

County of Kent,  
Michigan



Year Ended  
December 31,  
2014

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

# COUNTY OF KENT, MICHIGAN

## ELECTED OFFICERS

For the Year Ended December 31, 2014

### BOARD OF COMMISSIONERS

Dan Koorndyk  
*Chair*

Jim Saalfeld  
*Vice Chair*

Carol Hennessy  
*Minority Party Vice-Chair*

Tom Antor  
David Bulkowski  
Joel Freeman  
Harold Mast  
Stan Ponstein  
Pat Szymczak  
Richard Vander Molen  
Harold Voorhees

Mandy Bolter  
Candace Chivis  
Diane Jones  
Roger Morgan  
Shana Shroll  
Jim Talen  
Ted Vonk  
Nate Vriesman

Mary Hollinrake  
*Clerk-Register of Deeds*

William Byl  
*Drain Commissioner*

William Forsyth  
*Prosecuting Attorney*

Lawrence Stelma  
*Sheriff*

Kenneth Parrish  
*Treasurer*

# 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, 2015

## **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, 2014.

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 unmodified (“clean”) opinion on the County’s financial statements for the year ended December 31, 2014. 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 2014 estimated population of 629,237. 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, and park system. The Department of Public Works manages a waste-to-energy incinerator and landfill. 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, high quality of life.

### 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 is used for professional hockey games, concerts, family shows and other entertainment events. The convention center features a 162,000 square foot, column free exhibit hall, 40,000 square foot ballroom and 26 individual meeting rooms (32,000 square feet). Twelve spacious loading docks (with a wash bay and marshalling area), allow for easy access into the exhibit hall. In addition, DeVos Place features a 2,404 seat performing arts theater with two independent loading docks and one loading ramp. Home to the Grand Rapids Symphony, Grand Rapids Ballet Company, Opera Grand Rapids and Broadway Grand Rapids, it can also serve as the perfect space for a general session or keynote address. These facilities have enabled several large events to take place, with bookings made for local, state, regional and national conferences.

### 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 2,830 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 officially opened its new headquarters in downtown Grand Rapids in September 2010. In 2012, MSU purchased the former Grand Rapids Press headquarters along with five parking properties for use as research space and additional parking. MSU will spend \$88.1 million to build a 163,000 square-foot biomedical research center. The facility is in close proximity to the MSU College of Human Medicine and will hold 44 principal investigator teams. The new research center will retain about 80 current MSU College of Human Medicine employees and create up to 180 new jobs.

#### 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 high of 10.7% (2009) to a low of 4.9 percent (2014). Unemployment has declined every year since 2010 and is expected to continue to decline or remain stable in 2015.

### **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 (FY2015) and FY2016 is as follows. The revenue forecast projects annual increases (decreases) of (.3) and 2.6 percent respectively. Expenditures during this period have projected annual increases (decreases) of (.3) and 2.7 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 \$68.9 million at December 31, 2016.

#### 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 component units. 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 Projects Fund to account for the acquisition or construction of major capital items not otherwise provided for in enterprise or trust funds. The Capital Improvement Program (CIP) consists mainly of one-time or non-recurring capital expenditures. The CIP is a primary tool for evaluating the physical improvement, tangible personal property or real property improvements for the County. The CIP outlines the schedule of County needs over a five-year period, and contains funding recommendations on an annual basis. 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. When the County 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 the 2010 and 2011 deposits to the Capital Improvement Program to the equivalent of 0.15 mills of the general property tax levy. The County returned to 0.2 mills in 2012 and 2013. In addition, it is being recommended that 0.25 mills be dedicated to capital improvement projects for 2015, as was done for the 2014 fiscal year.

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

## **Future Financing**

The County anticipates the pledge of its limited tax, full faith and credit, for the issuance of approximately \$9,200,000 of drain bonds to be issued by the Grand River Floodwalls Drainage District, for the purpose of financing improvements to the Grand River Floodwalls project in the summer of 2015. While the County has no imminent plans to issue additional debt, it continues to assess its capital needs and may decide to issue a modest amount in 2015 or 2016.

## **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, allowing 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. This collaborative effort with local units of government helped them lower their overall costs while increasing competition, and resulted in lower prices. Currently there are over 20 local units of government including 2 counties, 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, 2013. 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 2015. 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.

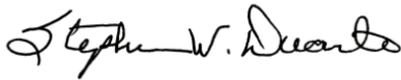
The County of Kent is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). Kent County is one of four counties in the State of Michigan that holds all three of the GFOA awards simultaneously. The PAFR is a report created for the citizens of Kent County with the purpose 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/Departments/FiscalServices/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,

A handwritten signature in cursive script that reads "Daryl J. Delabbio".

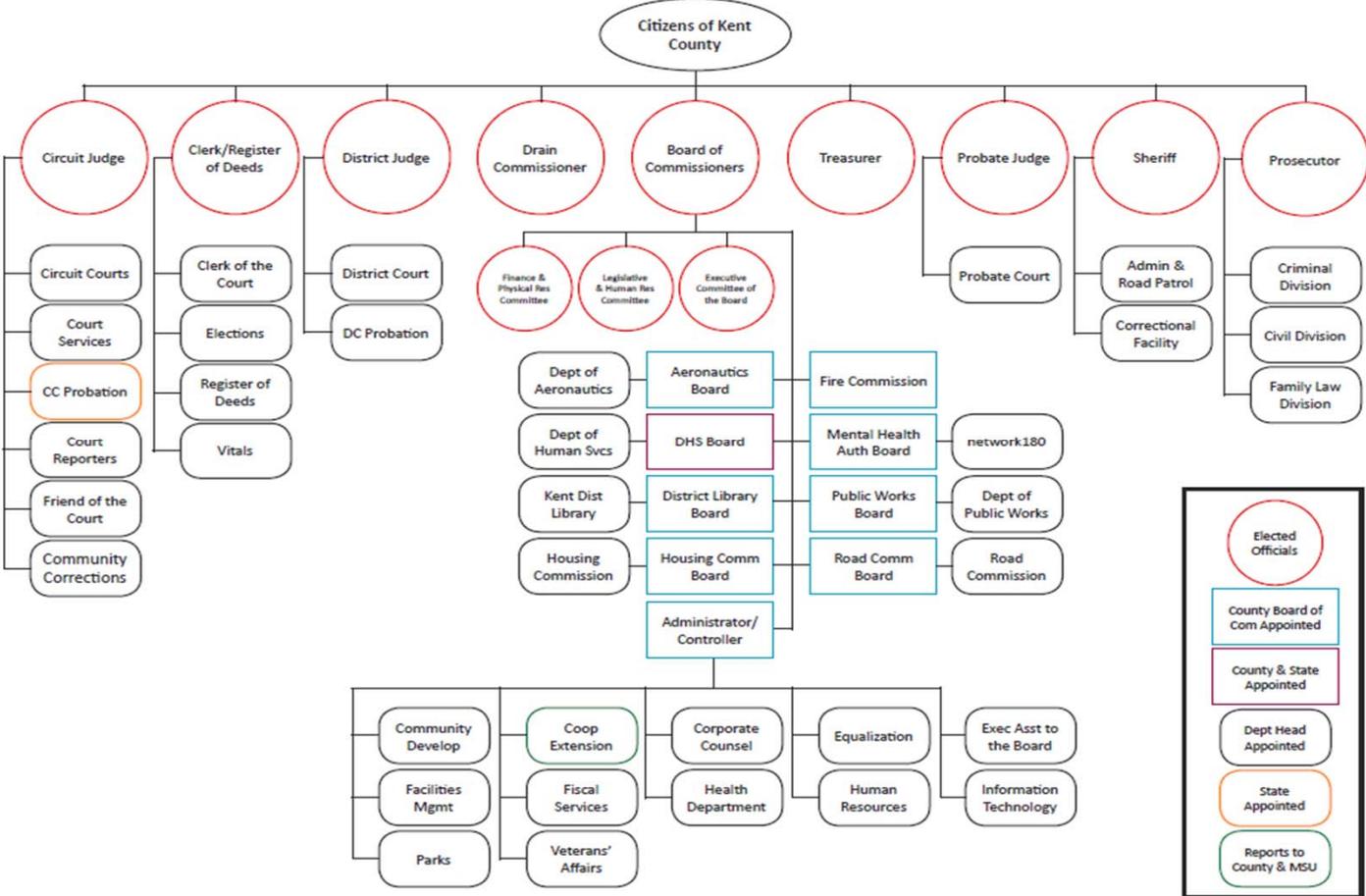
Daryl J. Delabbio  
County Administrator/Controller

A handwritten signature in cursive script that reads "Stephen W. Duarte".

Stephen W. Duarte  
Fiscal Services Director

# COUNTY OF KENT, MICHIGAN

## Table of Organization





Government Finance Officers Association

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, 2013**

Executive Director/CEO

## FINANCIAL SECTION

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**INDEPENDENT AUDITORS' REPORT**

June 8, 2015

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Kent, Michigan* (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Independent Auditors' Responsibility***

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") or the Kent County Road Commission discretely presented component units, which represent 11 and 82 percent, 4 and 92 percent, and 68 and 28 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kent County Community Mental Health Authority and the Kent County Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, based on our audit and the reports 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, 2014, 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.

### *Implementation of GASB Statement No. 67*

The County implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, in the current year. While there was no effect on the amounts reported in the financial statements themselves, there were substantial changes to the disclosures found in Note 15 to the financial statements, including the calculation of the County's net pension liability, which will be required to be recorded by the County in its next fiscal year. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, introductory section, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 8, 2015, on our consideration of the County of Kent, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Rehmann Lobson LLC*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

# COUNTY OF KENT, MICHIGAN

## 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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. 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 \$547,588 (net position). Of this amount, \$164,297 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$18,822. As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$93,029, an increase of \$3,830 in comparison with the prior year. Approximately 46.2% of this total amount or \$42,936 is unassigned fund balance.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$42,936 or 32.4% of total General Fund expenditures.
- Total government-wide liabilities increased by approximately \$16,163 (4.0%) during the current fiscal year. Liabilities for governmental activities increased by approximately \$3,598 and liabilities decreased by \$12,565 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 position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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.

## COUNTY OF KENT, MICHIGAN

### Management's Discussion and Analysis

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.

**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-three 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, Correction and Detention Facilities Fund and the Child Care Fund, all of which are considered to be major funds. Data from the other twenty 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.

**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 Department of Aeronautics, 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 Department of Aeronautics, 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.

**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.

# COUNTY OF KENT, MICHIGAN

## Management's Discussion and Analysis

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.

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.

