Concentrations. All Plan assets are held by MERS.

Method Used to Value Investments. Plan investments are reported at fair market value.

Actuarial Methods and Assumptions. The annual required contribution was determined as part of the actuarial valuation as of September 30, 2010 using the projected unit credit actuarial cost method and a ten-year level dollar, closed amortization method of the unfunded liability. The actuarial assumptions included (a) a discount rate of 8%; (b) turnover rates of 4-18%, dependent on age and years of service; and (c) benefits capped at \$200 per month. 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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Funding Policy. The annual contribution requirements for the Plan are actuarially determined. Under the Authority's Plan, no contributions are required from its covered members. The Authority's policy is to contribute 100% of the annual required contribution each year. The annual required contribution (ARC) was \$36,968 for the year ended September 30, 2011.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Annual OPEB Cost and Net OPEB Obligation. The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Road Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. 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 not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Authority's net OPEB obligation:

Annual required contribution	\$ 36,968
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	36,968
Contributions made	<u>(36,968)</u>
	<hr/>
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u><u>\$ -</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current and two preceding years were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2009	\$ 30,714	100%	\$ -
2010	37,185	100%	-
2011	36,968	100%	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is 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 cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress. As of September 30, 2010, the most recent actuarial valuation date, the Plan was 80 percent funded. The actuarial accrued liability for benefits was \$404,876, and the actuarial value of assets was \$323,938, resulting in an unfunded actuarial accrued liability (UAAL) of \$80,938. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

15. DEFERRED COMPENSATION PLAN

The County offers a supplemental retirement program in accordance with Section 457 of the Internal Revenue Code (IRC) that will provide for payments on retirement, as well as death benefits in the event of death prior to retirement. The benefits of the Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries.

16. FUND BALANCES - GOVERNMENTAL FUNDS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Child Care	Nonmajor Funds	Total
Nonspendable				
Inventory	\$ 94,026	\$ -	\$ 71,497	\$ 165,523
Prepays	294,657	-	-	294,657
Long-term advances	725,700	-	-	725,700
Zoo animals (permanent fund corpus)	-	-	73,000	73,000
Total nonspendable	1,114,383	-	144,497	1,258,880
Restricted				
Fire prevention	-	-	114,200	114,200
Convention/arena debt service or capital improvements	-	-	752,548	-
Correction and detention facilities	-	-	6,374,833	6,374,833
Senior services	-	-	455,952	455,952
Register of deeds automation	-	-	1,629,835	1,629,835
Drug forfeiture	-	-	621,979	621,979
Childrens' services	-	-	3,333	3,333
Grant programs	-	-	1,974,327	1,974,327
Veterans' services	-	-	10,913	10,913
Community development	-	-	148,205	148,205
Zoo animals (expendable permanent fund)	-	-	42,411	42,411
Unexpended bond proceeds	-	-	13,108,093	13,108,093
Total restricted	-	-	25,236,629	25,236,629

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	General Fund	Child Care	Nonmajor Funds	Total
Committed				
Economic stabilization	\$ 23,054,680	\$ -	\$ -	\$ 23,054,680
Assigned				
Childrens' services	-	100,030	-	100,030
Child support enforcement	-	-	99,932	99,932
Health services	-	-	28,501	28,501
Debt service	-	-	433,945	433,945
Capital projects	-	-	5,256,015	5,256,015
Encumbrances	56,318	-	-	56,318
Total assigned	56,318	100,030	5,818,393	5,974,741
Unassigned	44,428,169	-	-	44,428,169
Total fund balances, governmental funds	\$ 68,653,550	\$ 100,030	\$ 31,199,519	\$ 99,953,099

17. INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT

The composition of net assets invested in capital assets, net of related debt as of December 31, 2011, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 119,760,796	\$ 26,978,797	\$ 3,592,792
Capital assets being depreciated, net	130,706,628	367,121,243	261,376,114
	<u>250,467,424</u>	<u>394,100,040</u>	<u>264,968,906</u>
Related debt:			
Total bonds and notes payable	127,339,316	238,415,000	7,950,000
Net bond premium/discount	4,481,449	8,200,155	60,798
Deferred loss on advance refunding	(987,778)	(3,188,169)	(352,374)
Less: unexpended bond proceeds	(13,108,093)	-	-
Less: notes payable related to tax settlement	-	(40,500,000)	-
Less: net bond premium on tax notes	-	(295,267)	-
Less: bonds payable related to capital leases	-	(2,370,000)	-
	<u>117,724,894</u>	<u>200,261,719</u>	<u>7,658,424</u>
Invested in capital assets, net of capital-related debt	\$ 132,742,530	\$ 193,838,321	\$ 257,310,482

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

18. COMMITMENTS AND CONTINGENCIES

Landfill Closure and Post-closure Care

The Department of Public Works (DPW) has certain financial requirements related to closure and post-closure care of the landfills it operates. In relation to those requirements, the DPW has an outstanding letter of credit totaling \$1,024,000 with the Environmental Protection Agency and Michigan Department of Environmental Quality as beneficiaries. The letters of credit have not been drawn on at December 31, 2011. The letter of credit expires on December 3, 2012. The DPW has recorded a liability of \$8,715,541 related to the Kentwood landfill and \$10,496,000 for the South Kent Landfill, as discussed below.

During 2008, the County purchased a parcel of land that included an unclosed landfill. This property is adjacent to one of the County's parks and is intended to be used as such after remediation. The remaining liability as of December 31, 2011 was \$111,000.

Kentwood Landfill

The County entered into an agreement in 1991 with the EPA for remedial action and operation and maintenance over a 30-year period for the closed County solid waste Kentwood Landfill. The County and the EPA negotiated a settlement on this issue in an amount up to \$8,690,000. The original settlement amount was discounted at a rate of 5% over the term of the agreement which resulted in a \$5,700,000 liability. The amount paid under the agreement during 2011 was \$435,358 and the liability as of December 31, 2011 was \$8,715,541, with \$4,378,491 of cash available. The City of Kentwood has promised to pay 20% of the remedial action for the Kentwood Landfill through a voter-approved millage.

South Kent Landfill

State and federal laws and regulations require the DPW to place a final cover on the South Kent landfill site when waste is no longer accepted and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the DPW reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each financial statement date. The estimated liability for closure and post-closure care was \$10,496,000 at December 31, 2011. The liability represents the cumulative amount reported to date based on the use of 55.67% of the estimated capacity of the landfill as of December 31, 2011. The DPW will recognize the remaining estimated cost of the closure and post-closure care of \$7,731,953 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2011. The DPW expects the current permitted area of the landfill to be at capacity in 2017 for ash and 2030 for solid waste. Actual cost may be higher due to inflation, changes in technology or changes in regulations, and an annual adjustment may be required.

Commitments

The Department of Public Works has also entered into a management agreement to operate the Waste-to-Energy Facility (the "Facility") through the year 2023. The monthly service fee to be paid to the contractor is based on multiple calculations, including an operation and maintenance charge (based on processed waste in tons), pass-through costs, energy payments (based on number of kilowatt hours of net electricity sold), and monthly damages, if any.

COUNTY OF KENT, MICHIGAN

■ Notes to Financial Statements

19. SUBSEQUENT EVENTS

In May 2012, the County issued \$28,500,000 in general obligation limited tax notes in the delinquent tax revolving enterprise fund. Similar notes are issued each year in order to fund the purchase of delinquent taxes from local taxing authorities (including other funds of the County).

On February 10, 2012, a contractor's crane collapsed at the Kent County Correctional Facility resulting in damage to the Fleet Services building and a portion of the Correctional Facility, which is currently under construction. Consequently, Kent County incurred a property loss and a business interruption loss, along with additional expenses related to the incident. Kent County is responsible for the \$100,000 claim deductible. Kent County's property insurer will subrogate against the other parties involved to cover the reimbursements made to Kent County for the estimated \$1,051,937 cost to repair the damage. In addition, Kent County will subrogate against the other parties to recover the \$100,000 claim deductible and any costs related to this incident not reimbursed by the property insurer.

20. RESTATEMENTS

As part of implementing GASB Statement 54 for the year ended December 31, 2010, the County reported certain programs within the General Fund that were understood to be from unrestricted sources. In the current year, it was determined that these programs do in fact have restrictions. As such, they are again being accounted for in the special projects calendar year-end fund. Beginning fund balance of the General Fund decreased by \$77,393 beginning fund balance of the special projects - calendar year end fund increased by the same amount. This correction had no impact on beginning net assets of governmental activities.

In the current year, it was determined that the Department of Public Works (DPW) is not a legally-separate entity and, as such, does not meet the criteria for reporting as a component unit. Accordingly, the DPW is now being reported as an enterprise fund. As a result of this change, beginning net assets of component units decreased by \$83,439,750 (\$83,267,104 related to the fund itself and an additional \$172,646 or allocated net assets from governmental-type internal service funds). Beginning net assets of business-type activities increased by a corresponding amount.



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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Employees' Retirement Plan

Schedule of Funding Progress
Single-employer Pension Trust Fund
(amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ 542.4	\$ 496.8	\$ (45.6)	109.2%	\$ 90.8	-50.2%
12/31/2007	585.8	525.5	(60.3)	111.5%	91.2	-66.1%
12/31/2008	581.5	554.9	(26.6)	104.8%	93.3	-28.5%
12/31/2009	589.3	586.8	(2.5)	100.4%	94.5	-2.6%
12/31/2010	595.3	612.6	17.3	97.2%	92.5	18.7%
12/31/2011	614.9	650.1	35.2	94.6%	90.9	38.7%

Schedule of Employer Contributions
Single-employer Pension Trust Fund
(amounts in millions)

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2006	\$ 7.9	100%
2007	8.7	100%
2008	5.6	100%
2009	5.0	100%
2010	6.7	100%
2011	8.4	100%

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Road Commission Component Unit

Schedule of Funding Progress
MERS Defined Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ 385,566	\$ 507,337	\$ 121,771	76.0%	(1)	(1)
12/31/2009	277,499	443,750	166,251	62.5%	(1)	(1)
12/31/2010	184,123	400,508	216,385	46.0%	(1)	(1)

Schedule of Employer Contributions
MERS Defined Benefit Pension Plan

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 7,630	100%
2010	-	100%
2011	-	100%

(1) The Road Commission's defined benefit plan consists only of individuals that had retired prior to the formation of the defined contribution plan (i.e., there are no active employees in the plan). As such, the disclosures for covered payroll are not applicable

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Community Mental Health Authority Component Unit

Schedule of Funding Progress
MERS Defined Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2005	\$ 14,020,055	\$ 11,918,304	\$ (2,101,751)	117.6%	\$ 5,405,594	-38.9%
12/31/2006	15,459,931	13,561,227	(1,898,704)	114.0%	5,893,828	-32.2%
12/31/2007	17,142,130	15,366,160	(1,775,970)	111.6%	6,075,823	-29.2%
12/31/2008	18,422,931	17,094,822	(1,328,109)	107.8%	6,708,642	-19.8%
12/31/2009	20,153,202	17,943,543	(2,209,659)	112.3%	6,808,930	-32.5%
12/31/2010	21,895,495	19,741,118	(2,154,377)	110.9%	6,961,422	-30.9%

Schedule of Employer Contributions
MERS Defined Benefit Pension Plan

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2006	\$ 196,866	100%
2007	304,281	100%
2008	395,314	100%
2009	416,001	100%
2010	398,589	100%
2010	464,769	100%

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
 Voluntary Employees' Beneficiary Association (VEBA) Trust Fund

Schedule of Funding Progress
 Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2009	\$ 6,467,528	\$ 39,171,891	\$ 32,704,363	16.5%	\$ 95,198,853	34.4%
12/31/2010	9,003,067	45,864,042	36,860,975	19.6%	92,734,318	39.7%
12/31/2011	10,531,436	44,257,602	33,726,166	23.8%	91,139,213	37.0%

Schedule of Employer Contributions
 Other Postemployment Benefits Plan

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 2,895,141	100%
2010	3,360,259	100%
2011	3,181,372	100%

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Road Commission Component Unit

Schedule of Funding Progress
Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ -	\$ 4,789,910	\$ 4,789,910	-	(2)	(2)
12/31/2008	241,018	4,571,518	4,330,500	5.3%	(2)	(2)
12/31/2010	911,072	4,813,836	3,902,764	18.9%	(2)	(2)

Schedule of Employer Contributions
Other Postemployment Benefits Plan

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 494,520	100%
2010	461,583	100%
2011	457,597	97%

(2) The Road Commission's OPEB plan consists entirely of retirees (i.e., there are no active employees in the plan). As such, the disclosures for covered payroll are not applicable

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Community Mental Health Authority Component Unit

Schedule of Funding Progress
Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2007	\$ -	\$ 266,416	\$ 266,416	-	(3)	(3)
12/31/2010	323,938	404,876	80,938	80.0%	(3)	(3)

Schedule of Employer Contributions
Other Postemployment Benefits Plan

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 30,714	100%
2010	37,185	100%
2011	36,968	100%

(3) The CMH Authority is audited separately by other auditors. Information on covered payroll was not available in the separately-issued report

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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COUNTY OF KENT, MICHIGAN

■ General Fund

The General Fund accounts for resources traditionally associated with the County which are not required to be accounted for in another fund.

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenue, Expenditures and Changes in Fund Balance Budget and Actual - General Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes:					
Property	\$84,296,750	\$84,296,750	\$83,720,520	\$ (576,230)	\$83,452,643
Industrial facilities	1,227,500	1,227,500	770,686	(456,814)	640,317
Payment in lieu of taxes	173,600	173,600	165,854	(7,746)	174,279
Trailer tax	49,000	49,000	45,849	(3,151)	48,380
Penalties and interest on taxes	178,000	178,000	139,855	(38,145)	183,964
Total taxes	85,924,850	85,924,850	84,842,764	(1,082,086)	84,499,583
Licenses and permits:					
Marriage licenses	21,000	21,000	23,680	2,680	22,660
Pistol permits	87,400	87,400	274,965	187,565	76,242
Professional registration	2,000	2,000	3,100	1,100	2,800
Boat livery inspection	400	400	340	(60)	430
Total licenses and permits	110,800	110,800	302,085	191,285	102,132
Intergovernmental:					
State revenue sharing	6,939,894	6,939,894	10,225,945	3,286,051	-
State grants	4,765,042	4,780,042	4,950,877	170,835	4,868,030
State grants - other	3,484,000	3,484,000	3,127,625	(356,375)	3,268,527
State cigarette tax	20,050	20,050	38,869	18,819	94,823
State grants - public safety	120,700	120,700	130,044	9,344	132,285
Local units	1,346,062	1,346,062	1,586,557	240,495	670,067
Total intergovernmental	16,675,748	16,690,748	20,059,917	3,369,169	9,033,732
Charges for services:					
Court fees	3,516,500	3,516,500	2,939,550	(576,950)	3,172,866
Board and care	2,500,000	2,500,000	2,591,195	91,195	1,932,016
Real estate transfer tax	1,500,000	1,500,000	1,640,338	140,338	1,517,566
Recording fee	1,520,000	1,520,000	1,482,097	(37,903)	1,599,207
Sales utilities	1,229,900	1,229,900	1,096,844	(133,056)	1,174,480
Certified copy fee	885,700	885,700	980,609	94,909	961,597
Other services	476,600	476,600	440,509	(36,091)	429,340
Printing services	280,000	280,000	183,479	(96,521)	234,560
Motion fees	78,700	78,700	73,048	(5,652)	83,800
Arrest processing fee	422,910	422,910	319,539	(103,371)	337,756
Civil fees	530,000	530,000	554,320	24,320	586,838
Sales of supplies	60,000	60,000	23,073	(36,927)	37,623
Commissary	288,400	288,400	264,815	(23,585)	260,045
Jury fees	27,000	27,000	29,880	2,880	32,280
Probation fees	207,800	207,800	211,467	3,667	238,447
Filing fees	170,000	170,000	152,904	(17,096)	174,924
Other charges	13,800	13,800	15,657	1,857	13,124

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COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenue, Expenditures and Changes in Fund Balance Budget and Actual - General Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue (continued)					
Charges for services (concluded):					
Park fees	\$ 1,595,800	\$ 1,595,800	\$ 1,514,046	\$ (81,754)	\$ 1,499,327
Court bond costs	79,300	79,300	59,460	(19,840)	67,226
Assumed name	30,500	30,500	28,556	(1,944)	30,700
Record copy fees	54,000	54,000	68,878	14,878	67,420
Other fees	269,750	269,750	353,291	83,541	336,929
Photographic services	15,500	15,500	41,693	26,193	42,035
Service fees	69,500	69,500	63,057	(6,443)	92,850
Partnership filing and dissolution	4,000	4,000	3,210	(790)	3,630
Tax certificate, history and search	17,500	17,500	17,814	314	19,249
Transport services	14,500	14,500	14,140	(360)	14,658
Appeal fees	2,400	2,400	2,070	(330)	2,550
Admission fees	1,729,569	1,729,569	1,508,287	(221,282)	1,375,923
Adoption fees	17,390	17,390	17,046	(344)	20,078
Scrap sales	500	500	461	(39)	360
Notary bonds	4,400	4,400	9,318	4,918	5,780
Clinic Fees - Kent Health Plan	777,000	777,000	777,000	-	777,000
Total charges for services	<u>18,388,919</u>	<u>18,388,919</u>	<u>17,477,651</u>	<u>(911,268)</u>	<u>17,142,184</u>
Fines and forfeitures					
Fines	73,000	73,000	56,500	(16,500)	68,547
Bond forfeitures	85,000	85,000	22,072	(62,928)	31,107
Penal Fines	8,500	8,500	8,500	-	8,500
Total fines and forfeitures	<u>166,500</u>	<u>166,500</u>	<u>87,072</u>	<u>(79,428)</u>	<u>108,154</u>
Investment earnings	<u>887,500</u>	<u>887,500</u>	<u>339,885</u>	<u>(547,615)</u>	<u>62,904</u>
Contributions and reimbursements:					
Cost allocation	4,733,297	4,733,297	4,775,401	42,104	4,603,047
Reimbursements	8,073,059	8,077,059	7,082,548	(994,511)	6,911,773
Department of Human Services	740,025	740,025	591,865	(148,160)	829,494
Attorney and jury fees	221,000	221,000	195,712	(25,288)	210,386
Prisoner medical	268,500	268,500	112,485	(156,015)	123,596
Collection fees - delinquent	35,500	35,500	39,660	4,160	44,184
Collection fees - neglect	39,900	39,900	32,778	(7,122)	36,057
Total contributions and reimbursements	<u>14,111,281</u>	<u>14,115,281</u>	<u>12,830,449</u>	<u>(1,284,832)</u>	<u>12,758,537</u>
Other:					
Vending machines and pay phones	450,500	450,500	332,812	(117,688)	314,188
Cash over and short	200	200	(668)	(868)	155
Miscellaneous income	257,075	279,001	(292,789)	(571,790)	246,503

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COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2011

(With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue (concluded)					
Other (concluded):					
Rent - land	\$ 31,605	\$ 31,605	\$ 55,555	\$ 23,950	\$ 34,845
Rent - building	3,545,278	3,545,278	1,626,224	(1,919,054)	2,096,990
Rent - other	121,500	121,500	366,122	244,622	301,053
Refunds and rebates	5,200	5,200	4,751	(449)	5,312
Rent - tract index	24,000	24,000	20,120	(3,880)	22,751
Royalties	3,500	3,500	2,553	(947)	2,437
Total other	<u>4,438,858</u>	<u>4,460,784</u>	<u>2,114,680</u>	<u>(2,346,104)</u>	<u>3,024,234</u>
Total revenue	<u>140,704,456</u>	<u>140,745,382</u>	<u>138,054,503</u>	<u>(2,690,879)</u>	<u>126,731,460</u>
Expenditures					
Current:					
General government:					
Information technology	4,965,707	4,965,707	4,681,232	(284,475)	4,655,109
Courthouse	8,080,164	8,080,164	7,733,293	(346,871)	6,675,597
Administrator	1,203,310	1,193,310	1,177,449	(15,861)	1,154,011
Clerk	885,435	869,435	815,923	(53,512)	847,409
Clerk - court division	1,527,333	1,527,333	1,461,305	(66,028)	1,443,380
Buildings and grounds - administration	645,810	645,810	572,394	(73,416)	578,959
Fiscal services	1,706,245	1,696,245	1,687,137	(9,108)	1,587,770
Boiler plant operation	1,309,400	1,309,400	1,181,725	(127,675)	1,307,354
Energy use reduction program	2,800	2,799	2,739	(60)	4,581
Facilities management	345,553	345,553	319,686	(25,867)	321,763
Cooperative extension	595,512	595,512	559,305	(36,207)	556,070
Equalization	1,504,260	1,504,260	1,417,962	(86,298)	1,486,888
Treasurer	1,022,662	1,022,662	1,022,562	(100)	1,213,741
Board of Commissioners	854,044	832,844	792,093	(40,751)	854,729
Human resources	1,768,194	1,768,194	1,719,004	(49,190)	1,652,370
Buildings and grounds - 82 Ionia	1,005,274	1,005,274	942,180	(63,094)	648,266
Register of deeds	548,803	564,803	560,471	(4,332)	608,489
Buildings and grounds - HSC	1,228,229	1,228,229	697,043	(531,186)	1,071,067
Drain Commission	585,401	585,401	587,739	2,338	557,215
Purchasing	448,078	448,078	436,872	(11,206)	426,433
Elections	300,330	300,330	296,294	(4,036)	409,068
Audit	76,400	83,700	83,700	-	73,300
Prosecuting attorney	5,941,065	5,941,065	5,820,643	(120,422)	6,004,574
Management studies	50,000	90,815	87,369	(3,446)	68,103
Corporate counsel	45,000	45,000	32,996	(12,004)	14,649
Buildings and grounds - courthouse	136,060	136,060	132,852	(3,208)	147,759
Central services	770,207	750,557	669,731	(80,826)	728,388
Fleet services	428,596	431,296	431,288	(8)	386,009
Total general government	<u>37,979,872</u>	<u>37,969,836</u>	<u>35,922,987</u>	<u>(2,046,849)</u>	<u>35,483,051</u>

continued...

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2011

(With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Expenditures (continued)					
Current (continued):					
Public safety:					
Jail	\$35,923,154	\$35,839,867	\$33,035,632	\$ (2,804,235)	\$34,781,231
Sheriff and road patrol	16,863,764	16,838,836	16,319,435	(519,401)	17,734,144
Township law	3,778,966	3,778,966	3,705,265	(73,701)	3,908,532
E-911	3,846,272	3,846,272	3,503,446	(342,826)	2,668,218
Marine law	231,629	231,629	190,939	(40,690)	170,984
Emergency management	230,070	230,070	172,778	(57,292)	226,315
Law Enforcement Network	161,935	161,935	158,197	(3,738)	142,847
Total public safety	<u>61,035,790</u>	<u>60,927,575</u>	<u>57,085,692</u>	<u>(3,841,883)</u>	<u>59,632,271</u>
Health and welfare:					
Intergovernmental	4,441,240	4,570,052	4,570,052	-	4,508,986
Prevention programming	1,690,107	1,731,307	1,731,302	(5)	1,760,550
Medical examiners	1,238,554	1,300,530	1,300,500	(30)	987,398
Department of Human Services	690,763	701,625	701,625	-	669,240
Soldiers' relief - administration	169,509	173,509	170,850	(2,659)	176,364
Area Agency on Aging	14,546	14,546	14,546	-	14,546
Total health and welfare	<u>8,244,719</u>	<u>8,491,569</u>	<u>8,488,875</u>	<u>(2,694)</u>	<u>8,117,084</u>
Cultural and recreation:					
Parks	3,864,019	3,861,508	3,800,127	(61,381)	3,695,210
John Ball Zoological Gardens	4,053,600	4,068,600	3,791,531	(277,069)	3,809,465
Total cultural and recreation	<u>7,917,619</u>	<u>7,930,108</u>	<u>7,591,658</u>	<u>(338,450)</u>	<u>7,504,675</u>
Judicial:					
Family court	595,655	595,655	662,492	66,837	596,016
District court	2,408,058	2,408,058	2,401,218	(6,840)	2,197,388
Probate court	1,288,382	1,288,382	1,285,729	(2,653)	1,235,902
Circuit court services	1,552,650	1,552,650	1,434,382	(118,268)	1,514,490
Circuit court	14,502,001	14,502,001	13,378,652	(1,123,349)	13,982,556
Probation - district court	495,186	495,186	442,792	(52,394)	477,282
Probation - circuit court	49,632	49,632	35,345	(14,287)	40,265
Law library	21,400	21,400	21,400	-	21,400
Jury commission	2,074	2,074	118	(1,956)	4
Legal assistance center	47,500	47,500	47,500	-	50,000
Total judicial	<u>20,962,538</u>	<u>20,962,538</u>	<u>19,709,628</u>	<u>(1,252,910)</u>	<u>20,115,303</u>

continued...

COUNTY OF KENT, MICHIGAN

■ Detailed Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget and Actual - General Fund
 For the Year Ended December 31, 2011
 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Expenditures (concluded)					
Current (concluded):					
Community and economic development:					
Economic development	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	\$ 85,000
ACSET	-	-	-	-	65,000
Total community and economic development	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	<u>136,225,538</u>	<u>136,366,626</u>	<u>128,883,840</u>	<u>(7,482,786)</u>	<u>131,002,384</u>
Revenue over (under) expenditures	<u>4,478,918</u>	<u>4,378,756</u>	<u>9,170,663</u>	<u>4,791,907</u>	<u>(4,270,924)</u>
Other financing sources (uses)					
Transfers in	24,250,000	24,250,000	20,456,819	(3,793,181)	30,605,290
Transfers out	(33,967,404)	(33,987,054)	(29,739,744)	4,247,310	(26,389,961)
Proceeds from sale of capital assets	225,000	225,000	166,202	(58,798)	154,491
Total other financing sources (uses)	<u>(9,492,404)</u>	<u>(9,512,054)</u>	<u>(9,116,723)</u>	<u>395,331</u>	<u>4,369,820</u>
Net change in fund balances	(5,013,486)	(5,133,298)	53,940	5,187,238	98,896
Fund balance, beginning of year, as restated	<u>68,599,610</u>	<u>68,599,610</u>	<u>68,599,610</u>	<u>-</u>	<u>68,500,714</u>
Fund balance, end of year	<u>\$63,586,124</u>	<u>\$63,466,312</u>	<u>\$68,653,550</u>	<u>\$ 5,187,238</u>	<u>\$68,599,610</u>

concluded

COUNTY OF KENT, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds

Fire Prevention Fund - accounts for the acquisition of fire trucks for participating local units of government. Financing is provided by participating units and General Fund appropriations.

Lodging Excise Tax Fund - accounts for expenditures incurred in promoting Kent County and maintaining, acquiring, or constructing its public convention and entertainment facilities. Revenues are provided by the excise tax on transient room rentals.

Correction and Detention Facilities Fund - accounts for the proceeds of a dedicated millage levied to pay for operations and debt service related to the expansion of the correction and detention facilities.

Senior Millage Fund - accounts for the proceeds of a dedicated millage levied to plan, coordinate, evaluate and provide services to person 60 years of age or older.

Register of Deeds Automation Fund - accounts for funds set aside under provisions of Public Act 698 of 2002 (MCL 600.2568) for upgrading technology in the Register of Deeds' office.

Central Dispatch Collection Fund - accounts for the collection of 911 surcharge revenue on mobile and other phone devices, and disbursement of such funds to the Kent County Dispatch Authority.

Drug Forfeiture Fund - accounts for revenue awarded to the County related to assets seized from activities involved in the violation of controlled substances statutes, Public Act 135 of 1985 (MCL 333.7523). Authorized expenditures include expenses of seizure, forfeiture and sale of property. The balance remaining must be used to enhance law enforcement efforts.

Revenue Sharing Reserve Fund - revenue of this fund consisted of one-third of the 2004 General Fund tax levy, transferred to the fund in each of three years. Each year, the County is allowed to use an amount to fund current year operations, as determined annually by the State Department of Treasury.

Department of Human Services Fund - accounts for assistance provided to eligible recipients and the administration of various County, state and federal programs. Financing is provided through the various state and federal program grants and through General Fund subsidies.

Special Projects - Calendar Year-end Fund - accounts for the expenditures and revenues of the various activities financed primarily by restricted grants from the state and federal government. Project lengths vary from annually renewable to multiple years.

Friend of the Court Fund - accounts for revenue and expenditures of the Friend of the Court office as required in Public Acts 294 - 298 of 1982. This fund also accounts for administration of the Title IV-D cooperative reimbursement program.

Health Fund - accounts for specific revenue set aside for the purpose of providing health protection for people within the County. Revenues are provided through state and federal grants and General Fund appropriations.

Special Projects - Fiscal Year-end Fund - accounts for the expenditures and revenues of the various activities financed primarily by restricted grants from the state and federal government. Project lengths vary from annually renewable to multiple years.

Veterans' Trust Fund - accounts for State grants received for the purpose of financially assisting qualified veterans.

Community Development Fund - accounts for the improvement, rehabilitation and preservation of public facilities in target areas as well as the issuance and repayment of rehabilitation loans. Financing is provided by Community Development Block Grants from the U.S. Department of Housing and Urban Development and related program income.

Shelter Plus Care Fund - accounts for the administration of the Shelter Plus Care grant through the U.S. Department of Housing and Urban Development. Funding is passed through to two subrecipients in its entirety.

COUNTY OF KENT, MICHIGAN

■ Nonmajor Governmental Funds

Debt Service Funds

Debt Service Fund - accounts for the retirement of principal and related interest and fiscal charges on long-term debt issued to fund various building and land acquisitions within the County.

Building Authority Fund - accounts for the retirement of principal and related interest and fiscal charges on long-term debt of the Kent County Building Authority. Such buildings currently include the correctional facility, the sheriff's building, the courthouse, the senior citizens' building, the Human Services Complex, and the 63rd District Court building. Financing for the correctional facility is supported by a dedicated tax millage paid by County property owners. Financing for the senior citizens' building is supported by a lease with the Area Agency on Aging. Financing for the Human Services Complex is supported by a lease with the State of Michigan.

Capital Projects Funds

Capital Improvement Program Fund - accounts for revenue set aside for public improvements.

Bond Capital Improvement Fund - accounts for construction projects funded by bonds which currently include various building and land acquisitions within Kent County.

Building Authority Construction Fund - accounts for construction projects of the Building Authority. Financing is provided by bonds, investment earnings, and subsidies from the General Fund.

Permanent Fund

Dickenson Trust Fund - accounts for a donation held by the County for which interest earnings thereon must be used for the purchase and maintenance of animals and animal shelters at the John Ball Zoo.

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COUNTY OF KENT, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds

	December 31, 2011			
	Special Revenue Funds			
	Fire Prevention (206)	Lodging Excise Tax (229)	Correction and Detention Facilities (250)	Senior Millage (251)
Assets				
Cash, investments, and accrued interest	\$ -	\$ 533,945	\$ 8,096,292	\$ 1,133,622
Receivables, net:				
Accounts	-	377,422	-	539,115
Property taxes	-	-	13,933,588	5,726,664
Due from other governments	142,100	-	-	-
Loans	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 142,100</u>	<u>\$ 911,367</u>	<u>\$ 22,029,880</u>	<u>\$ 7,399,401</u>
Liabilities				
Accounts payable	\$ 2,743	\$ 153,679	\$ 18	\$ 509,278
Accrued liabilities	-	4,905	-	-
Due to other governments	-	-	-	-
Due to other funds	25,157	235	-	-
Deferred revenue	-	-	15,655,029	6,434,171
Total liabilities	<u>27,900</u>	<u>158,819</u>	<u>15,655,047</u>	<u>6,943,449</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	114,200	752,548	6,374,833	455,952
Assigned	-	-	-	-
Total fund balances	<u>114,200</u>	<u>752,548</u>	<u>6,374,833</u>	<u>455,952</u>
Total liabilities and fund balances	<u>\$ 142,100</u>	<u>\$ 911,367</u>	<u>\$ 22,029,880</u>	<u>\$ 7,399,401</u>

December 31, 2011

Special Revenue Funds

Register of Deeds Automation (256)	Central Dispatch Collection (261)	Drug Forfeiture (265)	Revenue Sharing Reserve (285)	Department of Human Services (290)	Special Projects Calendar Year-end (296)
\$ 1,643,873	\$ 171	\$ 776,519	\$ -	\$ 131,990	\$ 2,104,924
-	998,346	-	-	-	10,000
-	-	-	-	-	-
-	-	-	-	106,708	139,844
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,643,873</u>	<u>\$ 998,517</u>	<u>\$ 776,519</u>	<u>\$ -</u>	<u>\$ 238,698</u>	<u>\$ 2,254,768</u>
\$ 10,899	\$ 998,517	\$ 142,142	\$ -	\$ 11,495	\$ 58,199
3,139	-	2,467	-	-	65,019
-	-	-	-	223,870	68,091
-	-	9,931	-	-	44,172
-	-	-	-	-	56,840
<u>14,038</u>	<u>998,517</u>	<u>154,540</u>	<u>-</u>	<u>235,365</u>	<u>292,321</u>
-	-	-	-	-	-
1,629,835	-	621,979	-	3,333	1,962,447
-	-	-	-	-	-
<u>1,629,835</u>	<u>-</u>	<u>621,979</u>	<u>-</u>	<u>3,333</u>	<u>1,962,447</u>
<u>\$ 1,643,873</u>	<u>\$ 998,517</u>	<u>\$ 776,519</u>	<u>\$ -</u>	<u>\$ 238,698</u>	<u>\$ 2,254,768</u>

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COUNTY OF KENT, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds

	September 30, 2011			
	Special Revenue Funds			
	Friend of the Court (215)	Health (221)	Special Projects Fiscal Year-end (289 and 297)	Veterans' Trust (294)
Assets				
Cash, investments, and accrued interest	\$ 400	\$ -	\$ 22,078	\$ 11,374
Receivables, net:				
Accounts	-	575,624	-	-
Property taxes	-	-	-	-
Due from other governments	460,502	2	607,599	-
Loans	-	-	-	-
Due from other funds	-	469,783	67,727	-
Inventories	-	151,940	-	-
Total assets	<u>\$ 460,902</u>	<u>\$ 1,197,349</u>	<u>\$ 697,404</u>	<u>\$ 11,374</u>
Liabilities				
Accounts payable	\$ 7,311	\$ 518,254	\$ 106,680	\$ 461
Accrued liabilities	129,544	321,102	47,368	-
Due to other governments	-	-	-	-
Due to other funds	224,115	177,552	529,112	-
Deferred revenue	-	80,443	2,364	-
Total liabilities	<u>360,970</u>	<u>1,097,351</u>	<u>685,524</u>	<u>461</u>
Fund balances				
Nonspendable	-	71,497	-	-
Restricted	-	-	11,880	10,913
Assigned	99,932	28,501	-	-
Total fund balances	<u>99,932</u>	<u>99,998</u>	<u>11,880</u>	<u>10,913</u>
Total liabilities and fund balances	<u>\$ 460,902</u>	<u>\$ 1,197,349</u>	<u>\$ 697,404</u>	<u>\$ 11,374</u>

June 30, 2011		December 31, 2011			
Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
Community Development (280)	Shelter Plus Care (282)	Debt Service (345)	Building Authority (350)	Capital Improvement Program (245)	Bond Capital Improvement (445)
\$ -	\$ 158,903	\$ 12,024	\$ 416,128	\$ 4,256,678	\$ 103,188
102,958	4,781	-	-	1,198,988	-
-	-	-	-	-	-
1,714,284	250,942	-	-	-	-
2,344,049	-	-	-	-	-
-	-	-	5,793	82,725	-
-	-	-	-	-	-
<u>\$ 4,161,291</u>	<u>\$ 414,626</u>	<u>\$ 12,024</u>	<u>\$ 421,921</u>	<u>\$ 5,538,391</u>	<u>\$ 103,188</u>
\$ 1,180,763	\$ 79,411	\$ -	\$ -	\$ 257,576	\$ 23,237
14,651	-	-	-	-	-
20,812	834	-	-	-	-
353,201	334,381	-	-	24,800	-
2,443,659	-	-	-	-	-
<u>4,013,086</u>	<u>414,626</u>	<u>-</u>	<u>-</u>	<u>282,376</u>	<u>23,237</u>
-	-	-	-	-	-
148,205	-	-	-	-	79,951
-	-	12,024	421,921	5,256,015	-
<u>148,205</u>	<u>-</u>	<u>12,024</u>	<u>421,921</u>	<u>5,256,015</u>	<u>79,951</u>
<u>\$ 4,161,291</u>	<u>\$ 414,626</u>	<u>\$ 12,024</u>	<u>\$ 421,921</u>	<u>\$ 5,538,391</u>	<u>\$ 103,188</u>

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COUNTY OF KENT, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds

	December 31, 2011		
	Capital Projects Funds	Permanent Fund	Total
	Building Authority Construction (450)	Dickenson Trust (711)	
Assets			
Cash, investments, and accrued interest	\$ 14,330,722	\$ 115,411	\$ 33,848,242
Receivables, net:			
Accounts	-	-	3,807,234
Property taxes	-	-	19,660,252
Due from other governments	-	-	3,421,981
Loans	-	-	2,344,049
Due from other funds	-	-	626,028
Inventories	-	-	151,940
Total assets	\$ 14,330,722	\$ 115,411	\$ 63,859,726
Liabilities			
Accounts payable	\$ 1,256,487	\$ -	\$ 5,317,150
Accrued liabilities	-	-	588,195
Due to other governments	-	-	313,607
Due to other funds	46,093	-	1,768,749
Deferred revenue	-	-	24,672,506
Total liabilities	1,302,580	-	32,660,207
Fund balances			
Nonspendable	-	73,000	144,497
Restricted	13,028,142	42,411	25,236,629
Assigned	-	-	5,818,393
Total fund balances	13,028,142	115,411	31,199,519
Total liabilities and fund balances	\$ 14,330,722	\$ 115,411	\$ 63,859,726

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COUNTY OF KENT, MICHIGAN

Combining Statement of Revenue, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds

	For the Year Ended December 31, 2011			
	Special Revenue Funds			
	Fire Prevention (206)	Lodging Excise Tax (229)	Correction and Detention Facilities (250)	Senior Millage (251)
Revenue				
Taxes	\$ -	\$ 5,803,776	\$ 15,974,836	\$ 6,565,158
Licenses and permits	-	-	-	-
Intergovernmental	193,247	-	-	-
Charges for services	-	380	-	-
Fines and forfeitures	-	7,664	-	-
Investment earnings	1,035	11,515	82,221	23,319
Contributions and reimbursements	327,410	-	-	-
Other	-	-	-	-
Total revenue	521,692	5,823,335	16,057,057	6,588,477
Expenditures				
Current:				
General government	-	-	-	-
Public safety	826,666	-	941,618	-
Health and welfare	-	-	-	6,487,324
Cultural and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	6,867,748	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	826,666	6,867,748	941,618	6,487,324
Revenue over (under) expenditures	(304,974)	(1,044,413)	15,115,439	101,153
Other financing sources (uses)				
Issuance of long-term debt	-	-	-	-
Transfers in	165,627	1,400,000	-	-
Transfers out	-	-	(11,062,500)	-
Proceeds from sale of capital assets	103,199	-	-	-
Total other financing sources (uses)	268,826	1,400,000	(11,062,500)	-
Net change in fund balances	(36,148)	355,587	4,052,939	101,153
Fund balances, beginning of year, as restated	150,348	396,961	2,321,894	354,799
Fund balances, end of year	\$ 114,200	\$ 752,548	\$ 6,374,833	\$ 455,952

For the Year Ended December 31, 2011

Special Revenue Funds

Register of Deeds Automation (256)	Central Dispatch Collection (261)	Drug Forfeiture (265)	Revenue Sharing Reserve (285)	Department of Human Services (290)	Special Projects Calendar Year-end (296)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	66,390
-	-	-	-	1,316,385	1,506,410
500,745	4,019,851	-	-	-	163,252
-	-	319,733	-	-	-
9,145	3,026	4,648	(5,949)	-	9,479
-	-	-	-	200,703	1,721,969
560	-	-	-	-	492,561
<u>510,450</u>	<u>4,022,877</u>	<u>324,381</u>	<u>(5,949)</u>	<u>1,517,088</u>	<u>3,960,061</u>
388,867	-	-	-	-	1,877,368
-	4,022,885	277,559	-	-	2,316,218
-	-	-	-	1,536,611	-
-	-	-	-	-	1,569
-	-	-	-	-	69,404
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>388,867</u>	<u>4,022,885</u>	<u>277,559</u>	<u>-</u>	<u>1,536,611</u>	<u>4,264,559</u>
<u>121,583</u>	<u>(8)</u>	<u>46,822</u>	<u>(5,949)</u>	<u>(19,523)</u>	<u>(304,498)</u>
-	-	-	-	-	-
-	-	-	-	-	280,474
-	-	-	(4,394,319)	-	-
-	-	-	-	-	-
-	-	-	(4,394,319)	-	280,474
121,583	(8)	46,822	(4,400,268)	(19,523)	(24,024)
1,508,252	8	575,157	4,400,268	22,856	1,986,471
<u>\$ 1,629,835</u>	<u>\$ -</u>	<u>\$ 621,979</u>	<u>\$ -</u>	<u>\$ 3,333</u>	<u>\$ 1,962,447</u>

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COUNTY OF KENT, MICHIGAN

Combining Statement of Revenue, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds

	For the Year Ended September 30, 2011			
	Special Revenue Funds			
	Friend of the Court (215)	Health (221)	Special Projects Fiscal Year-end (289 and 297)	Veterans' Trust (294)
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	1,509,935	-	-
Intergovernmental	5,814,586	9,834,248	3,183,129	105,896
Charges for services	718,706	1,051,398	-	-
Fines and forfeitures	1,989	119,981	54,587	-
Investment earnings	-	-	84	-
Contributions and reimbursements	-	5,301,206	650	-
Other	-	363,844	6,500	-
Total revenue	6,535,281	18,180,612	3,244,950	105,896
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	664,167	-
Health and welfare	-	23,798,098	2,676	99,930
Cultural and recreation	-	-	-	-
Judicial	8,414,996	-	3,239,189	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,414,996	23,798,098	3,906,032	99,930
Revenue over (under) expenditures	(1,879,715)	(5,617,486)	(661,082)	5,966
Other financing sources (uses)				
Issuance of long-term debt	-	-	-	-
Transfers in	1,879,715	5,607,661	662,808	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,879,715	5,607,661	662,808	-
Net change in fund balances	-	(9,825)	1,726	5,966
Fund balances, beginning of year, as restated	99,932	109,823	10,154	4,947
Fund balances, end of year	\$ 99,932	\$ 99,998	\$ 11,880	\$ 10,913

For the Year Ended June 30, 2011		For the Year Ended December 31, 2011			
Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
Community Development (280)	Shelter Plus Care (282)	Debt Service (345)	Building Authority (350)	Capital Improvement Program (245)	Bond Capital Improvement (445)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,962,499	888,271	-	770,005	150,000	-
-	-	-	-	-	-
-	-	45	1,980	-	4,900
776,362	-	-	-	82,725	-
-	-	-	6,039,924	1,277,352	5,000
<u>5,738,861</u>	<u>888,271</u>	<u>45</u>	<u>6,811,909</u>	<u>1,510,077</u>	<u>9,900</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,730,029	888,271	-	-	-	-
-	-	1,320,160	3,425,000	244,830	-
-	-	832,514	5,462,247	28,461	-
-	-	-	-	2,725,302	260,177
<u>5,730,029</u>	<u>888,271</u>	<u>2,152,674</u>	<u>8,887,247</u>	<u>2,998,593</u>	<u>260,177</u>
<u>8,832</u>	<u>-</u>	<u>(2,152,629)</u>	<u>(2,075,338)</u>	<u>(1,488,516)</u>	<u>(250,277)</u>
-	-	-	-	-	243,620
-	-	2,152,996	2,078,853	2,962,176	63,040
-	-	-	-	(1,233,123)	-
-	-	-	-	-	-
-	-	2,152,996	2,078,853	1,729,053	306,660
8,832	-	367	3,515	240,537	56,383
139,373	-	11,657	418,406	5,015,478	23,568
<u>\$ 148,205</u>	<u>\$ -</u>	<u>\$ 12,024</u>	<u>\$ 421,921</u>	<u>\$ 5,256,015</u>	<u>\$ 79,951</u>

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COUNTY OF KENT, MICHIGAN

Combining Statement of Revenue, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds

	For the Year Ended December 31, 2011		
	Projects Funds	Permanent Fund	Total
	Building Authority Construction (450)	Dickenson Trust (711)	
Revenue			
Taxes	\$ -	\$ -	\$ 28,343,770
Licenses and permits	-	-	1,576,325
Intergovernmental	-	-	28,724,676
Charges for services	-	-	6,454,332
Fines and forfeitures	-	-	503,954
Investment earnings	150,842	679	296,969
Contributions and reimbursements	-	-	8,411,025
Other	2,464	-	8,188,205
Total revenue	153,306	679	82,499,256
Expenditures			
Current:			
General government	-	-	2,266,235
Public safety	-	-	9,049,113
Health and welfare	-	-	31,924,639
Cultural and recreation	-	-	1,569
Judicial	-	-	11,723,589
Community and economic development	-	-	13,486,048
Debt service:			
Principal	-	-	4,989,990
Interest and fiscal charges	-	-	6,323,222
Capital outlay	9,750,121	-	12,735,600
Total expenditures	9,750,121	-	92,500,005
Revenue over (under) expenditures	(9,596,815)	679	(10,000,749)
Other financing sources (uses)			
Issuance of long-term debt	-	-	243,620
Transfers in	-	-	17,253,350
Transfers out	(2,078,853)	-	(18,768,795)
Proceeds from sale of capital assets	-	-	103,199
Total other financing sources (uses)	(2,078,853)	-	(1,168,626)
Net change in fund balances	(11,675,668)	679	(11,169,375)
Fund balances, beginning of year, as restated	24,703,810	114,732	42,368,894
Fund balances, end of year	\$ 13,028,142	\$ 115,411	\$ 31,199,519

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COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Fire Prevention Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	165,627	165,627	193,247	27,620	187,074
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	1,750	1,750	1,035	(715)	2
Contributions and reimbursements	142,000	142,000	327,410	185,410	159,388
Other	-	-	-	-	-
Total revenue	309,377	309,377	521,692	212,315	346,464
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	572,241	828,444	826,666	(1,778)	593,149
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	572,241	828,444	826,666	(1,778)	593,149
Revenue over (under) expenditures	(262,864)	(519,067)	(304,974)	214,093	(246,685)
Other financing sources (uses)					
Transfers in	165,627	165,627	165,627	-	172,247
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	18,000	18,000	103,199	85,199	7,000
Total other financing sources (uses)	183,627	183,627	268,826	85,199	179,247
Net change in fund balances	(79,237)	(335,440)	(36,148)	299,292	(67,438)
Fund balances, beginning of year	150,348	150,348	150,348	-	217,786
Fund balances, end of year	\$ 71,111	\$ (185,092)	\$ 114,200	\$ 299,292	\$ 150,348

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Lodging Excise Tax Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ 4,592,000	\$ 5,800,000	\$ 5,803,776	\$ 3,776	\$ 4,923,974
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	500	500	380	(120)	494
Fines and forfeitures	1,000	1,000	7,664	6,664	1,838
Investment earnings	5,000	5,000	11,515	6,515	15,694
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	4,598,500	5,806,500	5,823,335	16,835	4,942,000
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	6,665,537	6,878,617	6,867,748	(10,869)	6,431,358
Total expenditures	6,665,537	6,878,617	6,867,748	(10,869)	6,431,358
Revenue over (under) expenditures	(2,067,037)	(1,072,117)	(1,044,413)	27,704	(1,489,358)
Other financing sources (uses)					
Transfers in	2,094,500	2,094,500	1,400,000	(694,500)	1,474,356
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	2,094,500	2,094,500	1,400,000	(694,500)	1,474,356
Net change in fund balances	27,463	1,022,383	355,587	(666,796)	(15,002)
Fund balances, beginning of year	396,961	396,961	396,961	-	411,963
Fund balances, end of year	\$ 424,424	\$ 1,419,344	\$ 752,548	\$ (666,796)	\$ 396,961

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Correction and Detention Facilities Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ 16,177,346	\$ 16,177,346	\$ 15,974,836	\$ (202,510)	\$ 16,609,672
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	56,250	56,250	82,221	25,971	90,343
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	16,233,596	16,233,596	16,057,057	(176,539)	16,700,015
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	941,618	941,618	941,618	-	2,414,819
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	941,618	941,618	941,618	-	2,414,819
Revenue over (under) expenditures	15,291,978	15,291,978	15,115,439	(176,539)	14,285,196
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(14,750,000)	(14,750,000)	(11,062,500)	3,687,500	(13,025,000)
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(14,750,000)	(14,750,000)	(11,062,500)	3,687,500	(13,025,000)
Net change in fund balances	541,978	541,978	4,052,939	3,510,961	1,260,196
Fund balances, beginning of year	2,321,894	2,321,894	2,321,894	-	1,061,698
Fund balances, end of year	\$ 2,863,872	\$ 2,863,872	\$ 6,374,833	\$ 3,510,961	\$ 2,321,894

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Senior Millage Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ 6,616,368	\$ 6,616,368	\$ 6,565,158	\$ (51,210)	\$ 6,826,247
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	45,000	45,000	23,319	(21,681)	31,613
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	6,661,368	6,661,368	6,588,477	(72,891)	6,857,860
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	6,661,368	6,661,368	6,487,324	(174,044)	6,773,947
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	6,661,368	6,661,368	6,487,324	(174,044)	6,773,947
Revenue over (under) expenditures	-	-	101,153	101,153	83,913
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	-	101,153	101,153	83,913
Fund balances, beginning of year	354,799	354,799	354,799	-	270,886
Fund balances, end of year	\$ 354,799	\$ 354,799	\$ 455,952	\$ 101,153	\$ 354,799

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Register of Deeds Automation Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	550,000	550,000	500,745	(49,255)	532,881
Fines and forfeitures	-	-	-	-	-
Investment earnings	25,000	25,000	9,145	(15,855)	7,900
Contributions and reimbursements	-	-	-	-	-
Other	-	-	560	560	-
Total revenue	575,000	575,000	510,450	(64,550)	540,781
Expenditures					
Current:					
General government	595,284	595,284	388,867	(206,417)	427,089
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	595,284	595,284	388,867	(206,417)	427,089
Revenue over (under) expenditures	(20,284)	(20,284)	121,583	141,867	113,692
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(20,284)	(20,284)	121,583	141,867	113,692
Fund balances, beginning of year	1,508,252	1,508,252	1,508,252	-	1,394,560
Fund balances, end of year	\$ 1,487,968	\$ 1,487,968	\$ 1,629,835	\$ 141,867	\$ 1,508,252

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Central Dispatch Collection Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	4,550,000	4,550,000	4,019,851	(530,149)	3,980,410
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	3,026	3,026	2,960
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	4,550,000	4,550,000	4,022,877	(527,123)	3,983,370
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	4,550,000	4,550,000	4,022,885	(527,115)	3,983,366
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	4,550,000	4,550,000	4,022,885	(527,115)	3,983,366
Revenue over (under) expenditures	-	-	(8)	(8)	4
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	-	(8)	(8)	4
Fund balances, beginning of year	8	8	8	-	4
Fund balances, end of year	\$ 8	\$ 8	\$ -	\$ (8)	\$ 8