### Government-Wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$547,588 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 152,126	\$ 144,999	\$ 174,694	\$ 172,515	\$ 326,820	\$ 317,514
Capital assets, net	250,519	253,224	377,749	376,527	628,268	629,751
<b>Total assets</b>	<b>402,645</b>	<b>398,223</b>	<b>552,443</b>	<b>549,042</b>	<b>955,088</b>	<b>947,265</b>
<b>Total deferred outflows of resources</b>	<b>723</b>	<b>833</b>	<b>2,488</b>	<b>2,721</b>	<b>3,211</b>	<b>3,554</b>
Long-term liabilities	121,914	124,447	234,361	245,420	356,275	369,867
Other liabilities	18,571	19,636	9,415	10,921	27,986	30,557
<b>Total liabilities</b>	<b>140,485</b>	<b>144,083</b>	<b>243,776</b>	<b>256,341</b>	<b>384,261</b>	<b>400,424</b>
<b>Total deferred inflows of resources</b>	<b>26,450</b>	<b>21,629</b>	<b>-</b>	<b>-</b>	<b>26,450</b>	<b>21,629</b>
<b>Net position</b>						
Net investment in capital assets	137,318	134,750	194,890	187,333	332,208	322,083
Restricted	15,009	14,939	36,074	33,113	51,083	48,052
Unrestricted	84,106	83,655	80,191	74,976	164,297	158,631
<b>Total net position</b>	<b>\$ 236,433</b>	<b>\$ 233,344</b>	<b>\$ 311,155</b>	<b>\$ 295,422</b>	<b>\$ 547,588</b>	<b>\$ 528,766</b>

A substantial portion of the County's net position, \$332,208 (60.7%), 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 position of \$51,083 (9.3%) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of unrestricted net position of \$164,297 (30%) 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 position, both for the government as a whole, and for its separate governmental and business-type activities.

# COUNTY OF KENT, MICHIGAN

## Management's Discussion and Analysis

There was an increase of \$70 in restricted net position reported in connection with the County's governmental activities. The majority of the increase was the result of recording a receivable for the County's Medicaid cost settlement in the health department special revenue fund.

There was an increase of \$2,961 in restricted net position reported in connection with the County's business-type activities. The \$2,961 increase is largely attributable to an increase in the resources that are subject to external restrictions on how they can be used under Bond resolutions and Federal regulations.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	\$ 39,830	\$ 36,662	\$ 72,940	\$ 68,878	\$ 112,770	\$ 105,540
Operating grants	72,012	77,011	409	345	72,421	77,356
Capital grants	156	1,698	21,435	10,711	21,591	12,409
General revenues:						
Property taxes	106,211	104,455	-	-	106,211	104,455
State revenue sharing	10,384	9,330	-	-	10,384	9,330
Other taxes	7,660	6,897	-	-	7,660	6,897
Other	555	606	186	567	741	1,173
<b>Total revenues</b>	<b>236,808</b>	<b>236,659</b>	<b>94,970</b>	<b>80,501</b>	<b>331,778</b>	<b>317,160</b>
Expenses:						
General government	37,822	37,898	-	-	37,822	37,898
Public safety	72,136	72,187	-	-	72,136	72,187
Health and welfare	69,449	68,668	-	-	69,449	68,668
Cultural and recreation	9,347	10,603	-	-	9,347	10,603
Judicial	33,158	33,383	-	-	33,158	33,383
Community and economic development	11,568	10,800	-	-	11,568	10,800
Interest and fiscal charges	5,445	5,642	-	-	5,445	5,642
Airport operations	-	-	43,500	43,892	43,500	43,892
Public works	-	-	30,359	28,914	30,359	28,914
Delinquent tax collection	-	-	678	842	678	842
<b>Total expenses</b>	<b>238,925</b>	<b>239,181</b>	<b>74,537</b>	<b>73,648</b>	<b>313,462</b>	<b>312,829</b>
Change in net position, before transfers	(2,117)	(2,522)	20,433	6,853	18,316	4,331
Transfers	5,206	5,104	(4,700)	(5,720)	506	(616)
<b>Change in net position</b>	<b>3,089</b>	<b>2,582</b>	<b>15,733</b>	<b>1,133</b>	<b>18,822</b>	<b>3,715</b>
Net position:						
Beginning of year	233,344	230,762	295,422	294,289	528,766	525,051
<b>End of year</b>	<b>\$ 236,433</b>	<b>\$ 233,344</b>	<b>\$ 311,155</b>	<b>\$ 295,422</b>	<b>\$ 547,588</b>	<b>\$ 528,766</b>

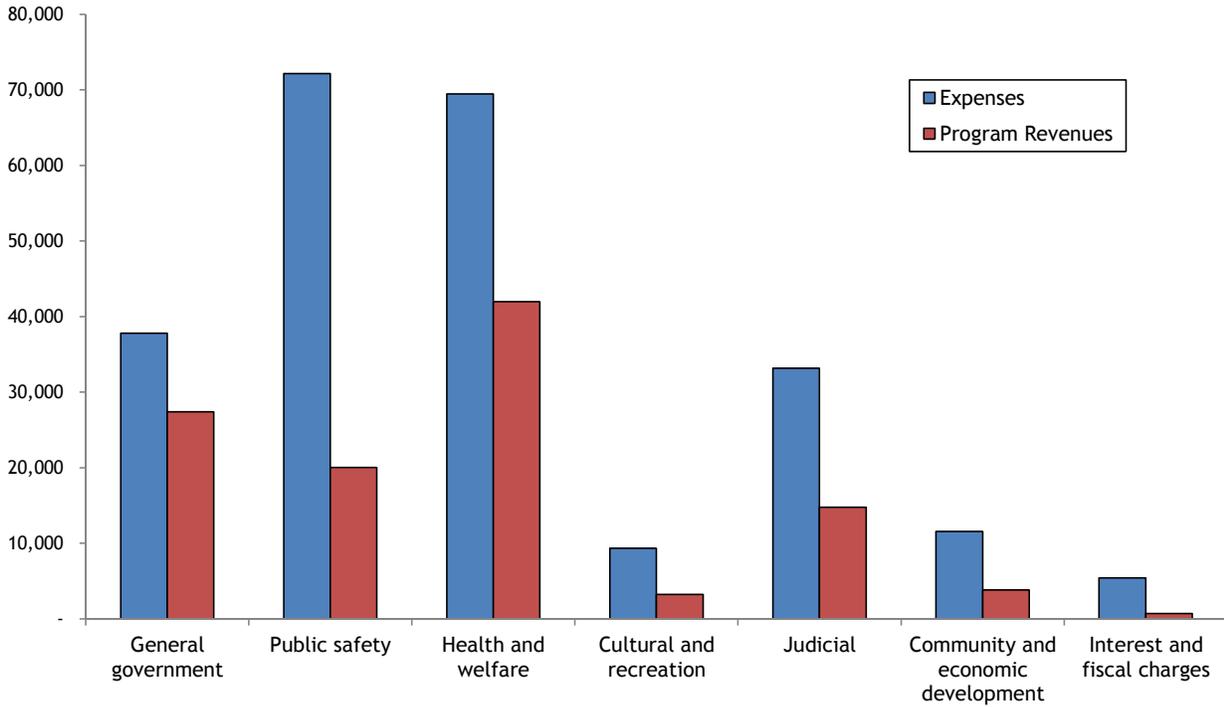
The County's net position increased by \$18,822 during the current fiscal year. This increase is due to an increase in revenues during the year.

# COUNTY OF KENT, MICHIGAN

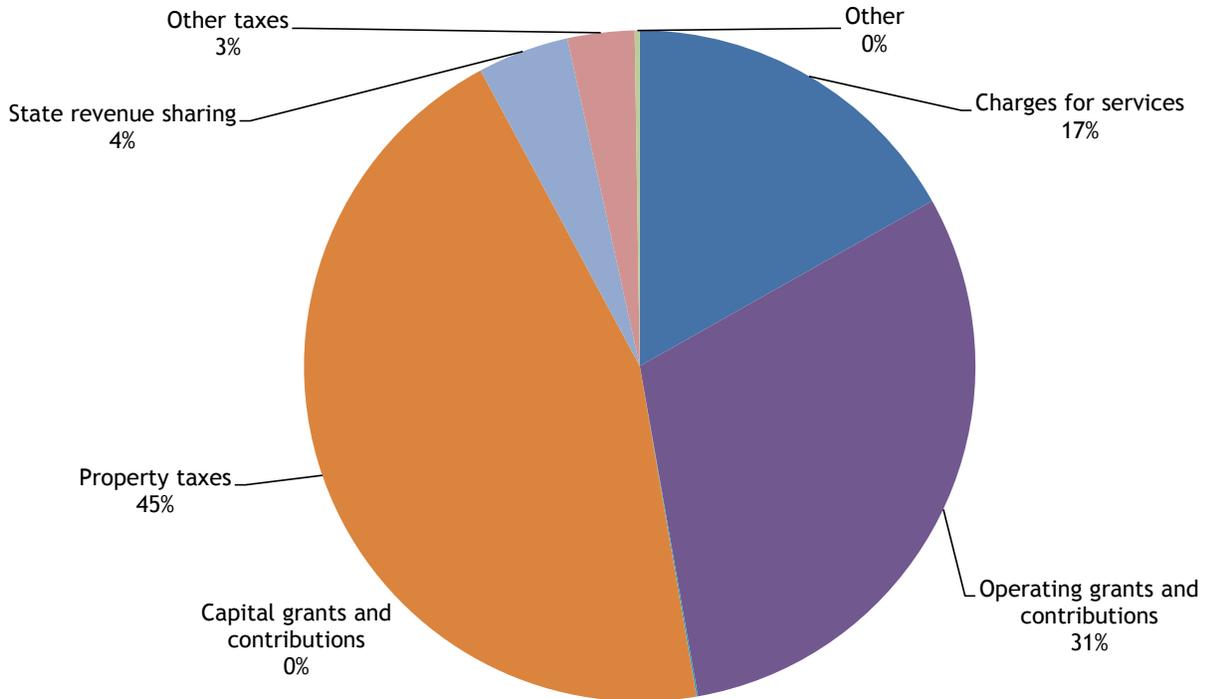
## Management's Discussion and Analysis

**Governmental Activities.** Governmental activities increased the County's net position by \$3,089. Key elements of this increase include an increase in tax revenues (\$2,560) and an increase in intergovernmental revenues due to an unexpected fourth quarter liquor tax revenue receipt from the State of Michigan (\$1,625).