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Drug Forfeiture Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	544,146	544,146	319,733	(224,413)	337,892
Investment earnings	-	-	4,648	4,648	3,892
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	544,146	544,146	324,381	(219,765)	341,784
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	231,346	321,346	277,559	(43,787)	156,127
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	231,346	321,346	277,559	(43,787)	156,127
Revenue over (under) expenditures	312,800	222,800	46,822	(175,978)	185,657
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	312,800	222,800	46,822	(175,978)	185,657
Fund balances, beginning of year	575,157	575,157	575,157	-	389,500
Fund balances, end of year	\$ 887,957	\$ 797,957	\$ 621,979	\$ (175,978)	\$ 575,157

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Revenue Sharing Reserve Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	(5,949)	(5,949)	(59,438)
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	-	-	(5,949)	(5,949)	(59,438)
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	-	-	-	-	-
Revenue over (under) expenditures	-	-	(5,949)	(5,949)	(59,438)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(4,500,000)	(4,500,000)	(4,394,319)	105,681	(11,970,290)
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(4,500,000)	(4,500,000)	(4,394,319)	105,681	(11,970,290)
Net change in fund balances	(4,500,000)	(4,500,000)	(4,400,268)	99,732	(12,029,728)
Fund balances, beginning of year	4,400,268	4,400,268	4,400,268	-	16,429,996
Fund balances, end of year	\$ (99,732)	\$ (99,732)	\$ -	\$ 99,732	\$ 4,400,268

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Department of Human Services Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,340,000	1,340,000	1,316,385	(23,615)	1,159,827
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	280,000	280,000	200,703	(79,297)	279,903
Other	-	-	-	-	-
Total revenue	1,620,000	1,620,000	1,517,088	(102,912)	1,439,730
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	1,620,000	1,620,000	1,536,611	(83,389)	1,435,528
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	1,620,000	1,620,000	1,536,611	(83,389)	1,435,528
Revenue over (under) expenditures	-	-	(19,523)	(19,523)	4,202
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	-	(19,523)	(19,523)	4,202
Fund balances, beginning of year	22,856	22,856	22,856	-	18,654
Fund balances, end of year	<u>\$ 22,856</u>	<u>\$ 22,856</u>	<u>\$ 3,333</u>	<u>\$ (19,523)</u>	<u>\$ 22,856</u>

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Special Projects - Calendar Year-End Fund For the Year Ended December 31, 2011 (With Comparative Totals for the Year Ended December 31, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	70,000	66,390	66,390	-	63,450
Intergovernmental	353,026	1,749,657	1,506,410	(243,247)	2,091,427
Charges for services	165,000	165,000	163,252	(1,748)	146,614
Fines and forfeitures	-	-	-	-	-
Investment earnings	800	800	9,479	8,679	22,536
Contributions and reimbursements	1,666,562	1,723,862	1,721,969	(1,893)	-
Other	211,228	484,327	492,561	8,234	795,306
Total revenue	2,466,616	4,190,036	3,960,061	(229,975)	3,119,333
Expenditures					
Current:					
General government	776,728	2,061,018	1,877,368	(183,650)	3,040,229
Public safety	2,148,102	2,510,297	2,316,218	(194,079)	382,043
Health and welfare	-	-	-	-	-
Cultural and recreation	-	1,569	1,569	-	76,456
Judicial	69,478	69,404	69,404	-	57,380
Community and economic development	-	-	-	-	-
Total expenditures	2,994,308	4,642,288	4,264,559	(377,729)	3,556,108
Revenue over (under) expenditures	(527,692)	(452,252)	(304,498)	147,754	(436,775)
Other financing sources (uses)					
Transfers in	280,474	280,474	280,474	-	378,569
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	280,474	280,474	280,474	-	378,569
Net change in fund balances	(247,218)	(171,778)	(24,024)	147,754	(58,206)
Fund balances, beginning of year, as restated	1,986,471	1,986,471	1,986,471	-	2,044,677
Fund balances, end of year	\$ 1,739,253	\$ 1,814,693	\$ 1,962,447	\$ 147,754	\$ 1,986,471

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Friend of the Court Fund For the Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	6,218,002	6,218,002	5,814,586	(403,416)	5,875,585
Charges for services	790,400	790,400	718,706	(71,694)	652,147
Fines and forfeitures	1,000	1,000	1,989	989	2,193
Investment earnings	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	7,009,402	7,009,402	6,535,281	(474,121)	6,529,925
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	9,076,070	9,076,070	8,414,996	(661,074)	8,718,982
Community and economic development	-	-	-	-	-
Total expenditures	9,076,070	9,076,070	8,414,996	(661,074)	8,718,982
Revenue over (under) expenditures	(2,066,668)	(2,066,668)	(1,879,715)	186,953	(2,189,057)
Other financing sources (uses)					
Transfers in	2,066,668	2,066,668	1,879,715	(186,953)	2,238,990
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	2,066,668	2,066,668	1,879,715	(186,953)	2,238,990
Net change in fund balances	-	-	-	-	49,933
Fund balances, beginning of year	99,932	99,932	99,932	-	49,999
Fund balances, end of year	\$ 99,932	\$ 99,932	\$ 99,932	\$ -	\$ 99,932

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Health Fund For the Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,543,053	1,543,053	1,509,935	(33,118)	1,624,422
Intergovernmental	9,986,422	10,182,772	9,834,248	(348,524)	12,208,084
Charges for services	893,705	893,705	1,051,398	157,693	879,340
Fines and forfeitures	142,000	142,000	119,981	(22,019)	143,988
Investment earnings	-	-	-	-	-
Contributions and reimbursements	4,588,451	4,588,451	5,301,206	712,755	4,874,473
Other	381,853	381,853	363,844	(18,009)	436,620
Total revenue	17,535,484	17,731,834	18,180,612	448,778	20,166,927
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	24,565,180	24,755,479	23,798,098	(957,381)	25,640,928
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	24,565,180	24,755,479	23,798,098	(957,381)	25,640,928
Revenue over (under) expenditures	(7,029,696)	(7,023,645)	(5,617,486)	1,406,159	(5,474,001)
Other financing sources (uses)					
Transfers in	7,029,696	7,029,696	5,607,661	(1,422,035)	5,369,160
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	7,029,696	7,029,696	5,607,661	(1,422,035)	5,369,160
Net change in fund balances	-	6,051	(9,825)	(15,876)	(104,841)
Fund balances, beginning of year	109,823	109,823	109,823	-	214,664
Fund balances, end of year	\$ 109,823	\$ 115,874	\$ 99,998	\$ (15,876)	\$ 109,823

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Special Projects - Fiscal Year-End Fund For the Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	3,029,273	3,459,495	3,183,129	(276,366)	3,012,860
Charges for services	-	-	-	-	-
Fines and forfeitures	93,403	52,828	54,587	1,759	43,868
Investment earnings	-	-	84	84	104
Contributions and reimbursements	1,000	1,000	650	(350)	2,972
Other	2,500	2,500	6,500	4,000	3,000
Total revenue	3,126,176	3,515,823	3,244,950	(270,873)	3,062,804
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	558,957	677,646	664,167	(13,479)	673,732
Health and welfare	5,698	2,676	2,676	-	1,901
Cultural and recreation	-	-	-	-	-
Judicial	3,265,387	3,540,204	3,239,189	(301,015)	2,974,975
Community and economic development	-	-	-	-	-
Total expenditures	3,830,042	4,220,526	3,906,032	(314,494)	3,650,608
Revenue over (under) expenditures	(703,866)	(704,703)	(661,082)	43,621	(587,804)
Other financing sources (uses)					
Transfers in	700,668	700,845	662,808	(38,037)	591,186
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	700,668	700,845	662,808	(38,037)	591,186
Net change in fund balances	(3,198)	(3,858)	1,726	5,584	3,382
Fund balances, beginning of year	10,154	10,154	10,154	-	6,772
Fund balances, end of year	\$ 6,956	\$ 6,296	\$ 11,880	\$ 5,584	\$ 10,154

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Veterans' Trust Fund For the Year Ended September 30, 2011 (With Comparative Totals for the Year Ended September 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	75,000	105,000	105,896	896	64,196
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	75,000	105,000	105,896	896	64,196
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	75,000	105,000	99,930	(5,070)	62,690
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
Total expenditures	75,000	105,000	99,930	(5,070)	62,690
Revenue over (under) expenditures	-	-	5,966	5,966	1,506
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	-	5,966	5,966	1,506
Fund balances, beginning of year	4,947	4,947	4,947	-	3,441
Fund balances, end of year	<u>\$ 4,947</u>	<u>\$ 4,947</u>	<u>\$ 10,913</u>	<u>\$ 5,966</u>	<u>\$ 4,947</u>

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Community Development Fund For the Year Ended June 30, 2011 (With Comparative Totals for the Year Ended June 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	2,344,228	4,845,323	4,962,499	117,176	4,255,243
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	75,000	776,354	776,362	8	869,762
Other	-	-	-	-	-
Total revenue	2,419,228	5,621,677	5,738,861	117,184	5,125,005
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	2,419,228	5,730,064	5,730,029	(35)	5,117,884
Total expenditures	2,419,228	5,730,064	5,730,029	(35)	5,117,884
Revenue over (under) expenditures	-	(108,387)	8,832	117,219	7,121
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	215
Total other financing sources (uses)	-	-	-	-	215
Net change in fund balances	-	(108,387)	8,832	117,219	7,336
Fund balances, beginning of year	139,373	139,373	139,373	-	132,037
Fund balances, end of year	\$ 139,373	\$ 30,986	\$ 148,205	\$ 117,219	\$ 139,373

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Shelter Plus Care For the Year Ended June 30, 2011 (With Comparative Totals for the Year Ended June 30, 2010)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2010 Actual
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,342,860	1,342,860	888,271	(454,589)	922,644
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	1,342,860	1,342,860	888,271	(454,589)	922,644
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	1,342,860	1,342,860	888,271	(454,589)	922,644
Total expenditures	1,342,860	1,342,860	888,271	(454,589)	922,644
Revenue over (under) expenditures	-	-	-	-	-
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balances

Debt Service Funds

For the Year Ended December 31, 2011

(With Comparative Totals for the Year Ended December 31, 2010)

	Debt Service		Building Authority Debt Service	
	2011	2010	2011	2010
Revenue				
Intergovernmental	\$ -	\$ -	\$ 770,005	\$ 784,977
Investment earnings	45	(288)	1,980	3,173
Other	-	-	6,039,924	8,117,792
Total revenue	45	(288)	6,811,909	8,905,942
Expenditures				
Debt service:				
Principal	1,320,160	1,265,000	3,425,000	5,925,000
Interest and fiscal charges	832,514	875,230	5,462,247	5,735,007
Total expenditures	2,152,674	2,140,230	8,887,247	11,660,007
Revenue under expenditures	(2,152,629)	(2,140,518)	(2,075,338)	(2,754,065)
Other financing sources				
Transfers in	2,152,996	2,139,853	2,078,853	2,793,253
Net change in fund balances	367	(665)	3,515	39,188
Fund balances, beginning of year	11,657	12,322	418,406	379,218
Fund balances, end of year	\$ 12,024	\$ 11,657	\$ 421,921	\$ 418,406

COUNTY OF KENT, MICHIGAN

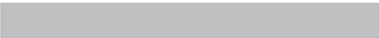
Schedule of Revenue, Expenditures and Changes in Fund Balances

Capital Projects Funds

For the Year Ended December 31, 2011

(With Comparative Totals for the Year Ended December 31, 2010)

	Capital Improvement Program		Bond Capital Improvement	
	2011	2010	2011	2010
Revenue				
Taxes	\$ -	\$ 3,079,999	\$ -	\$ -
Intergovernmental	150,000	126,189	-	-
Investment earnings	-	-	4,900	1,441
Contributions and reimbursements	82,725	20,500	-	-
Other revenue	1,277,352	2,014,577	5,000	-
Total revenue	1,510,077	5,241,265	9,900	1,441
Expenditures				
Debt service:				
Principal	244,830	196,562	-	-
Interest and fiscal charges	28,461	31,181	-	-
Bond issuance costs	-	-	-	-
Capital outlay	2,725,302	4,016,766	260,177	145,104
Total expenditures	2,998,593	4,244,509	260,177	145,104
Revenue over (under) expenditures	(1,488,516)	996,756	(250,277)	(143,663)
Other financing sources (uses)				
Issuance of long-term debt	-	1,007,248	243,620	-
Issuance of refunding debt	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	2,962,176	694,689	63,040	145,000
Transfers out	(1,233,123)	(2,281,698)	-	-
Total other financing sources (uses)	1,729,053	(579,761)	306,660	145,000
Net change in fund balances	240,537	416,995	56,383	1,337
Fund balances, beginning of year	5,015,478	4,598,483	23,568	22,231
Fund balances, end of year	\$ 5,256,015	\$ 5,015,478	\$ 79,951	\$ 23,568



Building Authority Construction	
2011	2010
\$ -	\$ -
-	-
150,842	379,911
-	-
<u>2,464</u>	<u>5,000</u>
<u>153,306</u>	<u>384,911</u>
-	-
-	-
-	67,195
<u>9,750,121</u>	<u>8,119,405</u>
<u>9,750,121</u>	<u>8,186,600</u>
<u>(9,596,815)</u>	<u>(7,801,689)</u>
-	-
-	6,470,000
-	214,007
-	(6,605,076)
-	-
<u>(2,078,853)</u>	<u>(2,793,253)</u>
<u>(2,078,853)</u>	<u>(2,714,322)</u>
(11,675,668)	(10,516,011)
<u>24,703,810</u>	<u>35,219,821</u>
<u>\$ 13,028,142</u>	<u>\$ 24,703,810</u>

COUNTY OF KENT, MICHIGAN

Schedule of Revenue, Expenditures and Changes in Fund Balance

Permanent Fund

For the Year Ended December 31, 2011

(With Comparative Totals for the Year Ended December 31, 2010)

	Dickenson Trust	
	2011	2010
Revenue		
Investment earnings	\$ 679	\$ 610
Expenditures		
Current:		
Cultural and recreation	-	-
Net change in fund balances	679	610
Fund balance, beginning of year	114,732	114,122
Fund balance, end of year	\$ 115,411	\$ 114,732

COUNTY OF KENT, MICHIGAN

■ Internal Service Funds

Employee Benefit Funds

Health Fund - accounts for the costs of providing healthcare benefits to employees.

Dental Fund - accounts for the costs of providing dental benefits to employees.

Unemployment Fund - accounts for the costs of providing unemployment benefits to employees.

Risk Management Funds

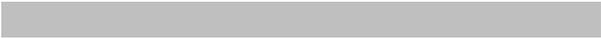
Property and Liability Fund - accounts for the County's property and liability self-insurance.

Workers' Compensation Fund - accounts for the County's Worker's Compensation self-insurance.

COUNTY OF KENT, MICHIGAN

Combining Statement of Net Assets Internal Service Funds December 31, 2011

	Employee Benefits		
	Health	Dental	Unemployment
Assets			
Cash, investments, and accrued interest	\$ 8,521,463	\$ 286,413	\$ 590,148
Accounts receivable	209,608	-	-
Due from other funds	-	-	-
Total assets (all current)	<u>8,731,071</u>	<u>286,413</u>	<u>590,148</u>
Liabilities			
Accounts payable	35,687	3,184	383,281
Accrued liabilities	1,094,777	77,378	-
Due to other funds	-	-	-
Total liabilities (all current)	<u>1,130,464</u>	<u>80,562</u>	<u>383,281</u>
Net assets			
Unrestricted	<u>\$ 7,600,607</u>	<u>\$ 205,851</u>	<u>\$ 206,867</u>



Risk Management		
Property and Liability	Workers' Compensation	Total
\$ 2,408,288	\$ 1,345,162	\$ 13,151,474
289	280,048	489,945
272,589	-	272,589
<hr/>	<hr/>	<hr/>
2,681,166	1,625,210	13,914,008
<hr/>	<hr/>	<hr/>
78,449	-	500,601
771,350	904,923	2,848,428
258	-	258
<hr/>	<hr/>	<hr/>
850,057	904,923	3,349,287
<hr/>	<hr/>	<hr/>
<u>\$ 1,831,109</u>	<u>\$ 720,287</u>	<u>\$ 10,564,721</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Revenue, Expenditures and
Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011

	Employee Benefits		
	Health	Dental	Unemployment
Operating revenue			
Charges for services	\$ 18,284,827	\$ 1,293,978	\$ 605,685
Operating expenses			
Salaries and fringes	-	-	-
Contractual services	-	24,309	-
Benefit payments and refunds	15,330,558	1,175,514	383,281
Other	-	-	-
Total operating expenses	15,330,558	1,199,823	383,281
Operating income (loss)	2,954,269	94,155	222,404
Nonoperating revenue			
Investment earnings	47,865	1,369	1,654
Change in net assets	3,002,134	95,524	224,058
Net assets (deficit), beginning of year	4,598,473	110,327	(17,191)
Net assets, end of year	\$ 7,600,607	\$ 205,851	\$ 206,867



Risk Management		
Property and Liability	Workers' Compensation	Total
<u>\$ 1,370,507</u>	<u>\$ 409,994</u>	<u>\$ 21,964,991</u>
167,167	-	167,167
27,054	28,000	79,363
93,263	564,837	17,547,453
<u>911,367</u>	<u>81,341</u>	<u>992,708</u>
<u>1,198,851</u>	<u>674,178</u>	<u>18,786,691</u>
171,656	(264,184)	3,178,300
<u>12,012</u>	<u>7,947</u>	<u>70,847</u>
183,668	(256,237)	3,249,147
<u>1,647,441</u>	<u>976,524</u>	<u>7,315,574</u>
<u>\$ 1,831,109</u>	<u>\$ 720,287</u>	<u>\$ 10,564,721</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2011

	Employee Benefits		
	Health	Dental	Unemployment
Cash flows from operating activities			
Receipts from customers and users	\$ 18,260,502	\$ 1,293,978	\$ 605,685
Payments to vendors	35,687	(21,125)	(120,239)
Payments for personnel services	-	-	-
Benefit payments	(15,566,781)	(1,180,781)	(383,281)
Other payments	-	-	-
Net cash provided by (used in) operating activities	2,729,408	92,072	102,165
Cash flows from investing activities			
Interest received on investments	47,865	1,369	1,654
Net increase (decrease) in cash and pooled investments	2,777,273	93,441	103,819
Cash and cash equivalents, beginning of year	5,744,190	192,972	486,329
Cash and cash equivalents, end of year	<u>\$ 8,521,463</u>	<u>\$ 286,413</u>	<u>\$ 590,148</u>
Cash flows from operating activities			
Operating income (loss)	\$ 2,954,269	\$ 94,155	\$ 222,404
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in:			
Accounts receivable	(24,325)	-	-
Due from other funds	-	-	-
Accounts payable	35,687	3,184	(120,239)
Accrued liabilities	(236,223)	(5,267)	-
Due to other funds	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,729,408</u>	<u>\$ 92,072</u>	<u>\$ 102,165</u>



Risk Management		
Property and Liability	Workers' Compensation	Total
\$ 1,097,918	\$ 363,935	\$ 21,622,018
24,882	(28,095)	(108,890)
(167,198)	-	(167,198)
(93,263)	(564,837)	(17,788,943)
<u>(1,347,517)</u>	<u>(73,631)</u>	<u>(1,421,148)</u>
(485,178)	(302,628)	2,135,839
12,012	7,947	70,847
(473,166)	(294,681)	2,206,686
<u>2,881,454</u>	<u>1,639,843</u>	<u>10,944,788</u>
<u>\$ 2,408,288</u>	<u>\$ 1,345,162</u>	<u>\$ 13,151,474</u>
\$ 171,656	\$ (264,184)	\$ 3,178,300
(289)	(46,059)	(70,673)
(272,589)	-	(272,589)
51,936	(95)	(29,527)
(436,150)	7,710	(669,930)
<u>258</u>	<u>-</u>	<u>258</u>
<u>\$ (485,178)</u>	<u>\$ (302,628)</u>	<u>\$ 2,135,839</u>

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COUNTY OF KENT, MICHIGAN

■ Fiduciary Funds

Trust and Agency Fund - accounts for money held by the County in trust for other local units of government and their political subdivisions as well as some receipts that are not initially allocated to individual funds. As required by accounting principles generally accepted in the United States of America (GAAP), all monies that accrue to the benefit of the County have been allocated to the appropriate funds within these financial statements. Any balance remaining in the Trust and Agency fund is held in a fiduciary capacity for other parties.

Library Penal Fine Fund - accounts for money received by the County from court-imposed fines on violations of State law. Collections are distributed annually to library systems within the County.

Pension Trust Fund - accounts for the activity of the Employees' Retirement Plan, a defined-benefit pension plan, which accumulates resources for retiree benefit payments to qualified employees.

Other Postemployment Benefits Trust Fund - accounts for the activity of the Voluntary Employees' Beneficiary Association (VEBA), a defined-benefit pension plan, which accumulates resources for retiree health insurance subsidies to qualified employees.

COUNTY OF KENT, MICHIGAN

■ Combining Statement of Fiduciary Assets and Liabilities Agency Funds December 31, 2011

	Trust And Agency (701)	Library Penal Fine Fund (721)	Total
Assets			
Cash, investments, and accrued interest	\$ 8,463,628	\$ 518,075	\$ 8,981,703
Accounts receivable	1,180	-	1,180
Total assets	<u>\$ 8,464,808</u>	<u>\$ 518,075</u>	<u>\$ 8,982,883</u>
Liabilities			
Accounts payable	\$ 8,378,135	\$ -	\$ 8,378,135
Due to other governments	86,673	-	86,673
Undistributed collections	-	518,075	518,075
Total liabilities	<u>\$ 8,464,808</u>	<u>\$ 518,075</u>	<u>\$ 8,982,883</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended December 31, 2011

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
<i>Trust and Agency Fund</i>				
Assets				
Cash, investments and accrued interest	\$ 9,998,070	\$ 156,150,752	\$ (157,685,194)	\$ 8,463,628
Accounts receivable	-	4,104	(2,924)	1,180
Due from other governments	-	1,260	(1,260)	-
Total assets	\$ 9,998,070	\$ 156,156,116	\$ (157,689,378)	\$ 8,464,808
Liabilities				
Accounts payable	\$ 9,338,597	\$ 27,433,947	\$ (28,394,409)	\$ 8,378,135
Due to other governments	659,473	128,722,169	(129,294,969)	86,673
Total liabilities	\$ 9,998,070	\$ 156,156,116	\$ (157,689,378)	\$ 8,464,808
<i>Library Penal Fine</i>				
Assets				
Cash, investments and accrued interest	\$ 598,013	\$ 980,204	\$ (1,060,142)	\$ 518,075
Liabilities				
Undistributed collections	\$ 598,013	\$ 980,204	\$ (1,060,142)	\$ 518,075
<i>Total All Agency Funds</i>				
Assets				
Cash, investments and accrued interest	\$ 10,596,083	\$ 157,130,956	\$ (158,745,336)	\$ 8,981,703
Accounts receivable	-	4,104	(2,924)	1,180
Due from other governments	-	1,260	(1,260)	-
Total assets	\$ 10,596,083	\$ 157,136,320	\$ (158,749,520)	\$ 8,982,883
Liabilities				
Accounts payable	\$ 9,338,597	\$ 27,433,947	\$ (28,394,409)	\$ 8,378,135
Due to other governments	659,473	128,722,169	(129,294,969)	86,673
Undistributed collections	598,013	980,204	(1,060,142)	518,075
Total liabilities	\$ 10,596,083	\$ 157,136,320	\$ (158,749,520)	\$ 8,982,883

COUNTY OF KENT, MICHIGAN

Combining Statement of Fiduciary Net Assets Pension and Other Postemployment Benefits Trust Funds December 31, 2011

	Pension Trust Fund	VEBA Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 9,255	\$ 91,569	\$ 100,824
Receivables	1,114,123	83,139	1,197,262
Due from brokers	476,475	-	476,475
Investments, at fair value:			
U.S. government obligations	40,407,111	-	40,407,111
U.S. government agency obligations	40,629,030	-	40,629,030
Municipal obligations	352,385	-	352,385
Corporate obligations	40,737,591	-	40,737,591
Common stock	293,358,827	-	293,358,827
Foreign obligations	5,835,152	-	5,835,152
Foreign common stock	2,982,565	-	2,982,565
Money market funds	18,624,685	-	18,624,685
Domestic equity mutual funds	-	9,498,901	9,498,901
International equity mutual funds	49,787,114	1,067,436	50,854,550
Domestic fixed income mutual funds	19,230,303	-	19,230,303
International fixed income mutual funds	19,142,035	-	19,142,035
Real estate securities	48,694,661	-	48,694,661
Mortgage-backed securities fund	23,336,517	-	23,336,517
Total investments	<u>603,117,976</u>	<u>10,566,337</u>	<u>613,684,313</u>
Total assets	<u>604,717,829</u>	<u>10,741,045</u>	<u>615,458,874</u>
Liabilities			
Accounts payable	-	209,608	209,608
Due to brokers	445,637	-	445,637
Liability under securities lending transactions	<u>14,268,165</u>	<u>-</u>	<u>14,268,165</u>
Total liabilities	<u>14,713,802</u>	<u>209,608</u>	<u>14,923,410</u>
Net assets			
Held in trust for:			
Employees' pension benefits	590,004,027	-	590,004,027
Other postemployment benefits	<u>-</u>	<u>10,531,437</u>	<u>10,531,437</u>
Total net assets	<u>\$ 590,004,027</u>	<u>\$ 10,531,437</u>	<u>\$ 600,535,464</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Changes in Fiduciary Net Assets Pension and VEBA Trust Funds For the Year Ended December 31, 2011

	Pension Trust Fund	VEBA Trust Fund	Total
Additions			
Contributions:			
Employer	\$ 8,412,960	\$ 2,081,741	\$ 10,494,701
Plan members	7,056,456	-	7,056,456
Total contributions	15,469,416	2,081,741	17,551,157
Investment income:			
Net increase in fair value of securities	575,332	128,247	703,579
Interest	6,226,050	235,761	6,461,811
Securities lending	27,159	-	27,159
Net change in fair value of collateral under securities lending transactions	11,498	-	11,498
Dividends	8,532,166	-	8,532,166
Other income	45,739	-	45,739
Total investment income	15,417,944	364,008	15,781,952
Investment expense	(2,207,639)	(33,057)	(2,240,696)
Net investment income	13,210,305	330,951	13,541,256
Total additions	28,679,721	2,412,692	31,092,413
Deductions			
Benefit payments	26,243,874	857,521	27,101,395
Administrative expenses	1,397,226	26,801	1,424,027
Refunds of contributions	613,564	-	613,564
Total deductions	28,254,664	884,322	29,138,986
Change in net assets	425,057	1,528,370	1,953,427
Net assets, beginning of year	589,578,970	9,003,067	598,582,037
Net assets, end of year	\$ 590,004,027	\$ 10,531,437	\$ 600,535,464

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COUNTY OF KENT, MICHIGAN

■ Drainage Districts Component Unit

The drainage districts consist of over 500 individual districts created for alleviating drainage problems. Each drainage district accounts for the construction, maintenance, and financing costs associated with its drain program. Each individual district is a separate legal entity with power to assess the benefiting communities, including the County and the State of Michigan, for road drainage. The Kent County Drain Commissioner manages the drainage districts with the Kent County Board of Commissioners exercising legislative oversight. The County is a direct beneficiary of the service provided and its employees run the day-to-day operations. In addition, the County often pledges its full faith and credit for the long-term debt of the drainage districts.

COUNTY OF KENT, MICHIGAN

Combining Balance Sheet Drainage Districts Component Unit December 31, 2011

	Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash, investments, and accrued interest	\$ 1,595,407	\$ 452,568	\$ 1,149,737	\$ 3,197,712
Leases receivable	-	7,999,196	-	7,999,196
Total assets	\$ 1,595,407	\$ 8,451,764	\$ 1,149,737	\$ 11,196,908
Liabilities				
Accounts payable	\$ 44,001	\$ -	\$ 18,361	\$ 62,362
Due to primary government	309,791	-	151,170	460,961
Deferred revenue	-	7,999,196	-	7,999,196
Advances from primary government	-	442,444	-	442,444
Total liabilities	353,792	8,441,640	169,531	8,964,963
Fund balances				
Assigned	-	10,124	980,206	990,330
Unassigned	1,241,615	-	-	1,241,615
Total fund balances	1,241,615	10,124	980,206	2,231,945
Total liabilities and fund balances	\$ 1,595,407	\$ 8,451,764	\$ 1,149,737	\$ 11,196,908

COUNTY OF KENT, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Assets of Component Units
Drainage Districts Component Unit
December 31, 2011

Fund balances - total governmental funds \$ 2,231,945

Amounts reported for the *component unit* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated	1,106,737
Capital assets being depreciated, net	8,976,549

Certain assets, such as assessments receivable from local units, are not due and receivable in the current period and therefore are offset with deferred revenue in the fund statement.

Deferred leases receivable	7,999,196
----------------------------	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds payable	(7,950,000)
Unamortized deferred bond issuance costs	189,728
Unamortized deferred loss on bond refunding	352,374
Unamortized bond premiums	(60,798)
Accrued interest on bonds payable	(49,196)

Net assets of governmental activities \$ 12,796,535

COUNTY OF KENT, MICHIGAN

Combining Statement of Revenue, Expenditures and Changes in Fund Balances Drainage Districts Component Unit For the Year Ended December 31, 2011

	Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
Revenue				
Intergovernmental:				
Operating grants	\$ 343,156	\$ 1,612,150	\$ 17,377	\$ 1,972,683
Capital grants	206,713	15,361	6,861	228,935
Investment earnings	10,456	167	8,891	19,514
	<u>560,325</u>	<u>1,627,678</u>	<u>33,129</u>	<u>2,221,132</u>
Total revenue				
Expenditures				
Current:				
General government	613,560	-	204,160	817,720
Debt service:				
Principal	-	1,275,000	-	1,275,000
Interest and fiscal charges	-	353,012	-	353,012
	<u>613,560</u>	<u>1,628,012</u>	<u>204,160</u>	<u>2,445,732</u>
Total expenditures				
Change in fund balances	(53,235)	(334)	(171,031)	(224,600)
Fund balances, beginning of year	<u>1,294,850</u>	<u>10,458</u>	<u>1,151,237</u>	<u>2,456,545</u>
Fund balances, end of year	<u>\$ 1,241,615</u>	<u>\$ 10,124</u>	<u>\$ 980,206</u>	<u>\$ 2,231,945</u>

COUNTY OF KENT, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Assets of Component Units
Drainage Districts Component Unit
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds \$ (224,600)

Amounts reported for the *component unit* in the statement of activities
are different because:

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

Depreciation expense	(1,237,122)
Capital outlay	436,446
Loss on disposal of capital assets	(202,549)

Assessments receivable are long-term in nature and are collectable over several
years. However, the current receipts are reflected as revenues on the fund
statements.

Change in deferred leases receivable	(1,281,996)
--------------------------------------	-------------

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

Principal payments on long-term liabilities	1,275,000
Amortization of deferred bond issuance costs	(38,109)
Amortization of deferred loss on bond refunding	(39,891)
Amortization of bond premium	6,883
Change in accrued interest payable on long-term bonds payable	6,996

Change in net assets of governmental activities \$ (1,298,942)

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STATISTICAL SECTION

COUNTY OF KENT, MICHIGAN

Statistical Section Table of Contents

This part of the County's Comprehensive Annual Financial Report presents detailed information to assist the user in understanding what the financial statements, note disclosures and required supplementary information say about the overall economic condition of Kent County.

		<u>Page</u>
Financial Trends Tables I - IV	These schedules contain trend information to help the reader understand and evaluate how the County's financial condition, performance and well-being have changed over time.	186-199
Revenue Capacity Tables V - VIII	These schedules contain information to help the reader assess the County's ability to generate its most significant local revenue source, the property tax.	200-207
Debt Capacity Tables IX - XIII	These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt in the future.	208-216
Demographic and Economic Information Tables XIV - XV	These schedules present various demographic and economic indicators to help the reader understand the environment within which the County operates and how they affect the County's financial activities.	217-219
Operating Information Tables XVI - XVIII	These schedules contain information about the County's operations and resources 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.	220-229

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include data beginning in that year.

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COUNTY OF KENT, MICHIGAN

Net Assets By Component Last Ten Fiscal Years (Unaudited)

<i>December 31,</i>	2011 ⁽¹⁾	2010	2009	2008
Governmental Activities				
Invested in capital assets, net of related debt	\$ 132,742,530	\$ 130,574,184	\$ 124,406,333	\$ 120,022,939
Restricted	14,617,082	13,959,733	29,791,970	39,499,648
Unrestricted	83,495,633	79,994,060	75,934,640	78,401,982
Total Governmental Activities Net Assets	230,855,245	224,527,977	230,132,943	237,924,569
Business-type Activities				
Invested in capital assets, net of related debt	193,838,321	150,726,758	155,703,788	147,664,798
Restricted	26,260,691	18,096,071	16,131,724	23,170,948
Unrestricted	67,636,081	36,573,287	32,377,357	30,377,312
Total Business-type Activities Net Assets	287,735,093	205,396,116	204,212,869	201,213,058
Primary Government				
Invested in capital assets, net of related debt	326,580,851	281,300,942	280,110,121	267,687,737
Restricted	40,877,773	32,055,804	45,923,694	62,670,596
Unrestricted	151,131,714	116,567,347	108,311,997	108,779,294
Total Primary Government Net Assets	\$ 518,590,338	\$ 429,924,093	\$ 434,345,812	\$ 439,137,627

⁽¹⁾ For the Year Ended December 31, 2011 Department of Public Works was classified as a business type activity enterprise fund. Prior years were not restated retroactively.