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

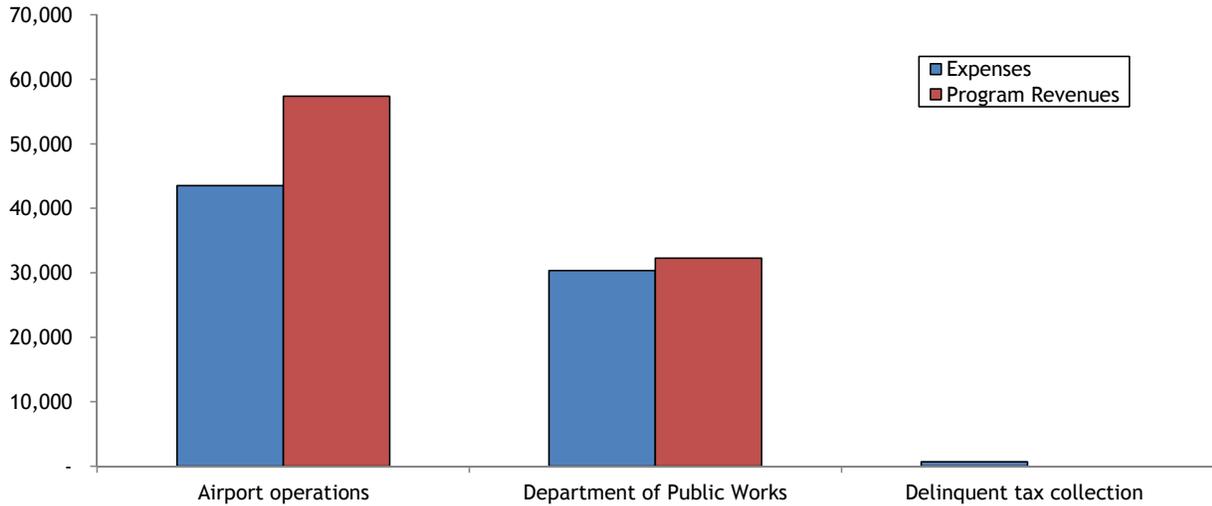


# COUNTY OF KENT, MICHIGAN

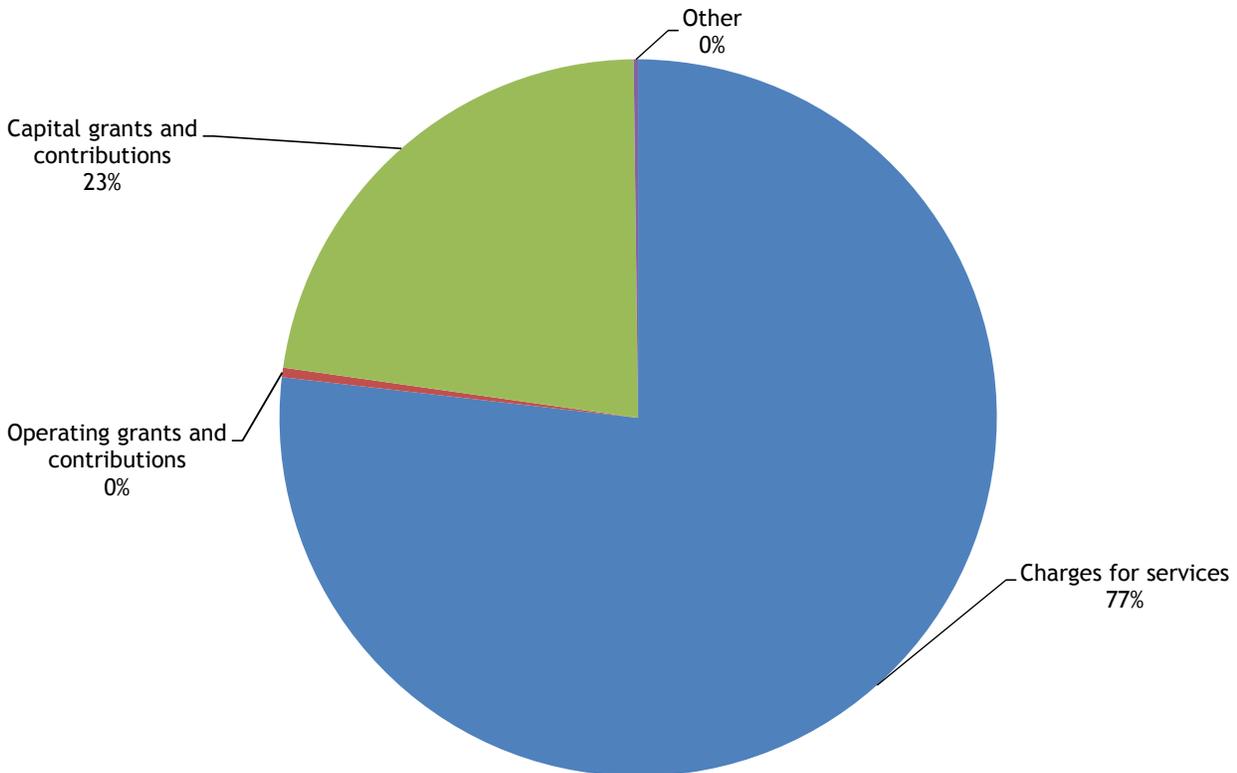
## Management's Discussion and Analysis

**Business-type Activities.** Business-type activities increased the County's net position by \$15,733. Key elements of this increase include an increase in capital grants and contributions for the Airport (\$10,724), an increase in user fee income related to passenger airlines (\$1,208), an increase in user fee income related to the airport parking structure (\$971), and an increase in user fees related to the Department of Public Works landfills (\$2,930).

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



# COUNTY OF KENT, MICHIGAN

## Management's Discussion and Analysis

### 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 \$93,029 an increase of \$3,830 in comparison with the prior year. Of this amount, 46.2% (\$42,936) 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 (\$1,061), or 2) long-term cash advances to the Kent County CMH Authority (\$283) and the Drainage District (\$796); B) Restricted for use per external/third party mandates (\$13,050); C) is committed for economic stabilization (\$23,862); or D) has been assigned for other specific uses in the County's general operations (\$11,041).

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 \$42,936 while total fund balance amounted to \$68,840. 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 32.4% of total General Fund expenditures, while total fund balance represents 52% of that same amount.

The fund balance of the County's General Fund increased by \$167 during the current fiscal year. Key factors in this change are as follows:

- Increases in total revenues and transfers in relating to the General Fund of \$123 (0.08%).
- Decreases in total expenses and transfers out relating to the General Fund of \$33 (0.02%).

The General Fund budgeted for a decrease in fund balance of \$6,548 and the actual increase in fund balance was \$167. Significant budgetary variances are as follows:

- Tax revenues had a positive budgetary variance of \$1,491, of which, the majority relates to both current and delinquent property tax revenues which were up from budgeted amounts due to an increase in the expected collection rate.
- Intergovernmental revenue had a positive budgetary variance of \$1,337. This is a reflection of an increase in state grant receipts due to an unexpected fourth quarter allocation for liquor tax revenues.
- Charges for services had a negative budgetary variance of \$668. The majority of this was due to an decrease in revenue from clinic fees related to the Kent Health Plan (\$620).
- Expenditures had an overall positive budgetary variance of \$3,153, of which the greatest portions related to general government (\$1,232), public safety (\$1,007), and health and welfare (\$688) which are a result of making tough budgetary decisions that have kept Kent County operating within its current revenue stream.

# COUNTY OF KENT, MICHIGAN

## Management's Discussion and Analysis

The Correction and Detention Facilities Fund accounts for a voted county-wide correctional millage that expired in December 2009, however, in 2008, voters passed a renewal of the millage to continue for the period 2010 through 2029. The Correction and Detention Facilities Fund experienced a \$570 decrease in fund balance. This decrease resulted from a planned reduction as a result of 2014 tax revenues which were lower than expenses and funds transferred to the General Fund to defray, on a partial basis, the costs associated with operating a county-wide correctional facility.

The Child Care Fund accounts for the care of neglected, abused and delinquent juveniles. Revenues are provided through State reimbursements and General Fund appropriations. As a subsidized fund, the Child Care Fund fund balance increased to \$250 pursuant to a change in the County fund balance policies.

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 position of the Department of Aeronautics at the end of the year amounted to \$27,161, those for the Department of Public Works amounted to \$46,411 and those for the Delinquent Tax Revolving Fund amounted to \$7,509. The Department of Aeronautics had a total increase in unrestricted net position of \$657, the Department of Public Works had a total increase in unrestricted net position of \$4,489. The Delinquent Tax Revolving Fund experienced an increase in unrestricted net position of \$725. Other factors concerning the finances of these 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 total increase in appropriations between the original and final amended budget of \$710. All changes were minimal and are as follows:

- \$59 decrease in general government
- \$3 decrease in public safety
- \$837 increase in health & welfare
- \$1,501 decrease in culture and recreation
- \$16 decrease in judicial

### Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2014 amounted to \$628,269 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, property development rights, motor vehicles, drains, landfill cells and animals. The total decrease in the County's investment in capital assets for the current fiscal year was .2% (a 1.1% decrease for governmental activities and a .3% increase for business-type activities).

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

- General government machinery and equipment purchases \$1,496
- Expansion of Concourse B for Aeronautics \$6,251
- Disposal of Equipment for Aeronautics \$1,002

# COUNTY OF KENT, MICHIGAN

## Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 56,295	\$ 56,171	\$ 25,772	\$ 25,752	\$ 82,067	\$ 81,923
Property easements	37	37	-	-	37	37
Construction in progress	1,344	444	27,064	8,961	28,408	9,405
Landfill cells	-	-	4,584	5,035	4,584	5,035
Land improvements	14,549	14,879	99,981	105,402	114,530	120,281
Buildings and improvements	164,708	168,442	197,700	207,984	362,408	376,426
Machinery and equipment	8,956	8,786	21,571	22,281	30,527	31,067
Office equipment	-	-	658	749	658	749
Motor vehicles	4,365	4,164	419	363	4,784	4,527
Infrastructure	254	283	-	-	254	283
Animals	11	18	-	-	11	18
<b>Total capital assets, net</b>	<b>\$ 250,519</b>	<b>\$ 253,224</b>	<b>\$ 377,749</b>	<b>\$ 376,527</b>	<b>\$ 628,268</b>	<b>\$ 629,751</b>

Additional information on the County's capital assets can be found in Note 8 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the County had total installment debt outstanding of \$318,643. Of this amount, \$635 (0.20%) 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).

	General Obligation and Revenue Bonds					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 111,790	\$ 115,475	\$ 10,350	\$ 11,430	\$ 122,140	\$ 126,905
Limited revenue bonds	-	-	168,865	174,580	168,865	174,580
Notes payable	-	-	26,400	31,500	26,400	31,500
Capital lease obligations	1,238	127	-	-	1,238	127
<b>Total</b>	<b>\$ 113,028</b>	<b>\$ 115,602</b>	<b>\$ 205,615</b>	<b>\$ 217,510</b>	<b>\$ 318,643</b>	<b>\$ 333,112</b>

The County's total installment debt decreased by \$14,469 (4.34%) 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 Gerald R. Ford International Airport qualified for a "BBB+" (March 2011 update) from Standard & Poor's and "A2" rating from Moody's. However, the three outstanding revenue bond issues were sold with the limited tax general obligation of the County thereby utilizing the County's AAA bond rating.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total state equalized valuation. The current debt limitation for the County is \$2,161,164, 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 10 of this report.

# COUNTY OF KENT, MICHIGAN

## Management's Discussion and Analysis

### Economic Factors and Next Year's Budget and Rates

- The average annual unemployment rate for the County for 2014 was 4.9%, which is a 1.6% decrease from a year ago. This is significantly below the State's average annual unemployment rate of 7.3% for 2014.
- Inflationary trends in the region compare favorably to national indices.

The County considered these factors in preparing the County's budget for the 2015 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund was \$42,936. The County was able to adopt a balanced budget for the 2015 fiscal year without appropriating additional spending, or the need to raise taxes or charges above the current recommend levels during the 2015 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.

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## BASIC FINANCIAL STATEMENTS

COUNTY OF KENT, MICHIGAN

Statement of Net Position

December 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash, investments, and accrued interest	\$ 102,573,225	\$ 88,883,826	\$ 191,457,051	\$ 39,956,133
Receivables, net	51,893,035	20,843,822	72,736,857	28,509,258
Internal balances	(6,110,344)	(894,081)	(7,004,425)	-
Due from component units	1,103,430	-	1,103,430	-
Due from primary government	-	-	-	473,956
Restricted cash, investments, and accrued interest	-	51,420,708	51,420,708	-
Restricted receivables	-	13,966,840	13,966,840	-
Other assets	1,587,288	472,358	2,059,646	3,959,880
Advances to component units	1,079,405	-	1,079,405	-
Capital assets not being depreciated	57,675,536	52,835,883	110,511,419	6,284,267
Capital assets being depreciated, net	192,843,723	324,913,599	517,757,322	252,233,413
<b>Total assets</b>	<b>402,645,298</b>	<b>552,442,955</b>	<b>955,088,253</b>	<b>331,416,907</b>
<b>Deferred outflows of resources</b>				
Loss on advance bond refundings, net	723,417	2,487,691	3,211,108	232,701
<b>Liabilities</b>				
Accounts payable and accrued liabilities	17,282,246	9,101,575	26,383,821	32,287,166
Due to component units	668,605	-	668,605	-
Due to primary government	-	-	-	1,103,430
Unearned revenue	620,452	312,661	933,113	1,640,426
Advances from primary government	-	-	-	1,079,405
Short-term borrowings	-	-	-	211,955
Long-term liabilities:				
Due within one year	10,060,997	29,223,764	39,284,761	3,414,910
Due in more than one year	111,853,092	205,137,222	316,990,314	9,142,741
<b>Total liabilities</b>	<b>140,485,392</b>	<b>243,775,222</b>	<b>384,260,614</b>	<b>48,880,033</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent period	26,450,484	-	26,450,484	-
<b>Net position</b>				
Net investment in capital assets	137,317,974	194,890,258	332,208,232	254,417,231
Restricted for:				
Public safety	7,303,094	-	7,303,094	-
Health and welfare	2,822,966	-	2,822,966	-
Community and economic development	2,496,765	-	2,496,765	-
Debt service	-	21,626,909	21,626,909	4,302,136
Capital projects	-	13,269,394	13,269,394	13,032,102
Property tax foreclosures	-	1,178,448	1,178,448	-
Other state mandated programs	2,385,566	-	2,385,566	-
Unrestricted	84,106,474	80,190,415	164,296,889	11,018,106
<b>Total net position</b>	<b>\$ 236,432,839</b>	<b>\$ 311,155,424</b>	<b>\$ 547,588,263</b>	<b>\$ 282,769,575</b>

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, 2014

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 37,821,762	\$ 14,080,877	\$ 13,332,274	\$ -	\$ (10,408,611)
Public safety	72,136,071	14,857,858	5,027,324	134,862	(52,116,027)
Health and welfare	69,449,438	3,673,754	38,316,647	-	(27,459,037)
Cultural and recreation	9,346,586	2,032,421	1,195,605	20,850	(6,097,710)
Judicial	33,157,928	5,168,180	9,618,383	-	(18,371,365)
Community and economic development	11,568,226	17,252	3,825,352	-	(7,725,622)
Interest and fiscal charges	5,445,115	-	696,693	-	(4,748,422)
<b>Total governmental activities</b>	<b>238,925,126</b>	<b>39,830,342</b>	<b>72,012,278</b>	<b>155,712</b>	<b>(126,926,794)</b>
Business-type activities:					
Airport operations	43,499,655	35,842,430	135,832	21,434,625	13,913,232
Public works	30,359,452	32,014,002	273,070	-	1,927,620
Delinquent tax collection and administration	677,818	5,083,735	-	-	4,405,917
<b>Total business-type activities</b>	<b>74,536,925</b>	<b>72,940,167</b>	<b>408,902</b>	<b>21,434,625</b>	<b>20,246,769</b>
<b>Total primary government</b>	<b>\$ 313,462,051</b>	<b>\$ 112,770,509</b>	<b>\$ 72,421,180</b>	<b>\$ 21,590,337</b>	<b>\$ (106,680,025)</b>
<b>Component units</b>					
Road Commission	\$ 57,779,007	\$ 17,750,411	\$ 30,607,020	\$ 9,868,300	\$ 446,724
CMH Authority	142,544,077	-	140,242,318	-	(2,301,759)
Drainage Districts	2,916,653	-	1,036,833	349,360	(1,530,460)
Housing Commission	3,257,548	18,352	3,084,295	-	(154,901)
Land Bank Authority	3,459,907	2,760,256	749,674	-	50,023
<b>Total component units</b>	<b>\$ 209,957,192</b>	<b>\$ 20,529,019</b>	<b>\$ 175,720,140</b>	<b>\$ 10,217,660</b>	<b>\$ (3,490,373)</b>

continued...

COUNTY OF KENT, MICHIGAN

**Statement of Activities**  
For the Year Ended December 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net revenue (expense)	<u>\$ (126,926,794)</u>	<u>\$ 20,246,769</u>	<u>\$ (106,680,025)</u>	<u>\$ (3,490,373)</u>
General revenues:				
Property taxes	106,210,619	-	106,210,619	118,513
Lodging excise taxes	7,660,224	-	7,660,224	-
State revenue sharing	10,384,212	-	10,384,212	-
Unrestricted investment earnings	412,719	93,639	506,358	159,695
Gain on sale of capital assets	-	93,068	93,068	77,547
Other revenues	142,328	-	142,328	41,729
Transfers - internal activities	<u>5,205,551</u>	<u>(4,700,000)</u>	<u>505,551</u>	<u>-</u>
Total general revenues and transfers	<u>130,015,653</u>	<u>(4,513,293)</u>	<u>125,502,360</u>	<u>397,484</u>
Change in net position	3,088,859	15,733,476	18,822,335	(3,092,889)
Net position, beginning of year	<u>233,343,980</u>	<u>295,421,948</u>	<u>528,765,928</u>	<u>285,862,464</u>
Net position, end of year	<u><u>\$ 236,432,839</u></u>	<u><u>\$ 311,155,424</u></u>	<u><u>\$ 547,588,263</u></u>	<u><u>\$ 282,769,575</u></u>

concluded

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

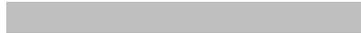
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COUNTY OF KENT, MICHIGAN

**Balance Sheet**  
 Governmental Funds  
 December 31, 2014

	General Fund (101)	Correction and Detention Facilities (250)	Child Care (292 and 293)
<b>Assets</b>			
Cash, investments, and accrued interest	\$ 71,411,570	\$ 5,497,109	\$ 560
Receivables, net:			
Accounts	957,088	-	-
Property taxes	4,194,270	14,302,821	-
Due from other governments	3,967,050	-	2,990,073
Loans	-	-	-
Due from other funds	1,330,781	2,515,000	287,892
Due from component units	1,088,021	-	-
Advances to component units	1,079,405	-	-
Inventories	73,178	-	-
Prepays	820,212	-	-
<b>Total assets</b>	<b>\$ 84,921,575</b>	<b>\$ 22,314,930</b>	<b>\$ 3,278,525</b>
<b>Liabilities</b>			
Accounts payable	\$ 3,206,661	\$ -	\$ 1,041,119
Accrued liabilities	4,090,136	-	238,467
Due to other governments	-	-	-
Due to other funds	4,173,448	1,286,637	1,748,940
Due to component units	662,657	-	-
Unearned revenue	498,920	-	-
<b>Total liabilities</b>	<b>12,631,822</b>	<b>1,286,637</b>	<b>3,028,526</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent period	-	15,588,268	-
Unavailable revenue - loans receivable	-	-	-
Unavailable revenue - Medicaid receivable	-	-	-
Unavailable revenue - property taxes	3,449,816	-	-
<b>Total deferred inflows of resources</b>	<b>3,449,816</b>	<b>15,588,268</b>	<b>-</b>
<b>Fund balances</b>			
Nonspendable	1,972,795	-	-
Restricted	-	5,440,025	-
Committed	23,861,959	-	-
Assigned	68,871	-	249,999
Unassigned	42,936,312	-	-
<b>Total fund balances</b>	<b>68,839,937</b>	<b>5,440,025</b>	<b>249,999</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 84,921,575</b>	<b>\$ 22,314,930</b>	<b>\$ 3,278,525</b>

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



Nonmajor Governmental Funds	Total Governmental Funds
\$ 18,465,016	\$ 95,374,255
7,876,668	8,833,756
9,985,003	28,482,094
4,491,991	11,449,114
2,439,899	2,439,899
2,772,221	6,905,894
15,409	1,103,430
-	1,079,405
150,861	224,039
65,552	885,764
<u>\$ 46,262,620</u>	<u>\$ 156,777,650</u>
\$ 4,351,950	\$ 8,599,730
768,625	5,097,228
1,066	1,066
6,561,836	13,770,861
5,948	668,605
121,532	620,452
<u>11,810,957</u>	<u>28,757,942</u>
10,862,216	26,450,484
2,439,899	2,439,899
2,650,000	2,650,000
-	3,449,816
<u>15,952,115</u>	<u>34,990,199</u>
167,430	2,140,225
7,610,417	13,050,442
-	23,861,959
10,721,701	11,040,571
-	42,936,312
<u>18,499,548</u>	<u>93,029,509</u>
<u>\$ 46,262,620</u>	<u>\$ 156,777,650</u>

# COUNTY OF KENT, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2014

Fund balances - total governmental funds \$ 93,029,509

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

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

Capital assets not being depreciated	57,675,536
Capital assets being depreciated, net	192,843,723

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 inflows of resources in the governmental funds, and thus are not included in fund balance.

Deferred inflows for loans receivable	2,439,899
Deferred inflows for Medicaid receivable	2,650,000
Deferred inflows for property taxes receivable	3,449,816

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 position of governmental activities accounted for in internal service funds:	
Total internal service fund net position	5,106,056
Internal service fund net position accounted for in business-type activities	890,480

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

Bonds and capital leases payable	(113,027,827)
Deferred loss on advance bond refundings, net	723,417
Bond premiums/discounts, net	(4,028,825)
Pollution remediation liability	(30,928)
Compensated absences	(4,826,509)
Accrued interest on long-term debt	(461,508)

Net position of governmental activities \$ 236,432,839

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

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COUNTY OF KENT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2014

	General Fund (101)	Correction and Detention Facilities (250)	Child Care (292 and 293)
<b>Revenues</b>			
Taxes	\$ 84,801,270	\$ 15,308,987	\$ -
Licenses and permits	199,946	-	-
Intergovernmental	22,469,299	-	14,140,034
Charges for services	17,128,641	-	262,696
Fines and forfeitures	119,570	-	-
Investment earnings	275,759	61,919	-
Contributions and reimbursements	13,937,533	-	225,446
Other	4,216,775	-	150,000
<b>Total revenues</b>	<b>143,148,793</b>	<b>15,370,906</b>	<b>14,778,176</b>
<b>Expenditures</b>			
Current:			
General government	38,452,392	-	-
Public safety	58,091,743	2,318,853	-
Health and welfare	9,119,030	-	29,525,514
Cultural and recreation	6,823,544	-	-
Judicial	19,871,045	-	-
Community and economic development	150,000	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>132,507,754</b>	<b>2,318,853</b>	<b>29,525,514</b>
<b>Revenues over (under) expenditures</b>	<b>10,641,039</b>	<b>13,052,053</b>	<b>(14,747,338)</b>
<b>Other financing sources (uses)</b>			
Transfers in	17,571,637	-	14,897,314
Transfers out	(28,202,719)	(13,621,637)	-
Issuance of long-term debt	-	-	-
Issuance of refunding debt	-	-	-
Premium on issuance of refunding debt	-	-	-
Payment to refunding bond escrow agent	-	-	-
Proceeds from sale of capital assets	157,044	-	-
<b>Total other financing sources (uses)</b>	<b>(10,474,038)</b>	<b>(13,621,637)</b>	<b>14,897,314</b>
<b>Net change in fund balances</b>	<b>167,001</b>	<b>(569,584)</b>	<b>149,976</b>
<b>Fund balances, beginning of year</b>	<b>68,672,936</b>	<b>6,009,609</b>	<b>100,023</b>
<b>Fund balances, end of year</b>	<b>\$ 68,839,937</b>	<b>\$ 5,440,025</b>	<b>\$ 249,999</b>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 13,952,076	\$ 114,062,333
1,969,741	2,169,687
24,154,002	60,763,335
6,397,275	23,788,612
514,547	634,117
46,217	383,895
8,342,677	22,505,656
11,620,204	15,986,979
<u>66,996,739</u>	<u>240,294,614</u>
977,522	39,429,914
8,718,755	69,129,351
29,486,262	68,130,806
116,544	6,940,088
11,521,359	31,392,404
11,388,115	11,538,115
6,982,041	6,982,041
5,616,405	5,616,405
112,548	112,548
7,325,207	7,325,207
<u>82,244,758</u>	<u>246,596,879</u>
<u>(15,248,019)</u>	<u>(6,302,265)</u>
16,354,638	48,823,589
(1,793,682)	(43,618,038)
4,697,811	4,697,811
4,460,000	4,460,000
443,943	443,943
(4,860,748)	(4,860,748)
28,800	185,844
<u>19,330,762</u>	<u>10,132,401</u>
4,082,743	3,830,136
<u>14,416,805</u>	<u>89,199,373</u>
<u>\$ 18,499,548</u>	<u>\$ 93,029,509</u>

# COUNTY OF KENT, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds \$ 3,830,136

Amounts reported for *governmental activities* 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.