Table I

	2007	2006	2005	2004	2003	2002
\$	103,894,486	\$ 96,409,218	\$ 98,744,808	\$ 82,222,918	\$ 77,472,300	\$ 55,682,811
	46,349,239	57,708,162	40,098,992	36,520,444	18,192,211	24,110,055
	92,212,892	114,035,051	142,941,550	169,167,816	201,844,058	219,529,813
	242,456,617	268,152,431	281,785,350	287,911,178	297,508,569	299,322,679
	147,817,960	139,941,301	134,898,921	136,939,800	133,911,679	126,745,501
	32,124,846	19,906,872	17,212,982	17,104,935	8,016,645	7,717,328
	11,410,270	19,563,414	20,826,246	17,320,220	24,590,901	26,333,260
	191,353,076	179,411,587	172,938,149	171,364,955	166,519,225	160,796,089
	251,712,446	236,350,519	233,643,729	219,162,718	211,383,979	182,428,312
	78,474,085	77,615,034	57,311,974	53,625,379	26,208,856	31,827,383
	103,623,162	133,598,465	163,767,796	186,488,036	226,434,959	245,863,073
\$	433,809,693	\$ 447,564,018	\$ 454,723,499	\$ 459,276,133	\$ 464,027,794	\$ 460,118,768

COUNTY OF KENT, MICHIGAN

Changes in Net Assets Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011 ⁽³⁾	2010	2009	2008
Primary Government Expenses				
Governmental activities:				
General government	\$ 30,356,607	\$ 26,435,503	\$ 30,553,856	\$ 31,603,070
Public safety	66,779,986	65,967,470	65,311,001	61,541,132
Health and welfare	70,988,245	73,265,722	75,920,077	79,053,890
Cultural and recreation	8,768,185	9,046,460	10,438,955	10,564,874
Judicial	32,241,005	33,183,859	33,714,785	33,909,661
Community and economic development	13,559,429	11,699,242	8,610,844	8,309,138
Other	-	-	-	-
Interest and fiscal charges	6,101,253	6,363,990	5,087,411	4,828,237
Total governmental activities expense	228,794,710	225,962,246	229,636,929	229,810,002
Business-type activities:				
Airport operations	41,834,242	43,166,627	32,700,498	32,924,141
Public works	31,874,739	-	-	-
Delinquent tax collection and administration	1,121,577	1,167,236	2,093,417	3,386,474
Total business-type activities expense	74,830,558	44,333,863	34,793,915	36,310,615
Total Primary Government Expenses	\$ 303,625,268	\$ 270,296,109	\$ 264,430,844	\$ 266,120,617
Primary Government Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 10,570,786	\$ 11,057,765	\$ 13,325,506	\$ 11,964,871
Public safety	9,138,839	8,100,498	10,319,160	7,129,578
Health and welfare ⁽¹⁾	3,943,509	4,038,117	3,121,195	3,582,603
Cultural and recreation	3,245,124	3,084,844	3,030,945	3,000,206
Judicial	5,052,987	5,314,414	4,881,481	4,700,056
Community and economic development ⁽²⁾	8,044	137,914	55,649	5,020,032
Interest and fiscal charges	-	-	-	-
Operating grants and contributions	74,819,127	68,206,234	61,715,322	66,512,692
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	106,778,416	99,939,786	96,449,258	101,910,038

Table II

	2007	2006	2005	2004	2003	2002
\$	30,715,392	\$ 33,044,877	\$ 24,221,861	\$ 24,403,042	\$ 24,909,167	\$ 23,376,391
	61,820,092	60,791,321	55,035,399	53,238,064	51,418,593	46,087,602
	67,398,243	68,722,400	64,184,200	61,877,865	58,166,008	142,368,434
	10,908,497	10,654,481	10,085,949	10,144,426	10,349,285	8,143,428
	37,918,708	36,135,271	34,524,297	34,296,281	31,777,486	29,493,200
	8,938,749	7,786,170	8,078,754	7,654,752	6,843,404	6,546,336
	-	-	4,529,422	2,903,161	3,282,896	6,815,218
	3,923,717	4,220,750	4,077,894	4,286,462	4,368,513	4,526,463
	221,623,398	221,355,270	204,737,776	198,804,053	191,115,352	267,357,072
	32,158,720	30,477,307	30,466,240	28,124,142	27,715,354	26,481,883
	-	-	-	-	-	-
	3,835,069	2,651,225	2,096,996	1,165,245	1,187,015	1,496,674
	35,993,789	33,128,532	32,563,236	29,289,387	28,902,369	27,978,557
\$	257,617,187	\$ 254,483,802	\$ 237,301,012	\$ 228,093,440	\$ 220,017,721	\$ 295,335,629
\$	10,442,953	\$ 11,091,664	\$ 10,579,432	\$ 11,276,626	\$ 12,421,403	\$ 10,692,340
	5,541,173	4,455,010	5,086,162	5,363,440	6,024,658	7,510,357
	2,904,437	2,964,002	3,571,498	3,297,471	3,630,823	60,201,429
	2,761,743	2,529,807	2,076,803	2,152,332	1,895,528	1,968,649
	8,248,727	8,126,787	7,783,152	11,662,729	9,711,672	6,492,742
	109,200	109,200	92,755	86,004	77,598	118,300
	57,302,372	55,468,854	55,885,777	47,486,322	47,823,294	73,788,748
	232,500	-	-	-	-	25,000
	87,543,105	84,745,324	85,075,579	81,324,924	81,584,976	160,797,565

continued...

COUNTY OF KENT, MICHIGAN

Changes in Net Assets Last Ten Fiscal Years (Unaudited)

<i>Fiscal year Ended December 31,</i>	2011 ⁽³⁾	2010	2009	2008
Business-type activities:				
Charges for services:				
Airport operations:				
Passenger airlines	\$ 10,296,427	\$ 11,298,424	\$ 10,254,216	\$ 10,908,082
Ground transportation	12,331,820	11,524,855	7,472,711	8,120,649
Car rental agencies	3,179,463	3,520,866	2,682,714	3,052,669
Cargo airlines	2,420,444	2,522,360	2,446,231	2,559,502
Other	3,401,526	3,115,577	3,167,571	3,098,092
Public works:				
Charges for services	33,334,823	-	-	-
Intergovernmental	111,160	-	-	-
Scrap and other	688,439	-	-	-
Delinquent tax:				
County processing fees	(53,033)	170,369	110,318	77,565
Interest and penalties on delinquent taxes	2,972,340	3,828,661	3,858,112	3,542,146
Collection fees	1,229,113	1,293,082	1,383,842	1,283,523
Title search fees	529,552	485,763	537,106	499,164
Auction proceeds	(258,270)	889,082	730,656	218,883
Other	243,165	215,235	238,327	222,401
Operating grants and contributions	483,823	147,823	428,769	897,872
Capital grants and contributions	7,618,724	11,605,612	6,817,849	11,908,036
Total business-type activities program revenues	78,529,516	50,617,709	40,128,422	46,388,584
Total Primary Government Program Revenues	\$ 185,307,932	\$ 150,557,495	\$ 136,577,680	\$ 148,298,622
Primary Government Net (Expense) Revenue				
Governmental activities	\$ (122,016,294)	\$ (126,022,460)	\$ (133,187,671)	\$ (127,899,964)
Business-type activities	3,698,958	6,283,846	5,334,507	10,077,969
Total Primary Government Net Expense	\$ (118,317,336)	\$ (119,738,614)	\$ (127,853,164)	\$ (117,821,995)

Table II

	2007	2006	2005	2004	2003	2002
\$	10,037,191	\$ 9,892,673	\$ 9,702,981	\$ 10,262,050	\$ 11,381,927	\$ 9,675,018
	8,850,851	8,936,391	8,353,592	7,331,574	6,617,094	6,343,156
	2,787,726	2,626,383	2,486,382	2,320,903	2,296,842	2,026,800
	2,323,568	2,455,920	2,521,443	2,310,711	2,222,150	2,133,488
	2,930,173	2,932,357	3,019,687	2,679,142	2,557,130	2,330,311
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	357,294	1,473,301	(43,639)	(60,157)	839,100	(83,761)
	2,917,454	1,191,399	1,761,678	1,626,681	1,906,739	2,118,276
	1,051,201	849,385	795,215	741,924	837,570	889,047
	409,513	443,099	281,761	297,593	387,334	391,671
	279,724	189,899	94,951	423,940	303,124	941,295
	188,760	164,845	148,012	160,586	212,247	201,900
	-	-	-	-	-	-
	13,950,972	7,501,924	5,460,864	7,857,700	6,889,133	7,388,181
	46,084,427	38,657,576	34,582,927	35,952,647	36,450,390	34,355,382
\$	133,627,532	\$ 123,402,900	\$ 119,658,506	\$ 117,277,571	\$ 118,035,366	\$ 195,152,947
\$	(134,080,293)	\$ (136,609,946)	\$ (119,662,197)	\$ (117,479,129)	\$ (109,530,376)	\$ (106,559,507)
	10,090,638	5,529,044	2,019,691	6,663,260	7,548,021	6,376,825
\$	(123,989,655)	\$ (131,080,902)	\$ (117,642,506)	\$ (110,815,869)	\$ (101,982,355)	\$ (100,182,682)

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COUNTY OF KENT, MICHIGAN

Changes in Net Assets Last Ten Fiscal Years (Unaudited)

<i>Fiscal year Ended December 31,</i>	2011 ⁽³⁾	2010	2009	2008
Primary Government General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 107,247,129	\$ 109,494,305	\$ 114,056,854	\$ 113,016,895
Lodging excise taxes	5,803,776	4,923,974	4,684,675	-
State revenue sharing	10,225,945	-	-	-
Unrestricted investment earnings	698,556	620,987	3,263,310	6,520,264
Gain on sale of capital assets	-	-	-	31,682
Other revenue	(284,009)	197,132	308,448	163,444
Transfers	4,652,165	5,181,096	3,082,758	3,635,631
Total governmental activities	128,343,562	120,417,494	125,396,045	123,367,916
Business-type activities:				
Unrestricted investment earnings	150,538	24,183	1,099,215	2,767,258
Gain on sale of capital assets	49,731	22,013	66,089	14,755
Transfers	(5,000,000)	(5,146,795)	(3,500,000)	(3,000,000)
Total business-type activities	(4,799,731)	(5,100,599)	(2,334,696)	(217,987)
Total Primary Government General Revenues and Other Changes in Net Assets	\$ 123,543,831	\$ 115,316,895	\$ 123,061,349	\$ 123,149,929
Primary Government Change in Net Assets				
Governmental activities	\$ 6,327,268	\$ (5,604,966)	\$ (7,791,626)	\$ (4,532,048)
Business-type activities	(1,100,773)	1,183,247	2,999,811	9,859,982
Total Primary Government Change in Net Assets	\$ 5,226,495	\$ (4,421,719)	\$ (4,791,815)	\$ 5,327,934

⁽¹⁾ Charges for services for fiscal years 2003-2011 does not include revenues for the Kent County CMH Authority which is now a component unit of Kent County.

⁽²⁾ Community and economic development has been added as an expenditure classification for the year ended December, 31, 2008. Prior years were not restated retroactively.

⁽³⁾ For the Year Ended December 31, 2011 Department of Public Works was classified as a business type activity enterprise fund. Prior years were not restated retroactively.

Table II

	2007	2006	2005	2004	2003	2002
\$	112,901,271	\$ 107,138,345	\$ 101,002,949	\$ 92,751,154	\$ 91,214,149	\$ 83,958,482
	5,550,225	5,248,031	4,945,095	9,217,564	17,307,373	20,638,644
	-	-	-	-	-	-
	8,324,687	7,761,856	4,471,294	2,853,040	2,489,511	4,486,534
	-	-	117,031	-	-	326,985
	-	-	-	-	960,465	-
	2,500,000	2,828,795	3,000,000	3,059,980	3,044,414	655,705
	129,276,183	122,977,027	113,536,369	107,881,738	115,015,912	110,066,350
	4,350,851	3,773,189	2,553,503	1,242,450	1,162,470	2,105,572
	-	-	-	-	57,059	(1,123,150)
	(2,500,000)	(2,828,795)	(3,000,000)	(3,059,980)	(3,044,414)	(655,705)
	1,850,851	944,394	(446,497)	(1,817,530)	(1,824,885)	326,717
\$	131,127,034	\$ 123,921,421	\$ 113,089,872	\$ 106,064,208	\$ 113,191,027	\$ 110,393,067
\$	(4,804,110)	\$ (13,632,919)	\$ (6,125,828)	\$ (9,597,391)	\$ 5,485,536	\$ 3,506,843
	11,941,489	6,473,438	1,573,194	4,845,730	5,723,136	6,703,542
\$	7,137,379	\$ (7,159,481)	\$ (4,552,634)	\$ (4,751,661)	\$ 11,208,672	\$ 10,210,385

concluded

COUNTY OF KENT, MICHIGAN

Fund Balances, Governmental Funds Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011	2010 ⁽¹⁾	2009	2008
General Fund				
Nonspendable	\$ 1,114,383	\$ 1,091,206		
Restricted	-	-		
Committed	23,054,680	22,831,805		
Assigned	56,318	153,447		
Unassigned	44,428,169	44,600,545		
Reserved	-	-	\$ 765,027	\$ 1,159,434
Unreserved	-	-	67,735,687	66,546,846
Total General Fund	68,653,550	68,677,003	68,500,714	67,706,280
All other governmental funds:				
Nonspendable	144,497	140,182		
Restricted	25,236,629	36,166,244		
Committed	-	-		
Assigned	5,918,423	6,085,105		
Unassigned	-	-		
Reserved	-	-	4,153,376	10,350,019
Unreserved, reported in:				
Special revenue funds	-	-	22,405,237	37,077,770
Debt service funds	-	-	391,540	142,011
Capital projects funds	-	-	36,230,306	15,955,832
Total all other governmental funds	31,299,549	42,391,531	63,180,459	63,525,632
Total Fund Balance for Governmental Funds	\$ 99,953,099	\$ 111,068,534	\$ 131,681,173	\$ 131,231,912

⁽¹⁾ The County implemented GASB 54 for the Fiscal Year Ended December 31, 2010. Prior years were not restated retroactively.

Table III

	2007	2006	2005	2004	2003	2002
\$	651,040	\$ 6,666,266	\$ 7,083,215	\$ 8,069,082	\$ 9,827,764	\$ 1,162,751
	69,558,366	65,549,620	66,885,312	69,581,144	75,688,012	97,015,314
	70,209,406	72,215,886	73,968,527	77,650,226	85,515,776	98,178,065
	456,836	1,987,703	816,100	2,249,864	1,226,148	5,263,271
	49,792,114	57,814,700	41,242,479	32,638,702	20,384,377	29,766,480
	695,188	673,871	634,382	68,529	89,841	503,424
	34,626,191	11,006,621	11,567,864	19,413,760	19,706,432	22,158,541
	85,570,329	71,482,895	54,260,825	54,370,855	41,406,798	57,691,716
\$	155,779,735	\$ 143,698,781	\$ 128,229,352	\$ 132,021,081	\$ 126,922,574	\$ 155,869,781

COUNTY OF KENT, MICHIGAN

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011	2010	2009	2008	2007
Revenue					
Taxes	\$ 113,186,534	\$ 115,939,475	\$ 118,864,413	\$ 113,010,186	\$ 118,156,686
Licenses and permits	1,878,410	1,781,554	1,568,867	1,561,688	1,498,811
Intergovernmental revenues ^{(1) (3)}	63,639,002	70,916,802	66,957,120	67,238,129	59,770,715
Charges for service	24,124,366	24,089,582	25,430,022	27,196,727	21,936,346
Grants - private sources	-	551,538	574,441	503,661	491,680
Fines and forfeitures	591,026	592,965	558,194	459,631	329,203
Investment earnings	636,854	563,359	3,050,293	6,221,421	8,064,527
Contributions and reimbursements ⁽³⁾	21,514,163	11,791,424	9,755,599	8,977,118	9,320,091
Other ⁽³⁾	10,381,912	4,236,431	5,423,040	4,308,702	4,394,721
Total revenue	235,952,267	230,463,130	232,181,989	229,477,263	223,962,780
Expenditures					
General government	38,189,222	39,085,789	40,391,037	40,310,300	42,153,239
Public safety	66,134,805	67,835,509	67,159,220	64,003,540	62,249,844
Health and welfare ⁽²⁾	71,262,557	73,195,409	76,040,396	79,288,722	63,207,107
Cultural and recreation	7,593,227	7,581,131	8,733,326	8,564,020	9,365,287
Judicial	31,433,217	31,731,220	32,482,483	32,603,337	35,872,279
Community and economic development	13,571,048	11,699,242	8,612,234	8,309,138	8,938,749
Other	-	-	-	-	1,439,661
Debt principal retirement	4,989,990	7,386,562	5,845,000	5,205,000	2,865,000
Debt interest and fiscal charges	6,323,222	6,641,418	5,171,896	5,155,116	4,487,924
Bond issuance costs	-	67,195	71,881	46,958	25,800
Capital outlay	12,735,600	12,281,275	22,327,056	28,758,058	11,485,767
Total expenditures	252,232,888	257,504,750	266,834,529	272,244,189	242,090,657

Table IV

	2006	2005	2004	2003	2002
\$	132,658,697	\$ 124,294,420	\$ 118,622,373	\$ 90,549,180	\$ 85,752,031
	1,294,778	1,443,107	1,474,125	1,380,375	1,299,629
	58,924,230	60,111,767	57,761,526	64,463,200	149,439,214
	21,053,923	21,831,358	22,693,249	23,672,575	19,589,181
	-	-	-	-	-
	442,504	334,079	516,414	466,749	304,140
	7,511,202	4,288,828	2,760,103	2,417,381	4,380,696
	8,593,436	8,810,105	9,561,220	8,523,738	9,221,639
	5,276,245	4,404,269	4,443,776	4,249,367	4,382,179
	235,755,015	225,517,933	217,832,786	195,722,565	274,368,709
	37,575,287	35,502,935	36,608,724	38,093,836	32,591,336
	59,445,999	55,375,644	51,987,557	51,608,925	45,762,033
	62,267,542	62,494,632	57,207,717	55,743,763	142,797,293
	8,780,040	9,167,690	9,579,107	9,492,487	7,275,887
	34,256,960	33,366,670	33,698,797	29,418,975	24,765,224
	7,786,170	8,078,754	7,654,752	6,843,404	6,546,336
	1,418,596	1,455,560	1,520,453	1,513,165	1,423,244
	2,740,000	8,660,000	3,895,000	3,740,000	3,580,000
	4,112,291	4,337,153	4,307,580	4,382,305	4,539,395
	-	-	-	-	-
	4,949,520	13,409,026	16,192,035	18,984,914	23,675,956
	223,332,405	231,848,064	222,651,722	219,821,774	292,956,704

continued...