Capital assets purchased/constructed	8,320,416
Donated capital assets	155,712
Depreciation expense	(9,197,392)
Proceeds from sale of capital assets	(185,844)
Loss on sale of capital assets	(1,797,783)

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 loans receivable	91,260
Net change in deferred Medicaid receivable	1,057,904
Net change in deferred property taxes receivable	(191,490)

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 position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	6,982,041
Issuance of long-term debt	(4,697,811)
Issuance of refunding debt	(4,460,000)
Premium on issuance of refunding debt	(443,943)
Payment to refunding bond escrow agent	4,860,748

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	17,686
Amortization of bond premiums/discounts	342,348
Amortization of deferred loss on advance refundings	(76,196)
Change in the accrual for compensated absences	(83,887)

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	(2,145,441)
Operating income (loss) of the internal service funds allocated to business-type activities	656,441
Interest income from internal service funds	36,530
Intergovernmental revenues accounted for in internal service funds	17,424

Change in net position of governmental activities \$ 3,088,859

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

COUNTY OF KENT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ 83,310,634	83,310,634	\$ 84,801,270	\$ 1,490,636	\$ 83,152,405
Licenses and permits	180,100	180,100	199,946	19,846	240,927
Intergovernmental	20,320,073	21,132,270	22,469,299	1,337,029	20,802,719
Charges for services	19,748,071	17,796,261	17,128,641	(667,620)	19,636,395
Fines and forfeitures	103,600	103,600	119,570	15,970	95,911
Investment earnings	292,100	292,100	275,759	(16,341)	232,607
Contributions and reimbursements	13,313,748	13,414,349	13,937,533	523,184	12,833,084
Other	4,611,681	4,636,437	4,216,775	(419,662)	4,532,759
<b>Total revenues</b>	<b>141,880,007</b>	<b>140,865,751</b>	<b>143,148,793</b>	<b>2,283,042</b>	<b>141,526,807</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	39,743,642	39,684,794	38,452,392	(1,232,402)	37,635,132
Public safety	59,101,921	59,099,063	58,091,743	(1,007,320)	57,495,001
Health and welfare	8,970,325	9,807,217	9,119,030	(688,187)	8,566,285
Culture and recreation	8,329,099	6,827,619	6,823,544	(4,075)	8,399,276
Judicial	20,068,686	20,084,606	19,871,045	(213,561)	19,718,465
Community and economic development	157,500	157,500	150,000	(7,500)	150,000
<b>Total expenditures</b>	<b>136,371,173</b>	<b>135,660,799</b>	<b>132,507,754</b>	<b>(3,153,045)</b>	<b>131,964,159</b>
<b>Revenues over expenditures</b>	<b>5,508,834</b>	<b>5,204,952</b>	<b>10,641,039</b>	<b>5,436,087</b>	<b>9,562,648</b>
<b>Other financing sources (uses)</b>					
Transfers in	19,450,000	19,450,000	17,571,637	(1,878,363)	19,133,552
Transfers out	(31,638,634)	(31,383,055)	(28,202,719)	3,180,336	(28,779,251)
Proceeds from sale of capital assets	179,800	179,800	157,044	(22,756)	93,698
<b>Total other financing sources (uses)</b>	<b>(12,008,834)</b>	<b>(11,753,255)</b>	<b>(10,474,038)</b>	<b>1,279,217</b>	<b>(9,552,001)</b>
<b>Net change in fund balance</b>	<b>(6,500,000)</b>	<b>(6,548,303)</b>	<b>167,001</b>	<b>6,715,304</b>	<b>10,647</b>
Fund balance, beginning of year	68,672,936	68,672,936	68,672,936	-	68,662,289
<b>Fund balance, end of year</b>	<b>\$ 62,172,936</b>	<b>62,124,633</b>	<b>\$ 68,839,937</b>	<b>\$ 6,715,304</b>	<b>\$ 68,672,936</b>

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

COUNTY OF KENT, MICHIGAN

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
 Budget and Actual - Correction and Detention Facilities Special Revenue Fund  
 For the Year Ended December 31, 2014  
 (With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ 15,268,465	\$ 15,268,465	\$ 15,308,987	\$ 40,522	\$ 15,204,871
Investment earnings	55,000	55,000	61,919	6,919	57,841
<b>Total revenues</b>	<b>15,323,465</b>	<b>15,323,465</b>	<b>15,370,906</b>	<b>47,441</b>	<b>15,262,712</b>
<b>Expenditures</b>					
Current - public safety	2,368,576	2,368,576	2,318,853	(49,723)	2,292,284
<b>Revenues over expenditures</b>	<b>12,954,889</b>	<b>12,954,889</b>	<b>13,052,053</b>	<b>97,164</b>	<b>12,970,428</b>
<b>Other financing uses</b>					
Transfers out	(14,850,000)	(15,600,000)	(13,621,637)	1,978,363	(13,402,318)
<b>Net change in fund balance</b>	<b>(1,895,111)</b>	<b>(2,645,111)</b>	<b>(569,584)</b>	<b>2,075,527</b>	<b>(431,890)</b>
<b>Fund balance, beginning of year</b>	<b>6,009,609</b>	<b>6,009,609</b>	<b>6,009,609</b>	<b>-</b>	<b>6,441,499</b>
<b>Fund balance, end of year</b>	<b>\$ 4,114,498</b>	<b>\$ 3,364,498</b>	<b>\$ 5,440,025</b>	<b>\$ 2,075,527</b>	<b>\$ 6,009,609</b>

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

COUNTY OF KENT, MICHIGAN

**Statement of Revenues, Expenditures and Changes in Fund Balance**

Budget and Actual - Child Care Special Revenue Fund

For the Year Ended September 30, 2014

(With Comparative Totals for the Year Ended September 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Intergovernmental	\$ 14,813,741	\$ 14,832,032	\$ 14,140,034	\$ (691,998)	\$ 13,901,687
Charges for services	221,500	221,500	262,696	41,196	241,887
Contributions and reimbursements	225,000	225,000	225,446	446	236,357
Other	150,000	150,000	150,000	-	95,006
<b>Total revenues</b>	<b>15,410,241</b>	<b>15,428,532</b>	<b>14,778,176</b>	<b>(650,356)</b>	<b>14,474,937</b>
<b>Expenditures</b>					
Current - health and welfare	31,116,917	31,116,917	29,525,514	(1,591,403)	28,945,932
<b>Revenues under expenditures</b>	<b>(15,706,676)</b>	<b>(15,688,385)</b>	<b>(14,747,338)</b>	<b>941,047</b>	<b>(14,470,995)</b>
<b>Other financing sources</b>					
Transfers in	15,706,676	15,688,385	14,897,314	(791,071)	14,470,988
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>149,976</b>	<b>149,976</b>	<b>(7)</b>
<b>Fund balance, beginning of year</b>	<b>100,023</b>	<b>100,023</b>	<b>100,023</b>	<b>-</b>	<b>100,030</b>
<b>Fund balance, end of year</b>	<b>\$ 100,023</b>	<b>\$ 100,023</b>	<b>\$ 249,999</b>	<b>\$ 149,976</b>	<b>\$ 100,023</b>

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

COUNTY OF KENT, MICHIGAN

**Statement of Net Position**

Proprietary Funds  
December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash, investments, and accrued interest	\$ 16,227,931	\$ 66,116,510	\$ 6,539,385	\$ 88,883,826	\$ 7,198,970
Accounts receivable, net	1,437,028	4,639,958	-	6,076,986	670,748
Taxes receivable	-	-	1,190,537	1,190,537	-
Leases receivable	-	635,000	-	635,000	-
Due from other governments	11,873,595	-	1,067,704	12,941,299	17,424
Due from other funds	-	-	-	-	31,423
Inventories	169,260	-	-	169,260	-
Prepays	242,546	60,552	-	303,098	477,485
Restricted cash, investments, and accrued interest	26,464,165	-	19,298,693	45,762,858	-
Restricted receivable	562,755	-	13,404,085	13,966,840	-
<b>Total current assets</b>	<b>56,977,280</b>	<b>71,452,020</b>	<b>41,500,404</b>	<b>169,929,704</b>	<b>8,396,050</b>
Noncurrent assets:					
Restricted cash, investments and accrued interest	3,550,821	2,107,029	-	5,657,850	-
Capital assets not being depreciated	48,247,851	4,588,032	-	52,835,883	-
Capital assets being depreciated, net	275,741,043	49,172,556	-	324,913,599	-
<b>Total noncurrent assets</b>	<b>327,539,715</b>	<b>55,867,617</b>	<b>-</b>	<b>383,407,332</b>	<b>-</b>
<b>Total assets</b>	<b>384,516,995</b>	<b>127,319,637</b>	<b>41,500,404</b>	<b>553,337,036</b>	<b>8,396,050</b>
Deferred outflows of resources					
Loss on advance bond refunding, net	2,487,691	-	-	2,487,691	-
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,683,923	1,941,415	85,053	3,710,391	343,418
Accrued liabilities	790,978	424,064	-	1,215,042	2,779,296
Due to other funds	2,213	1,388	-	3,601	167,280
Due to other governments	-	-	24,753	24,753	-
Accrued interest	4,054,866	68,730	27,793	4,151,389	-
Unearned revenue	312,661	-	-	312,661	-
Current portion of long-term debt	6,662,256	1,555,069	21,006,439	29,223,764	-
<b>Total current liabilities</b>	<b>13,506,897</b>	<b>3,990,666</b>	<b>21,144,038</b>	<b>38,641,601</b>	<b>3,289,994</b>
Noncurrent liabilities, net of current portion:					
Long-term debt	168,864,799	30,870,276	5,402,147	205,137,222	-
<b>Total liabilities</b>	<b>182,371,696</b>	<b>34,860,942</b>	<b>26,546,185</b>	<b>243,778,823</b>	<b>3,289,994</b>
<b>Net position</b>					
Net investment in capital assets	150,949,530	43,940,728	-	194,890,258	-
Restricted for:					
Debt service	13,253,481	2,107,029	6,266,399	21,626,909	-
Capital improvements	13,269,394	-	-	13,269,394	-
Property tax foreclosures	-	-	1,178,448	1,178,448	-
Unrestricted	27,160,585	46,410,938	7,509,372	81,080,895	5,106,056
<b>Total net position</b>	<b>\$ 204,632,990</b>	<b>\$ 92,458,695</b>	<b>\$ 14,954,219</b>	<b>\$ 312,045,904</b>	<b>\$ 5,106,056</b>

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

# COUNTY OF KENT, MICHIGAN

## Reconciliation

Net Position of Enterprise Funds  
to Net Position of Business-type Activities  
December 31, 2014

Net position - total enterprise funds \$ 312,045,904

Amounts reported for *business-type activities* in the statement of net position 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 position of the internal service funds is allocated to the enterprise funds and reported in the statement of net position.

Net position of business-type activities accounted for in governmental-type internal service funds (890,480)

Net position of business-type activities \$ 311,155,424

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

COUNTY OF KENT, MICHIGAN

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
 Proprietary Funds  
 For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
<b>Operating revenues</b>					
Charges for services	\$ 35,842,430	\$ 31,324,338	\$ 747,737	\$ 67,914,505	\$ 21,354,642
Interest and penalties	-	-	2,939,949	2,939,949	-
Collection fees	-	-	799,609	799,609	-
Auction proceeds, net	-	-	543,764	543,764	-
Other	-	689,664	52,676	742,340	-
<b>Total operating revenues</b>	<b>35,842,430</b>	<b>32,014,002</b>	<b>5,083,735</b>	<b>72,940,167</b>	<b>21,354,642</b>
<b>Operating expenses</b>					
Salaries and fringes	8,094,182	4,033,741	-	12,127,923	89,920
Materials and supplies	854,578	134,551	-	989,129	-
Administrative and general	-	3,074,728	-	3,074,728	-
Contractual services	9,556,585	14,367,233	472,992	24,396,810	93,509
Landfill maintenance	-	3,049,998	-	3,049,998	-
Benefit payments and refunds	-	-	-	-	22,159,197
Depreciation	16,446,326	5,152,747	-	21,599,073	-
Other	-	-	94,546	94,546	1,157,457
<b>Total operating expenses</b>	<b>34,951,671</b>	<b>29,812,998</b>	<b>567,538</b>	<b>65,332,207</b>	<b>23,500,083</b>
<b>Operating income (loss)</b>	<b>890,759</b>	<b>2,201,004</b>	<b>4,516,197</b>	<b>7,607,960</b>	<b>(2,145,441)</b>
<b>Nonoperating revenues (expenses)</b>					
Investment earnings	135,832	273,070	93,639	502,541	36,530
Intergovernmental revenues	-	-	-	-	17,424
Interest expense	(7,970,969)	(467,028)	(110,280)	(8,548,277)	-
Gain on sale of capital assets	50,363	42,705	-	93,068	-
<b>Total nonoperating revenues (expenses)</b>	<b>(7,784,774)</b>	<b>(151,253)</b>	<b>(16,641)</b>	<b>(7,952,668)</b>	<b>53,954</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(6,894,015)</b>	<b>2,049,751</b>	<b>4,499,556</b>	<b>(344,708)</b>	<b>(2,091,487)</b>
<b>Capital contributions</b>					
Passenger facility charges	4,787,816	-	-	4,787,816	-
Customer facility charges	1,829,376	-	-	1,829,376	-
Other capital contributions	14,817,433	-	-	14,817,433	-
<b>Total capital contributions</b>	<b>21,434,625</b>	<b>-</b>	<b>-</b>	<b>21,434,625</b>	<b>-</b>
<b>Transfers out</b>	<b>-</b>	<b>-</b>	<b>(4,700,000)</b>	<b>(4,700,000)</b>	<b>-</b>
<b>Change in net position</b>	<b>14,540,610</b>	<b>2,049,751</b>	<b>(200,444)</b>	<b>16,389,917</b>	<b>(2,091,487)</b>
<b>Net position, beginning of year</b>	<b>190,092,380</b>	<b>90,408,944</b>	<b>15,154,663</b>	<b>295,655,987</b>	<b>7,197,543</b>
<b>Net position, end of year</b>	<b>\$ 204,632,990</b>	<b>\$ 92,458,695</b>	<b>\$ 14,954,219</b>	<b>\$ 312,045,904</b>	<b>\$ 5,106,056</b>

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

## COUNTY OF KENT, MICHIGAN

### Reconciliation

Net Changes in Fund Net Position of Enterprise Funds  
to Change in Net Position of Business-type Activities  
For the Year Ended December 31, 2014

Change in net position - total enterprise funds \$ 16,389,917

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

(656,441)

Change in net position of business-type activities

\$ 15,733,476

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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
<b>Cash flows from operating activities</b>					
Receipts from customers and users	\$ 36,550,244	\$ 32,558,877	\$ 28,066,703	\$ 97,175,824	\$ 22,448,917
Payments to vendors	(11,090,798)	(19,241,614)	(921,710)	(31,254,122)	(1,601,804)
Payments for personnel services	(8,107,987)	(4,011,739)	-	(12,119,726)	(89,920)
Benefit payments	-	-	-	-	(22,465,158)
Other payments	(561,290)	-	-	(561,290)	-
Delinquent taxes purchased	-	-	(20,448,191)	(20,448,191)	-
<b>Net cash provided by (used in) operating activities</b>	<b>16,790,169</b>	<b>9,305,524</b>	<b>6,696,802</b>	<b>32,792,495</b>	<b>(1,707,965)</b>
<b>Cash flows from noncapital financing activities</b>					
Proceeds from issuance of long-term debt	-	-	20,400,000	20,400,000	-
Principal paid on long-term debt	-	-	(25,500,000)	(25,500,000)	-
Interest paid on long-term debt	-	-	(129,619)	(129,619)	-
Premium on issuance of long-term debt	-	-	12,342	12,342	-
Intergovernmental receipts	-	-	-	-	17,424
Intergovernmental payments	-	-	(4,714,031)	(4,714,031)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>(9,931,308)</b>	<b>(9,931,308)</b>	<b>17,424</b>
<b>Cash flows from capital and related financing activities</b>					
Passenger facility charges collected	4,776,875	-	-	4,776,875	-
Customer facility charges collected	1,825,011	-	-	1,825,011	-
Other capital contributions received	8,118,412	-	-	8,118,412	-
Proceeds from sale of capital assets	50,363	193,793	-	244,156	-
Purchase of capital assets	(21,495,894)	(2,355,559)	-	(23,851,453)	-
Principal paid on capital debt	(5,715,000)	(1,080,000)	-	(6,795,000)	-
Interest paid on capital debt	(8,206,457)	(476,472)	-	(8,682,929)	-
<b>Net cash used in capital and related financing activities</b>	<b>(20,646,690)</b>	<b>(3,718,238)</b>	<b>-</b>	<b>(24,364,928)</b>	<b>-</b>
<b>Cash flows from investing activities</b>					
Interest received on investments	130,447	273,070	93,639	497,156	36,530
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,726,074)</b>	<b>5,860,356</b>	<b>(3,140,867)</b>	<b>(1,006,585)</b>	<b>(1,654,011)</b>
Cash and cash equivalents, beginning of year	49,968,991	62,363,183	28,978,945	141,311,119	8,852,981
Cash and cash equivalents, end of year	<u>\$ 46,242,917</u>	<u>\$ 68,223,539</u>	<u>\$ 25,838,078</u>	<u>\$ 140,304,534</u>	<u>\$ 7,198,970</u>
<b>Classification on the statement of net position</b>					
Cash, investments, and accrued interest	\$ 16,227,931	\$ 66,116,510	\$ 6,539,385	\$ 88,883,826	\$ 7,198,970
Current restricted cash, investments, and accrued interest	26,464,165	-	19,298,693	45,762,858	-
Noncurrent restricted cash, investments, and accrued interest	3,550,821	2,107,029	-	5,657,850	-
	<u>\$ 46,242,917</u>	<u>\$ 68,223,539</u>	<u>\$ 25,838,078</u>	<u>\$ 140,304,534</u>	<u>\$ 7,198,970</u>

continued...

COUNTY OF KENT, MICHIGAN

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Aeronautics Department (581)	Department of Public Works (various)	Delinquent Tax Revolving (616)	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 890,759	\$ 2,201,004	\$ 4,516,197	\$ 7,607,960	\$ (2,145,441)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	16,446,326	5,152,747	-	21,599,073	-
Change in:					
Accounts receivable	(200,734)	(61,513)	-	(262,247)	1,112,783
Taxes receivable	-	-	2,742,134	2,742,134	-
Leases receivable	-	605,000	-	605,000	-
Due from other governments	-	-	(207,357)	(207,357)	(16,924)
Due from other funds	-	-	-	-	(31,423)
Inventories	33,217	-	-	33,217	-
Prepays	(28,037)	510	-	(27,527)	(69,431)
Accounts payable	(580,696)	183,477	(380,676)	(777,895)	(33,250)
Accrued liabilities	(16,054)	22,002	-	5,948	(513,211)
Due to other funds	2,213	1,388	-	3,601	(9,484)
Due to other governments	-	(5,081)	26,504	21,423	-
Unearned revenue	243,175	-	-	243,175	(1,584)
Landfill closure and post-closure care liability	-	1,205,990	-	1,205,990	-
Net cash provided by (used in) operating activities	<u>\$ 16,790,169</u>	<u>\$ 9,305,524</u>	<u>\$ 6,696,802</u>	<u>\$ 32,792,495</u>	<u>\$ (1,707,965)</u>

Non-cash transactions

Other capital contributions received is net of the change in amounts due from other governments of \$6,699,021 for the year ended December 31, 2014.

The Aeronautics Department's purchase of capital assets in net of the change in contracts payable of \$(836,661) for the year ended December 31, 2014.

concluded

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

# COUNTY OF KENT, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2014

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Private-purpose Trust Fund	Agency Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 281,810	\$ -	\$ -	\$ -
Pooled cash, investments, and accrued interest	-	71,640,321	6,519	5,160,909
Receivables	1,686,619	-	-	6,250
Due from brokers	39,579	-	-	-
Investments, at fair value:				
U.S. government obligations	37,303,633	-	-	-
U.S. government agency obligations	32,608,380	-	-	-
Municipal obligations	596,861	-	-	-
Corporate obligations	38,109,986	-	-	-
Common stock	334,588,953	-	-	-
Foreign obligations	5,656,825	-	-	-
Foreign common stock	6,589,837	-	-	-
Money market funds	13,500,103	-	-	-
Domestic equity mutual funds	7,201,004	-	-	-
International equity mutual funds	144,860,875	-	-	-
Domestic fixed income mutual funds	4,026,205	-	-	-
International fixed income mutual funds	88,232,230	-	-	-
Real estate securities	64,979,148	-	-	-
Mortgage-backed securities fund	27,749,985	-	-	-
Total investments, at fair value	<u>806,004,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b>808,012,033</b>	<b>71,640,321</b>	<b>6,519</b>	<b>\$ 5,167,159</b>
<b>Liabilities</b>				
Accounts payable	1,219,718	-	-	\$ 2,327,961
Due to brokers	316,573	-	-	-
Due to other governments	-	-	-	2,200,863
Undistributed collections	-	-	-	638,335
<b>Total liabilities</b>	<b>1,536,291</b>	<b>-</b>	<b>-</b>	<b>\$ 5,167,159</b>
<b>Net position</b>				
Restricted for:				
Employees' pension benefits	789,770,521	-	-	-
Other postemployment benefits	16,705,221	-	-	-
Investment pool participants	-	71,640,321	-	-
Individuals and organizations	-	-	6,519	-
<b>Total net position</b>	<b>\$ 806,475,742</b>	<b>\$ 71,640,321</b>	<b>\$ 6,519</b>	