COUNTY OF KENT, MICHIGAN

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011	2010	2009	2008	2007
Excess of revenue over (under) expenditures	\$ (16,280,621)	\$ (27,041,620)	\$ (34,652,540)	\$ (42,766,926)	\$ (18,127,877)
Other Financing Sources (Uses)					
Issuance of long-term debt	243,620	1,007,248	32,000,000	14,300,000	27,457,125
Issuance of refunding debt	-	6,470,000	-	-	-
Payment to refunded bond escrow agent	-	(6,605,076)	-	-	-
Premium (discount) on issuance of long-term debt	-	214,007	(284,575)	72,654	-
Proceeds from sale of capital assets	269,401	161,706	303,618	210,818	268,232
Transfers in	53,160,704	61,641,298	70,877,337	65,729,311	60,402,364
Transfers out	(48,508,539)	(56,460,202)	(67,794,579)	(62,093,680)	(57,854,875)
Total other financing sources (uses)	5,165,186	6,428,981	35,101,801	18,219,103	30,272,846
Net Change in Fund Balances	\$ (11,115,435)	\$ (20,612,639)	\$ 449,261	\$ (24,547,823)	\$ 12,144,969
Debt Service as a Percentage of Noncapital Expenditures	4.78%	5.91%	4.51%	4.30%	3.21%

⁽¹⁾ Intergovernmental revenues for fiscal years 2003-2011 does not include revenue of the Kent County CMH Authority (the "Authority"), which is now a component unit of Kent County. The Authority had revenue of \$137,040,639 in 2011.

⁽²⁾ Health and welfare for fiscal years 2003-2011 does not include expenditures of the Authority, which is now a component unit of Kent County. The Authority had expenditures of \$137,418,393 in 2011.

⁽³⁾ Revenues were reclassified between line items beginning in 2011. Prior years were not restated retroactively.

Table IV

	2006	2005	2004	2003	2002
\$	12,422,610	\$ (6,330,131)	\$ (4,818,936)	\$ (24,099,209)	\$ (18,587,995)
	-	55,627,094	10,669,076	-	-
	-	-	-	-	-
	-	(55,386,425)	-	-	-
	-	-	-	-	-
	245,363	227,859	160,928	184,448	409,948
	51,722,854	64,277,562	62,246,692	55,953,461	66,035,409
	(48,921,398)	(62,207,688)	(63,159,253)	(53,905,730)	(64,810,201)
	3,046,819	2,538,402	9,917,443	2,232,179	1,635,156
\$	15,469,429	\$ (3,791,729)	\$ 5,098,507	\$ (21,867,030)	\$ (16,952,839)
	3.11%	5.98%	4.00%	4.12%	2.96%

concluded

COUNTY OF KENT, MICHIGAN

Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Fiscal Year	Real Property				
	Agricultural	Commercial	Industrial	Residential	Developmental
2002	\$ 268,117,000	\$ 3,317,932,100	\$ 1,596,321,000	\$ 11,538,825,662	\$ 3,695,400
2003	286,403,550	3,567,133,300	1,710,196,550	12,487,852,560	3,888,700
2004	289,393,050	3,712,068,000	1,758,004,100	13,349,088,650	3,856,000
2005	306,380,693	3,940,120,700	1,807,694,600	14,236,963,900	667,300
2006	298,452,000	4,170,396,000	1,896,374,400	15,167,250,200	-
2007	305,797,400	4,421,321,198	1,964,202,450	15,791,563,476	-
2008	310,324,700	4,629,371,200	1,833,563,600	15,640,329,575	-
2009	312,259,200	4,620,558,426	1,967,772,900	15,014,691,834	-
2010	313,882,100	4,749,084,700	1,545,245,000	14,114,465,475	-
2011	309,355,300	4,628,214,200	1,241,393,670	13,714,614,950	-

⁽¹⁾ 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.

⁽²⁾ Includes tax-exempt property

⁽³⁾ Includes taxes that have been abated (i.e. Renaissance Zones) and/or have been captured by other tax increment finance authorities.

According to State statute, taxable property is to be assessed at 50% of market value (State equalized assessed value)

Source: Kent County Bureau of Equalization

Table V

Personal Property	Total Taxable Value ⁽¹⁾	Total Assessed Value ⁽²⁾	Total Estimated Actual Value ⁽³⁾	Percentage of Assessed to Estimated Values	Percent Increase (Decrease) in Estimated Value Over Prior Year	County Direct Rate
\$ 1,922,829,800	\$ 16,411,663,636	\$ 18,647,720,962	\$ 37,505,421,546	49.72%	8.55%	5.3140
1,863,896,120	17,175,074,149	19,919,370,780	40,010,749,054	49.79%	6.68%	5.3140
1,818,289,490	18,015,373,868	20,930,699,290	42,126,341,252	49.69%	5.29%	5.3140
1,828,048,576	19,043,661,224	22,119,875,769	44,505,697,738	49.70%	5.65%	5.3140
1,814,375,719	20,223,487,574	23,346,848,319	46,929,151,056	49.75%	5.45%	5.3940
1,855,685,922	21,325,512,397	24,338,570,446	49,117,194,686	49.55%	4.66%	5.3940
1,882,659,100	21,754,807,956	24,296,248,175	48,894,755,053	49.69%	-0.45%	5.3940
1,895,241,711	21,829,585,424	23,810,524,071	47,998,485,223	49.61%	-1.83%	5.3940
1,855,067,042	21,009,096,542	22,577,744,317	45,445,971,414	49.68%	-5.32%	5.3940
1,841,588,405	20,506,183,649	21,735,166,525	43,749,317,597	49.68%	-8.85%	5.3940

COUNTY OF KENT, MICHIGAN

Property Tax Rates (\$1 per \$1,000 of Taxable Value) - Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

	Year Taxes Are Payable				
	2011	2010	2009	2008	2007
County Direct Rates:					
Allocated Operating	4.2803	4.2803	4.2803	4.2803	4.2803
Correctional Facility	0.7893	0.7893	0.7893	0.7893	0.7893
Senior Services	0.3244	0.3244	0.3244	0.3244	0.3244
Total County Direct Rate	5.3940	5.3940	5.3940	5.3940	5.3940
City Rates:					
Cedar Springs	16.3214	16.3214	16.3414	16.3214	16.3414
East Grand Rapids	14.7095	14.7296	14.7395	14.6695	14.5695
Grand Rapids	8.3713	8.3711	8.3709	8.2410	8.2413
Grandville	9.154	9.1540	8.4540	8.4540	8.4540
Kentwood	9.7064	9.7064	7.7064	7.5061	7.5061
Lowell	16.0724	16.0724	16.0706	16.0724	16.0724
Rockford	10.9	10.9000	10.9000	10.9000	10.9000
Walker	1.336	1.3360	1.3360	1.3360	1.3360
Wyoming	11.8873	11.8873	10.6773	10.6773	10.6773
Township Rates	.7100-3.7626	.7100-3.7626	.7100 - 3.7626	.6962 - 3.2900	.7100 - 3.2900
Village Rates	6.4440-18.5761	6.4440-18.5761	5.4440 - 18.5761	5.4440 - 18.5761	5.4440 - 18.8461
District Library	0.8800	0.8800	0.8800	0.8800	0.8800
Interurban Transit Partnership	1.2900	1.1200	1.1200	1.1200	0.9500
Rockford DDA	2.0000	2.0000	0.0000	0.0000	0.0000
School Districts⁽¹⁾	2.3625-35.4426	1.3384-35.3976	1.3384 - 35.3976	1.7865 - 35.3976	1.7865 - 29.4476

Source: Kent County Bureau of Equalization

⁽¹⁾ Includes Community Colleges and Intermediate School Districts

Table VI

Year Taxes Are Payable				
2006	2005	2004	2003	2002
4.2803	4.2803	4.2803	4.2803	4.2726
0.7893	0.7893	0.7893	0.7893	0.7952
0.3244	0.2444	0.2444	0.2444	0.2462
5.3940	5.3140	5.3140	5.3140	5.3140
16.3414	16.3473	16.3490	16.3490	15.0000
14.7162	14.7942	14.8679	14.5568	14.8610
8.1217	8.1223	8.1517	7.9740	8.0386
8.4540	8.4540	8.4540	8.4540	7.2990
7.5318	7.5318	7.5318	7.5318	7.5318
16.0715	16.0724	16.0740	16.0757	15.8300
10.9000	10.9000	10.9000	10.9000	10.9000
1.3360	1.3360	1.3360	1.3360	1.3360
10.6773	10.7073	10.7873	10.8773	10.9773
.2409 - 2.5782	.2409 - 2.5782	.7100 - 3.5498	.7100 - 3.3100	.7100 - 2.9698
5.4440 - 19.3524	5.4440 - 20.1690	5.4440 - 20.1690	5.4440 - 20.169	5.4440 - 17.0000
0.8800	0.8800	0.8800	0.8710	0.8769
0.9500	0.9500	0.9500	0.7603	0.7480
0.0000	0.0000	0.0000	0.0000	0.0000
1.3432 - 29.4476	1.3432 - 29.4676	1.3498 - 29.9000	1.5147 - 29.9697	1.2049 - 29.8251

COUNTY OF KENT, MICHIGAN

Profile of Ten Largest Ad Valorem Taxpayers Current Year and Nine Years Ago (Unaudited)

Taxpayer	Principal Product or Service	2011 Taxable Valuation	Rank	Percent of 2011 Taxable Valuation
Consumers Energy	Utility	\$ 222,981,547	1	1.09%
Amway Corp/Alticor	Household products	147,613,452	2	0.72%
Meijer / Goodwill	Retail sales	119,931,618	3	0.58%
Michigan Consolidated Gas Co.	Utility	103,449,754	4	0.50%
Steelcase, Inc.	Office equipment and furniture	99,358,463	5	0.48%
PR Woodland	Retail shopping center	56,864,631	6	0.28%
Holland Home	Senior citizens residence	49,604,819	7	0.24%
Fifth Third / Old Kent Bank	Banking services	46,702,987	8	0.23%
Keebler Company	Food distributor/retailer	40,877,800	9	0.20%
General Growth Properties, Grandville	Retail shopping center	39,768,162	10	0.19%
Visser Brothers	Retail shopping center			
General Motors Corporation	Automotive			
Diesel Technology	Manufacturing			
		\$ 927,153,233		4.5%

Source: County of Kent

Table VII

	2002 Taxable Valuation	Rank	Percent of 2002 Taxable Valuation
\$	193,537,649	2	1.18%
	177,556,414	3	1.08%
	96,389,023	5	0.59%
	72,390,663	6	0.44%
	299,518,856	1	1.83%
	38,029,332	9	0.23%
	39,059,821	8	0.24%
	38,017,119	10	0.23%
	157,103,099	4	0.96%
	48,278,400	7	0.29%
\$	1,159,880,376		7.1%

COUNTY OF KENT, MICHIGAN

Property Taxes, Levies and Collections Last Ten Fiscal Years (Unaudited)

Tax Year	Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections ⁽²⁾	Percent Of Levy Collected Current	Delinquent Tax Collections ⁽³⁾
2002	2003	\$ 86,714,980	\$ 80,408,545	92.73%	\$ 6,306,435
2003	2004	90,498,480	84,020,375	92.84%	6,478,105
2004	2005	94,868,201	88,336,598	93.12%	6,531,603
2005	2006	100,103,230	93,881,338	93.79%	6,221,000
2006	2007	107,819,921	101,351,375	94.00%	6,466,290
2007	2008	113,547,947	101,705,638	89.57%	11,835,263
2008	2009	115,338,920	102,456,224	88.83%	12,856,236
2009	2010	116,156,015	108,234,738	93.18%	7,721,533
2010	2011	112,116,149	104,044,458	92.80%	7,204,591
2011	2012	109,643,936	99,312,984	90.58%	-

⁽¹⁾ The levy does not include taxes from Sections 198 and 255 property.

⁽²⁾ Balance on March 1st of each Fiscal Year.

⁽³⁾ Balance on March 1, 2012.

Table VIII

	Total Collections	Total As Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent as Percent of Current Levy
\$	86,714,980	100.00%	\$ -	0.00%
	90,498,480	100.00%	-	0.00%
	94,868,201	100.00%	-	0.00%
	100,102,338	100.00%	892	0.00%
	107,817,665	100.00%	2,256	0.00%
	113,540,901	99.99%	7,046	0.01%
	115,312,460	99.98%	26,460	0.02%
	115,956,270	99.83%	199,745	0.17%
	111,249,049	99.23%	867,100	0.77%
	99,312,984	90.58%	10,330,952	9.42%

COUNTY OF KENT, MICHIGAN

Ratio of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities ⁽¹⁾		Business-type Activities	
	General Obligation Debt	Capital Leases	Revenue Bonds	General Obligation Limited Tax Notes
2002	\$ 91,930,000	\$ -	\$ 93,700,000	\$ 62,300,000
2003	88,190,000	-	91,590,000	59,900,000
2004	94,665,000	-	89,385,000	58,200,000
2005	81,670,000	-	87,075,000	48,300,000
2006	78,930,000	-	84,660,000	44,000,000
2007	103,065,000	-	199,505,000	73,000,000
2008	112,160,000	-	196,880,000	58,000,000
2009	138,315,000	-	194,090,000	55,000,000
2010	131,275,000	810,686	190,495,000	44,500,000
2011 ⁽²⁾	126,545,000	794,316	197,915,000	40,500,000

⁽¹⁾ Includes information from blended component units

⁽²⁾ For the Year Ended December 31, 2011 the Department of Public Works was classified as a business-type activity enterprise fund. Prior years were not restated retroactively.

N/A Data is Not Available

Table IX

	Total Primary Government	Percentage of Personal Income		Per Capita
\$	247,930,000	1.42%	\$	421.68
	239,680,000	1.33%		405.95
	242,250,000	1.26%		407.90
	217,045,000	1.08%		363.76
	207,590,000	0.99%		346.26
	375,570,000	1.74%		625.31
	367,040,000	1.73%		606.46
	387,405,000	1.89%		636.85
	367,080,686	1.75%		609.14
	365,754,316	N/A		606.94

COUNTY OF KENT, MICHIGAN

Ratio of Net General Bonded Debt to Estimated Actual Value and Net General Bonded Debt Per Capita Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population ⁽¹⁾	Estimated Actual Value in (000's)	Gross Bonded Debt	Debt Payable By Others ⁽³⁾	Net General Bonded Debt
2002	587,951	\$ 37,505,422	\$ 247,930,000	\$ 156,955,000	\$ 90,975,000
2003	590,417	40,010,749	239,680,000	152,355,000	87,325,000
2004	593,898	42,126,341	242,250,000	148,350,000	93,900,000
2005	596,666	44,505,698	217,045,000	136,040,000	81,005,000
2006	599,524	46,929,151	207,590,000	129,225,000	78,365,000
2007	600,617	49,117,195	375,570,000	272,960,000	102,610,000
2008	605,213	48,894,755	367,040,000	255,265,000	111,775,000
2009	608,315	47,998,485	387,405,000	270,735,000	116,670,000
2010	602,622	45,445,971	366,270,000	255,606,100	110,663,900
2011	602,622	43,749,318	364,960,000	258,279,550	106,680,450

⁽¹⁾ Source: U.S. Census Bureau

⁽²⁾ This balance includes debt being repaid from general resources.

⁽³⁾ CIP Bonds have been excluded from this classification during 2009. Prior years have been restated.