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

# COUNTY OF KENT, MICHIGAN

## Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2014

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Private-purpose Trust Fund
<b>Additions</b>			
Contributions:			
Employer	\$ 10,603,808	\$ -	\$ -
Plan members	9,209,179	-	-
Purchases by participants	-	33,366,734	-
<b>Total contributions</b>	<b>19,812,987</b>	<b>33,366,734</b>	<b>-</b>
Investment income:			
Net increase in fair value of securities	37,936,585	-	-
Interest	4,231,986	348,394	28
Dividends	10,584,639	-	-
Net increase in fair value of investments	52,753,210	348,394	28
Investment expense	(4,643,115)	-	-
Net investment income	48,110,095	348,394	28
Other income	34,177	-	-
<b>Total additions</b>	<b>67,957,259</b>	<b>33,715,128</b>	<b>28</b>
<b>Deductions</b>			
Benefit payments	32,305,394	-	-
Administrative expenses	776,629	-	27
Refunds of contributions	582,890	-	-
Redemption by participants	-	99,562,271	-
<b>Total deductions</b>	<b>33,664,913</b>	<b>99,562,271</b>	<b>27</b>
<b>Change in net position</b>	<b>34,292,346</b>	<b>(65,847,143)</b>	<b>1</b>
Net position, beginning of year	772,183,396	137,487,464	6,518
<b>Net position, end of year</b>	<b>\$ 806,475,742</b>	<b>\$ 71,640,321</b>	<b>\$ 6,519</b>

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

# COUNTY OF KENT, MICHIGAN

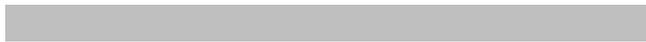
## Combining Statement of Net Position

Discretely Presented Component Units

December 31, 2014

	Road Commission	CMH Authority	Drainage Districts
<b>Assets</b>			
Cash, investments, and accrued interest	\$ 16,579,254	\$ 15,446,255	\$ 6,709,881
Receivables, net	8,296,769	15,029,695	5,082,883
Due from primary government	-	468,008	5,948
Other assets	2,680,785	142,556	-
Capital assets not being depreciated	3,923,824	-	2,360,443
Capital assets being depreciated, net	240,345,792	5,460,530	6,414,009
<b>Total assets</b>	<b>271,826,424</b>	<b>36,547,044</b>	<b>20,573,164</b>
<b>Deferred outflows of resources</b>			
Loss on advance bond refundings	-	-	232,701
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7,831,173	23,951,040	182,844
Due to primary government	-	-	1,103,423
Advances from primary government	-	283,256	796,149
Unearned revenue	1,203,919	436,007	-
Short-term borrowings	-	-	-
Long-term liabilities:			
Due within one year	1,219,272	-	1,445,638
Due in more than one year	1,384,575	-	7,358,166
<b>Total liabilities</b>	<b>11,638,939</b>	<b>24,670,303</b>	<b>10,886,220</b>
<b>Net position</b>			
Net investment in capital assets	244,269,616	5,460,530	4,674,003
Restricted for debt service	-	-	4,302,136
Restricted for capital projects	12,993,066	-	39,036
Unrestricted	2,924,803	6,416,211	904,470
<b>Total net position</b>	<b>\$ 260,187,485</b>	<b>\$ 11,876,741</b>	<b>\$ 9,919,645</b>

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



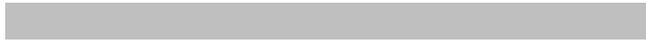
Housing Commission	Land Bank Authority	Total
\$ 507,949	\$ 712,794	\$ 39,956,133
-	99,911	28,509,258
-	-	473,956
7	1,136,532	3,959,880
-	-	6,284,267
-	13,082	252,233,413
<u>507,956</u>	<u>1,962,319</u>	<u>331,416,907</u>
-	-	232,701
196,084	126,025	32,287,166
7	-	1,103,430
-	-	1,079,405
-	500	1,640,426
-	211,955	211,955
-	750,000	3,414,910
-	400,000	9,142,741
<u>196,091</u>	<u>1,488,480</u>	<u>48,880,033</u>
-	13,082	254,417,231
-	-	4,302,136
-	-	13,032,102
<u>311,865</u>	<u>460,757</u>	<u>11,018,106</u>
<u>\$ 311,865</u>	<u>\$ 473,839</u>	<u>\$ 282,769,575</u>

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2014

	Road Commission	CMH Authority	Drainage Districts
<b>Expenses</b>			
Road Commission	\$ 57,779,007	\$ -	\$ -
CMH Authority	-	142,544,077	-
Drainage Districts	-	-	2,916,653
Housing Commission	-	-	-
Land Bank Authority	-	-	-
<b>Total expenses</b>	<u>57,779,007</u>	<u>142,544,077</u>	<u>2,916,653</u>
<b>Program revenues</b>			
Charges for services	17,750,411	-	-
Operating grants and contributions	30,607,020	140,242,318	1,036,833
Capital grants and contributions	9,868,300	-	349,360
<b>Total program revenues</b>	<u>58,225,731</u>	<u>140,242,318</u>	<u>1,386,193</u>
<b>Net revenues (expense)</b>	<u>446,724</u>	<u>(2,301,759)</u>	<u>(1,530,460)</u>
<b>General revenues</b>			
Property taxes	-	-	-
Unrestricted investment earnings	73,198	67,120	17,276
Gain on sale of capital assets	77,547	-	-
Other revenues	41,729	-	-
<b>Total general revenues</b>	<u>192,474</u>	<u>67,120</u>	<u>17,276</u>
<b>Change in net position</b>	639,198	(2,234,639)	(1,513,184)
<b>Net position, beginning of year</b>	<u>259,548,287</u>	<u>14,111,380</u>	<u>11,432,829</u>
<b>Net position, end of year</b>	<u>\$ 260,187,485</u>	<u>\$ 11,876,741</u>	<u>\$ 9,919,645</u>

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



Housing Commission	Land Bank Authority	Total
\$ -	\$ -	\$ 57,779,007
-	-	142,544,077
-	-	2,916,653
3,257,548	-	3,257,548
-	3,459,907	3,459,907
<u>3,257,548</u>	<u>3,459,907</u>	<u>209,957,192</u>
18,352	2,760,256	20,529,019
3,084,295	749,674	175,720,140
-	-	10,217,660
<u>3,102,647</u>	<u>3,509,930</u>	<u>206,466,819</u>
<u>(154,901)</u>	<u>50,023</u>	<u>(3,490,373)</u>
-	118,513	118,513
177	1,924	159,695
-	-	77,547
-	-	41,729
<u>177</u>	<u>120,437</u>	<u>397,484</u>
<u>(154,724)</u>	<u>170,460</u>	<u>(3,092,889)</u>
<u>466,589</u>	<u>303,379</u>	<u>285,862,464</u>
<u>\$ 311,865</u>	<u>\$ 473,839</u>	<u>\$ 282,769,575</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, 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.

#### *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.

**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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Drainage Districts - The Drainage Districts consist of over 500 individual districts created for alleviating drainage problems and is under the control of 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, 2014 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 bylaws state that it 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 component unit is audited individually and complete financial statements can be obtained from the Land Bank’s administrative office.

### Administrative Offices

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

Kent County Drainage Districts  
1500 Scribner Avenue NW  
Grand Rapids, MI 49504-3233

Kent County Land Bank Authority  
347 S. Division Avenue  
Grand Rapids, MI 49503

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

Kent County Housing Commission  
82 Ionia Avenue NW Ste. 390  
Grand Rapids, MI 49503-3036

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *Other Related Entities*

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 Foundation does not meet the criteria for reporting as a component unit of the County and, accordingly, it has not been included in the accompanying financial statements.

### *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 the County's 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.

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 Position	June 30, 2014
Total assets	\$ 187,353,753
Total liabilities	96,586,970
Total deferred inflows of resources	<u>142,130</u>
Total net position	<u><u>\$ 90,624,653</u></u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Statement Revenues, Expenses and Change in Net Position	Year Ended June 30, 2014
Operating revenues	\$ -
Operating expenses	<u>4,444,196</u>
Operating loss	(4,444,196)
Nonoperating revenues (expenses), net	<u>856,682</u>
Change in net position	(3,587,514)
Net position, beginning of year	<u>94,212,167</u>
Net position, end of year	<u>\$ 90,624,653</u>

As of June 30, 2014, the Joint Building Authority had capital appreciation bonds payable outstanding in the amount of \$96,548,709, including accrued interest of \$41,064,933 and bond premium of \$1,694,872. 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 2.0%-5.59%, with final maturities due in 2031.

The annual principal and interest requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 6,095,000	\$ 310,772	\$ 6,405,772
2016	3,513,370	3,263,930	6,777,300
2017	3,435,616	3,566,484	7,002,100
2018	3,369,714	3,874,486	7,244,200
2019	3,299,653	4,188,797	7,488,450
2020-2024	15,837,695	25,711,755	41,549,450
2025-2029	11,719,000	34,551,000	46,270,000
2030-2031	6,518,856	25,686,144	32,205,000
<b>Total</b>	<u>\$ 53,788,904</u>	<u>\$ 101,153,368</u>	<u>\$ 154,942,272</u>

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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

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 Position	June 30, 2014
Total assets	\$ 31,620,498
Total liabilities	<u>9,196,642</u>
Total net position	<u>\$ 22,423,856</u>
Statement Revenues, Expenses and Change in Net Position	Year Ended June 30, 2014
Operating revenues	\$ 11,780,265
Operating expenses	<u>13,463,279</u>
Operating income	(1,683,014)
Nonoperating revenues (expenses), net	<u>(497,316)</u>
Change in net position	(2,180,330)
Net position, beginning of year	<u>24,604,186</u>
Net position, end of year	<u>\$ 22,423,856</u>

### *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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*.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

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.

### *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. 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. All other revenue items are considered to be measurable and available only when cash is received by the government. Property tax chargebacks are recognized based on the date in which the MTT/BOR order is received.

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 *Correction and Detention Facilities Special Revenue 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.

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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

The *Department of Public Works Fund* accounts for the construction and financing of solid waste disposal; 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.

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 assets represent amounts 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, deferred outflows of resources, liabilities, deferred inflows of resources 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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

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.

### *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."

Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the General Fund and other governmental funds, respectively. Any amounts outstanding on the July 1 levy on March 1 (excluding personal property taxes) are purchased by the Delinquent Tax Revolving fund through the settlement process.

Property taxes receivable in the Delinquent Tax Revolving fund represent unpaid balances from the previous years' levies for the County itself as well as other local taxing authorities in the County's geographical region. The County is responsible for pursuing and administering collection of these balances and coordinating the forfeiture and foreclosure activities for the related parcels. This process takes place over a 3-year period. Interest at 1% per month (increased to 1.5% after 12 months, retroactive to the date of delinquency) and administrative fees at 4% are accrued in accordance with State statute. No amounts have been included in an allowance for uncollectible balances, as the structure of the Delinquent Tax Revolving fund has been designed to make the fund whole either through the eventual auction of the foreclosed parcels or through chargebacks to the local taxing authorities initially levying the taxes.