Table X

Debt Service Funds Available	Net Bonded Debt ⁽²⁾	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
\$ 503,424	\$ 90,471,576	0.24%	\$ 153.88
89,841	87,235,159	0.22%	147.75
68,529	93,831,471	0.22%	157.99
634,382	80,370,618	0.18%	134.70
673,871	77,691,129	0.17%	129.59
695,188	101,914,812	0.21%	169.68
142,011	111,632,989	0.23%	184.45
391,540	116,278,460	0.24%	191.15
430,063	110,233,837	0.24%	182.92
433,945	106,246,505	0.24%	176.31

COUNTY OF KENT, MICHIGAN

Table XI

Computation of Direct and Overlapping Debt
December 31, 2011
(Unaudited)

DEBT STATEMENT

The following table reflects a breakdown of the County's direct and overlapping debt as of December 31, 2011.
Bonds designated LTGO bonds are limited tax pledge bonds or notes

Direct Debt	Gross	Self Supporting or Portion Paid by Benefiting Municipality	Net	Per Capita	Percent of Estimated Actual Value
CIP Bond Series	\$ 18,625,000	\$ -	\$ 18,625,000		
Capital Lease Obligation	794,316	-	794,316		
General Obligation Limited					
Tax Notes	40,500,000	40,500,000	-		
Water Systems Bond (LTGO)	2,370,000	2,370,000	-		
City/ County Bldg. Authority (LTGO)	64,958,904	-	64,958,904		
Kent County Building Authority (LTGO)	107,920,000	19,864,550	88,055,450		
Drain Bonds (LTGO)	7,950,000	7,950,000	-		
Refuse Disposal System Bonds (LTGO)	11,100,000	11,100,000	-		
Airport Series 2009 Revenue (LTGO Pledge)	28,420,000	28,420,000	-		
Airport Revenue Bonds Series 2007	115,710,000	115,710,000	-		
Airport Revenue Bonds Series 2011	38,675,000	38,675,000	-		
Airport Series 1998 Revenue	1,640,000	1,640,000	-		
Total Direct Debt	\$ 438,663,220	\$ 266,229,550	\$ 172,433,670	\$ 286.14	0.39%
County Overlapping Debt ⁽¹⁾⁽²⁾					
Cities, Villages and Townships			\$ 238,946,000		
School Districts			1,195,221,473		
Community College and Intermediate School Districts			47,192,466		
Total Overlapping Debt			\$ 1,481,359,939	\$ 2,458.19	3.39%
Total County Direct Debt and Overlapping Debt			\$ 1,653,793,609	\$ 2,744.33	3.78%

⁽¹⁾ Overlapping debt is the portion of other public debt for which a County taxpayer is liable in addition to the Direct Debt of the County. It is calculated based on the local unit's proportionate share of real property taxable values.

⁽²⁾ Outstanding balances are reported as of December 31, 2011

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COUNTY OF KENT, MICHIGAN

Computation of Legal Debt Margin for General Obligation Bonds Last Ten Fiscal Years (Unaudited)

Constitutional Debt Limitation

Article VII, Section 6 of the Michigan Constitution states: "No County shall incur any indebtedness which shall increase its total debt beyond 10% of its assessed valuation."

Statement of Legal Debt Margin (as of December 31,)	2011	2010	2009	2008
State Equalized Valuation	\$ 21,735,166,525	\$ 22,577,744,317	\$ 23,810,524,071	\$ 24,296,248,175
Legal Debt Limit (10% of SEV)	2,173,516,653	2,257,774,432	2,381,052,407	2,429,624,818
Debt Outstanding	437,868,904	459,568,904	496,995,904	482,212,904
Margin of additional debt which could be incurred subject to debt limit	\$ 1,735,647,749	\$ 1,798,205,528	\$ 1,884,056,503	\$ 1,947,411,914
Percentage of debt outstanding to SEV	2.01%	2.04%	2.09%	1.98%

Source: County of Kent

Table XII

2007	2006	2005	2004	2003	2002
\$ 24,338,570,446	\$ 23,346,848,319	\$ 22,119,875,769	\$ 20,930,699,290	\$ 19,919,370,780	\$ 18,647,720,962
2,433,857,045	2,334,684,832	2,211,987,577	2,093,069,929	1,991,937,078	1,864,772,096
506,524,904	348,610,657	373,049,381	399,927,376	421,559,316	434,654,422
<u>\$ 1,927,332,141</u>	<u>\$ 1,986,074,175</u>	<u>\$ 1,838,938,196</u>	<u>\$ 1,693,142,553</u>	<u>\$ 1,570,377,762</u>	<u>\$ 1,430,117,674</u>
2.08%	1.49%	1.69%	1.91%	2.12%	2.33%

COUNTY OF KENT, MICHIGAN

Table XIII

Revenue Bond Coverage - Department of Aeronautics
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Revenue		Operating Expenses ⁽¹⁾	Net Revenue	Debt Service		Coverage		
					Principal	Interest			
2002	\$	25,668,494	\$	12,381,940	\$	2,025,000	\$	4,648,757	2.0%
2003		28,147,353		13,201,717		2,110,000		4,553,407	2.2%
2004		28,208,646		13,588,851		2,205,000		4,369,624	2.2%
2005		30,264,045		15,858,592		2,310,000		4,265,071	2.2%
2006		33,967,046		15,858,592		2,415,000		4,160,339	2.8%
2007		33,616,496		17,462,663		2,515,000		4,056,608	2.5%
2008		33,484,093		17,965,424		2,625,000		5,501,234	1.9%
2009		31,172,148		17,637,636		2,740,000		9,519,946	1.1%
2010		38,030,703		18,073,194		3,595,000		9,220,026	1.6%
2011		38,012,591		17,677,443		4,180,000		9,059,081	1.5%

⁽¹⁾ Excluding depreciation, non-operating interest expense and charges, and loss on sale of assets

Table XIV

COUNTY OF KENT, MICHIGAN

Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ⁽¹⁾⁽²⁾	Personal Income Thousands of Dollars ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment ⁽⁴⁾
2002	587,951	\$ 17,497,701	\$ 30,068	123,629	6.3%
2003	590,417	18,087,205	30,624	123,457	7.9%
2004	593,898	19,222,478	32,416	123,258	7.0%
2005	596,666	20,040,726	33,627	123,102	5.7%
2006	599,524	21,050,998	35,049	123,038	5.6%
2007	600,617	21,611,571	35,859	122,155	5.8%
2008	605,213	21,225,291	35,099	120,993	6.9%
2009	608,315	20,460,840	33,635	119,717	10.9%
2010	602,622	20,996,576	34,819	119,606	10.2%
2011	602,622	N/A	N/A	119,372	8.0%

⁽¹⁾ Source: U.S. Census Bureau

⁽²⁾ Source: Bureau of Economic Analysis (for years without a census)

⁽³⁾ Source: Michigan Department of Education (Fourth Friday Count)

⁽⁴⁾ Source: Michigan Employment Security Commission (Yearly Average)

N/A Data is Not Available

COUNTY OF KENT, MICHIGAN

Principal Employers Current and Nine Years Ago (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011		
Employer	Employees ⁽¹⁾	Rank	Percentage of Total Employment
Spectrum Health	16,600	1	5.49%
Meijer, Inc.	7,725	2	2.55%
Axios, Inc.	7,372	3	2.44%
Spartan Stores	4,258	4	1.41%
Alticor, Inc. (formerly Amway Corp.)	4,000	5	1.32%
Grand Rapids Public Schools	3,297	6	1.09%
Steelcase, Inc.	3,227	7	1.07%
Walmart	3,131	8	1.04%
St. Mary's Health	2,672	9	0.88%
Magna Donnelly Mirror	2,500	10	0.83%
Herman Miller Inc.			
Johnson Controls			
Grand Valley State University			
Gainey Corporation			
Total	54,782		18.12%

⁽¹⁾ Source: The Right Place, Inc.

TABLE XV

2002		
Employees ⁽¹⁾	Rank	Percentage of Total Employment
12,700	1	3.81%
9,850	2	2.96%
4,370	7	1.31%
4,500	6	1.35%
3,700	9	1.11%
7,500	3	2.25%
4,700	5	1.41%
5,260	4	1.58%
3,920	8	1.18%
3,000	10	0.90%
59,500		17.86%

COUNTY OF KENT, MICHIGAN

Full-Time Equivalent Government Employees by Function/Program Last Ten Fiscal Years (Unaudited)

<i>December 31,</i>	2011	2010	2009	2008	2007
Function/Program					
General Government:					
Administrator's Office	31	31	23	23	24
Bureau of Equalization	17	17	20	23	24
County Clerk	47	48	51	52	30
Drain Commissioner	6	7	7	7	7
Facilities Management	21	37	48	44	47
Fiscal Services	34	34	38	38	38
Human Resources	16	16	20	20	21
Information Technology	36	37	42	42	44
Kent/MSU Cooperative Extension	4	5	6	6	7
Prosecutor's Office - Criminal/Juvenile	57	61	64	64	65
Treasurer's Office	12	13	15	15	16
Public Safety:					
Sheriff's Department	549	546	570	579	604
Judicial:					
17th Circuit Court	228	232	242	241	265
63rd District Court	35	35	37	37	35
Community Corrections	3	3	3	3	3
Probate Court	15	15	15	15	15
Prosecutor's Office - Cooperative Reimbursement	19	19	19	19	19

Table XVI

2006	2005	2004	2003	2002
23	23	23	23	22
21	21	21	21	20
30	31	31	31	31
7	7	7	7	7
47	44	44	48	48
39	40	43	43	42
21	22	22	22	27
43	43	43	47	46
7	7	8	8	8
63	65	64	66	63
16	16	16	16	16
587	598	599	609	589
263	265	267	267	263
36	35	35	34	33
3	3	3	3	3
14	14	14	15	15
19	19	20	19	19

continued...

COUNTY OF KENT, MICHIGAN

Full-Time Equivalent Government Employees by Function/Program Last Ten Fiscal Years (Unaudited)

<i>December 31,</i>	2011	2010	2009	2008	2007
Community and Economic Development:					
Community Development	8	8	6	6	6
Housing Commission	3	3	3	3	4
Lodging Excise Tax	2	2	2	2	2
Cultural and Recreation:					
John Ball Zoological Gardens	44	44	49	47	47
Parks ⁽¹⁾	59	56	65	66	38
Health and Welfare:					
Child Care	135	136	133	131	132
Community Mental Health		-	-	-	-
Health Department	250	249	255	259	280
Veteran's Affairs Department	1	1	1	1	1
Enterprise Activities:					
Aeronautics	125	120	124	124	124
Public works	66	62	71	72	72
Other:					
Risk Management	2	2	2	2	2
Total	1,821	1,839	1,931	1,941	1,972

⁽¹⁾ Seasonal employees were included for fiscal years 2008 and forward.
Prior years were not restated retroactively.

Source: County of Kent

Table XVI

2006	2005	2004	2003	2002
6	6	6	6	6
4	4	4	4	4
2	2	2	2	2
48	48	48	48	48
38	38	38	38	38
130	129	129	129	119
-	-	-	-	112
280	288	298	307	324
1	1	1	1	1
124	124	124	123	115
78	76	76	77	73
2	2	2	2	2
1,948	1,971	1,988	2,016	2,096

concluded

COUNTY OF KENT, MICHIGAN

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011	2010	2009	2008
Function/Program				
General Government:				
County bond rating (Per S&P/Moody's)	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
Dollars saved or leveraged due to collaboration with other agencies	\$ 1,158,240	\$ 2,545,516	\$ 2,019,184	\$ 3,077,900
Number of programs or collaborative partnerships developed	5	6	7	6
General Fund cost per resident for all County services	\$ 217	\$ 215	\$ 236	\$ 237
On-site appraisals	2,000	2,115	2,388	3,095
New and revised property tax descriptions	2,869	4,725	3,195	5,440
Percent increase in green industry producers in Crop, Financial Management & Income Production Related Educational Programs	N/A	18%	48%	28%
Natural gas savings through the Utilities Program	\$ 17,000	\$ 150,000	\$ 170,000	\$ 79,500
Number of invoices processed	65,534	65,046	69,402	68,547
Number of vehicles in County fleet	210	208	208	208
Number of tax receipts processed	25,856	25,863	23,701	23,582
General Fund investment income	\$ 459,384	\$ 761,632	\$ 1,275,947	\$ 2,599,234
Public Safety:				
Neighborhood Watch satisfaction rating ⁽²⁾	4.7	4.4	4.0	4.4
Total number of incidents investigated	N/A	13,853	13,483	13,775
Judicial:				
Number of District Court trials	147	121	122	126
Number of cases tried in Circuit Court	75	86	118	99
Amount of Restitution Awarded via the Crime Victims Compensation Board	\$ 279,372	\$ 334,009	\$ 439,815	\$ 459,253
Community and Economic Development:				
Percent of clients enrolled in financial literacy classes	18%	8%	10%	10%
Percent of clients enrolled in educational programs	34%	19%	18%	19%

Table XVII

2007	2006	2005	2004	2003	2002
AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
\$ 1,552,818	N/A	N/A	N/A	N/A	N/A
7	5	N/A	N/A	N/A	N/A
\$ 244	\$ 226	N/A	N/A	N/A	N/A
3,739	1,764	1,586	1,563	1,732	1,375
6,711	9,450	8,526	9,586	7,343	8,165
53%	N/A	N/A	N/A	N/A	N/A
\$ 109,000	\$ 118,000	\$ 81,000	\$ 65,000	N/A	N/A
67,861	57,137	57,339	61,757	64,675	66,676
208	207	205	203	200	189
22,340	20,910	21,700	22,146	25,193	28,696
\$ 3,826,061	\$ 4,368,903	\$ 3,017,636	\$ 1,792,257	\$ 2,161,360	\$ 3,525,314
4.9	4.2	N/A	N/A	N/A	N/A
12,098	10,117	N/A	N/A	N/A	N/A
167	136	N/A	N/A	N/A	N/A
122	111	113	92	117	80
\$ 400,497	\$ 327,561	\$ 293,388	\$ 350,834	\$ 196,888	\$ 271,161
10%	10%	N/A	N/A	N/A	N/A
15%	14%	N/A	N/A	N/A	N/A

continued...

COUNTY OF KENT, MICHIGAN

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2011	2010	2009	2008
Cultural and Recreation:				
Staff participation in conservation management programs	N/A	55	67	64
Conservation and research projects participated in with other agencies	13	10	10	10
Number of project collaborations with outside agencies	13	13	9	N/A
Acres of park land acquired	10.4	0.2	-	275
Health and Welfare:⁽¹⁾				
Percent of children aged 19-35 months who are fully immunized	82%	77%	77%	75%
Number of children receiving Hearing/Vision screenings	91,733	89,635	89,621	88,247
Enterprise Activities:				
Airfield operations-takeoffs and landings	87,545	86,750	87,883	97,501
Airline passengers	2,275,332	2,180,000	1,771,465	1,809,445
Total air cargo (lbs.)	80,706,216	79,750,000	76,554,991	95,190,603
Solid waste landfilled (in tons)	N/A	251,107	182,602	190,545
Electricity sold (Mwh)	101,549	104,000	100,195	102,168
Tons of solid waste processed (Waste to Energy)	185,998	188,000	186,290	187,135
Recyclable materials processed (in tons)	23,600	14,940	15,493	14,492

⁽¹⁾ Children within Kent County

⁽²⁾ Five Point Scale

N/A Data is Not Available

Source: County of Kent

Table XVII

2007	2006	2005	2004	2003	2002
33	32	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
248	90	39	90	390	N/A
77%	76%	73%	67%	61%	57%
85,095	37,113	N/A	N/A	N/A	N/A
101,378	112,608	112,314	116,455	110,128	125,622
1,990,896	2,015,846	2,090,505	2,150,125	1,976,833	1,917,644
91,890,660	87,281,497	86,505,842	79,536,540	73,815,488	74,714,493
183,897	171,883	159,492	167,560	169,659	151,057
98,738	95,509	N/A	N/A	N/A	N/A
178,579	180,726	175,975	176,268	N/A	N/A
14,230	13,688	13,260	14,226	14,209	14,097

concluded

COUNTY OF KENT, MICHIGAN

Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

<i>December 31,</i>	2011	2010	2009	2008	2007
Function/Program					
General Government:					
Number of buildings	14	14	15	16	15
Video conferencing sites	2	2	2	2	2
Computer training facilities	1	1	1	1	1
Public Safety:					
Fire engines	19	17	18	17	20
Patrol vehicles/motorcycles	67	69	69	70	66
Jail	1	1	1	1	1
Sheriff's stations/substations	6	7	7	7	7
Communications towers	8	8	7	7	7
Training facilities	1	1	1	1	1
Video arraignment stations	7	8	11	8	7
Judicial:					
Video arraignment stations	52	51	49	49	46
Cultural and Recreation:					
Number of parks	42	42	42	42	42
Number of golf courses	1	1	1	1	1
Number of zoos	1	1	1	1	1
Acres of public space	7,372	7,362	7,362	7,352	7,096
Health and Welfare:					
Number of clinics	6	7	7	6	6
Enterprise Activities:					
Number of landfills	4	4	4	4	4
Number of recycling facilities	1	1	1	1	1
Airports	1	1	1	1	1

Source: County of Kent

Table XVIII

2006	2005	2004	2003	2002
15	15	15	15	15
2	2	1	1	1
1	1	1	1	1
20	19	18	19	17
71	62	66	61	52
1	1	1	1	1
7	6	6	5	5
6	5	3	3	3
1	1	1	1	1
7	7	3	3	3
46	46	46	44	44
42	42	42	42	41
1	1	1	1	1
1	1	1	1	1
6,684	6,550	5,800	5,200	5,100
7	7	7	8	7
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1