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 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. Amounts received in advance of project costs being incurred are reported as unearned revenue.

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

Leases receivable consist of amounts collectible from local municipalities for which the County has irrevocably pledged its full faith and credit as collateral for certain construction and improvement bonds. In accordance with contractual agreements, these entities will provide all future amounts due for bond principal and accrued interest payable. The receivable has been reported as current based on the amounts to be collected next year to satisfy obligations.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Special assessments receivable consist of amounts due from local units of government to meet debt service requirements on special assessment bonds in the Drainage Districts component unit. Amounts are levied semi-annually to correspond with the payment dates of the related bonds.

Notes receivable consist of amounts due from the City of Grand Rapids, Michigan for a joint project between the County and the City to eliminate chronic flooding. Amounts are to be repaid in installments of \$21,350 to \$100,000 per year through 2019 until the balance is paid in full to the Drainage Districts component unit.

### *Restricted assets*

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

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 to future maintenance of closed landfill sites.

The Delinquent Tax Revolving restricted assets are held for the debt retirement of the 2013 and 2014 General Obligation Limited Tax Notes.

### *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. Prepaids are accounted for in governmental funds using the consumption method whereby expenditures are recognized over the benefitting period.

### *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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

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	20-50
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
Animals	17

In addition to land and construction in progress, 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. Land development rights 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.

### *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 government as assets with an initial, individual cost of more than \$1,000 to \$5,000 and an estimated useful life in excess of two years. 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.

Depreciation on capital assets is computed using the Michigan Department of Transportation depreciation schedules for equipment and the straight-line method for infrastructure over the following estimated useful lives:

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

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *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

### *Land Bank Authority - Discretely Presented Component Unit*

Capital assets are defined by the Land Bank as assets with an estimated useful life in excess of one year and an individual cost of more than \$1,000. The Authority's capital assets consist of office equipment. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation on capital assets is computed using the straight-line method over an estimated useful life of five years.

### *Deferred outflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized on a straight-line basis over the shorter of the life of the refunded or refunding debt.

### *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

### *Short-term borrowings*

Short-term borrowings are used to meet cash flow needs and, accordingly, are reported as current liabilities in the statement of net position.

### *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 position. Bond premiums and discounts 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 expensed when incurred.

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.

### *Deferred inflows of resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from three sources: property taxes, health receivable and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

Property taxes (excluding those for the General Fund, which are subject to a different timeline) are levied and attach as an enforceable lien on property on December 1. Property taxes unpaid as of February 28 are considered to be delinquent. Although the County's 2014 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2014, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the County's operations. Therefore, the entire amount of the December 1, 2014 levies is reported as deferred inflows of resources at year-end.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *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, pursuant to the County's Fund Balance/Fund Equity policy, 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 and includes all amounts not contained in the other classifications.

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% 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, 2014, the balance in the stabilization arrangement was \$23,861,959.

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% 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, 2014, total fund balance of the General Fund met the minimum percentage requirement.

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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *Capital contributions*

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.

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 Aeronautics Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred and reimbursement has been requested. Grants for capital assets acquisition, facilities development and rehabilitation are reported in the statement of net position - proprietary funds, after nonoperating revenues and expenses as capital contributions.

### *Revenue concentrations*

The Department of Public Works enterprise fund has three major customers accounting for 36.5% of net sales in 2014. The same customers accounted for 13.4% of accounts receivable at December 31, 2014.

### *Pension plans*

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. Dividend income is recognized based on the ex-dividend date, and interest income is recognized on the accrual basis as earned. All realized gains and losses on investments are recognized at the point of sale and are included in investment income. Purchases and sales of investments are recorded as of the trade date, which is the date when the transaction is initiated. Administration costs are financed initially through forfeited contributions by terminated employees not vested in the Plan and through the Plan's investment earnings.

### *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. These reclassifications had no effect on the previously reported net position or fund balances.

## 2. BUDGETARY INFORMATION AND DEFICIT FUND EQUITY

### *Budget policy and compliance*

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 and Physical Resources 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 (activity) level basis for all governmental funds, which is the legal level of control. During the current year, there were no expenditures in excess of budgeted amounts.

The County issues a separate annual budgetary report which provides additional information on historical budget data.

# 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 (Sungard), which is managed by the County Treasurer. The external portion of the Sungard 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, 2014:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash, investments, and accrued interest	\$ 191,457,051	\$ 39,956,133	\$ 231,413,184
Restricted cash, investments, and accrued interest	51,420,708	-	51,420,708
<b>Statement of Fiduciary Net Position</b>			
Pension and other postemployment benefit trust funds:			
Cash and cash equivalents	281,810	-	281,810
Investments	806,004,025	-	806,004,025
Other fiduciary funds:			
Pooled cash, investments, and accrued interest	76,807,749	-	76,807,749
<b>Total</b>	<b>\$ 1,125,971,343</b>	<b>\$ 39,956,133</b>	<b>\$ 1,165,927,476</b>
<b>Deposits and investments</b>			
Bank deposits:			
Checking and savings accounts			\$ 73,972,551
Pooled certificates of deposit:			
Due within one year			145,599,825
Due in one to five years			31,187,101
Airport trustee collateralized deposits			17,324,260
Investments:			
Pooled investments, at fair value			75,544,504
Accrued income on pooled investments			728,363
DPW Perpetual Care Fund (South Kent Landfill, Note 20)			2,107,029
Timing difference for funds and component units with different fiscal year-ends participating in pooled investments			13,411,960
Pension trust fund investments			789,658,659
VEBA trust fund investments			16,345,366
Cash on hand			47,858
<b>Total</b>			<b>\$ 1,165,927,476</b>

# 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, \$225,074,855 of the County's bank balance of \$275,870,025 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, 2014:

Pooled investments:	
Money market funds	\$ 8,215,594
Municipal bonds	892,740
U.S. government treasuries and agencies	<u>66,436,170</u>
Total pooled investments	75,544,504
Separately-held investments:	
Mutual funds	<u>2,107,029</u>
Total	<u>\$ 77,651,533</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 (SOC-1 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, 2014, 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 Investments	Totals
S&P AAA/AAAm	\$ 6,108,070	\$ 2,107,029	\$ 8,215,099
S&P AA	66,436,170	-	66,436,170
Unrated	3,000,264	-	3,000,264
Total	<u>\$ 75,544,504</u>	<u>\$ 2,107,029</u>	<u>\$ 77,651,533</u>

*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	\$ 8,215,594	\$ -	\$ -	\$ 8,215,594
Municipal bonds	-	262,740	630,000	892,740
U.S. government securities	-	22,133,670	44,302,500	66,436,170
	<u>8,215,594</u>	<u>22,396,410</u>	<u>44,932,500</u>	<u>75,544,504</u>
Separately-held investments:				
Mutual funds	2,107,029	-	-	2,107,029
Total	<u>\$ 10,322,623</u>	<u>\$ 22,396,410</u>	<u>\$ 44,932,500</u>	<u>\$ 77,651,533</u>

The money market funds are comprised of short-term securities (maturity generally less than 90 days). The average portfolio maturity for the separately-held mutual fund is 41 days.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*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, 2014, the County had no investment in a single issuer that exceeded 25% of total investments.

### *Pension and Other Postemployment Benefits Trust Funds*

The deposits and investments of the County's pension and other postemployment benefits 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 position 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 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, 2014:

	Pension Trust	VEBA Trust	Total
Investments at fair value			
U.S. government obligations	\$ 37,303,633	\$ -	\$ 37,303,633
U.S. government agency obligations	32,608,380	-	32,608,380
Municipal obligations	596,861	-	596,861
Corporate obligations	38,109,986	-	38,109,986
Common stock	334,588,953	-	334,588,953
Foreign obligations	5,656,825	-	5,656,825
Foreign common stock	6,589,837	-	6,589,837
Money market funds	13,500,103	-	13,500,103
Domestic equity mutual funds	-	7,201,004	7,201,004
International equity mutual funds	142,035,847	2,825,028	144,860,875
Domestic fixed income mutual funds	-	4,026,205	4,026,205
International fixed income mutual funds	85,939,101	2,293,129	88,232,230
Real estate and infrastructure securities	64,979,148	-	64,979,148
Mortgage-backed securities fund	27,749,985	-	27,749,985
<b>Total investments</b>	<b>\$ 789,658,659</b>	<b>\$ 16,345,366</b>	<b>\$ 806,004,025</b>

*Credit Risk.* The 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. For collateralized mortgage obligations, only issues rated AA or better at time of purchase are permitted. Equity mutual funds are not subject credit risk.

As of December 31, 2014, the pension and other postemployment benefits trust investments had the following credit risk ratings:

	Pension Trust	VEBA Trust	Total
Standard and Poor's AAA	\$ 43,906,433	\$ -	\$ 43,906,433
Standard and Poor's AA	4,920,106	-	4,920,106
Standard and Poor's A	14,515,162	-	14,515,162
Standard and Poor's BBB	10,673,127	-	10,673,127
Standard and Poor's BB	14,480	-	14,480
Moody's AAA	1,007,570	-	1,007,570
Moody's A2	196,182	-	196,182
Moody's A3	25,075	-	25,075
Morningstar 4 stars	123,848,293	5,165,121	129,013,414
Morningstar 2 stars	34,569,713	-	34,569,713
Unrated	97,003,675	1,154,213	98,157,888
Not subject to credit risk	458,978,843	10,026,032	469,004,875
<b>Total</b>	<b>\$ 789,658,659</b>	<b>\$ 16,345,366</b>	<b>\$ 806,004,025</b>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*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 position 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 these accounts as of December 31, 2014 was \$13,500,125, of which the insured amount was \$2,946,747. The remaining balance of \$10,553,378 is uninsured and uncollateralized. As of year-end, none of the VEBA's bank balance of \$31,788 of the VEBA's bank balance of \$281,788 was exposed to custodial credit risk as the balance exceeded FDIC insurance limits.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the pension and other postemployment benefits trust investment's in a single issuer. For fixed income portfolios, the pension and other postemployment benefits trust funds' investment policies provide that, with the exception of U.S. treasuries and agencies, no more than 3% of the portfolio shall be invested in the obligations of any one issuer. For equity portfolios, no single company's securities should represent more than 5% at cost or 7% at market value of the individual manager's portfolio. For the Plan's large cap equity portfolio, no single company's security should represent more than 1% plus the benchmark weight at the time of purchase of the individual manager's portfolio. The investment policy of the pension trust limits collateralized mortgage obligations to 5% per issue.

As of December 31, 2014, the pension and other postemployment benefits trust fund had no investment in a single issuer, other than U.S. treasuries and agencies, that exceeded the above percentages.

*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 U.S. dollar)	Pension Trust	VEBA Trust	Total
Foreign obligations	\$ 5,656,825	\$ -	\$ 5,656,825
Foreign common stock	6,589,837	-	6,589,837
International equity mutual funds	142,035,847	2,825,028	144,860,875
International fixed income mutual funds	85,939,101	2,293,129	88,232,230
<b>Total</b>	<b>\$ 240,221,610</b>	<b>\$ 5,118,157</b>	<b>\$ 245,339,767</b>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*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% of the duration of the stated benchmark which varies by portfolio. Investments in equity mutual funds are comprised of securities with no stated maturity date. Accordingly, such investments are deemed to have an average duration of zero years. The Plans' investments in fixed income mutual funds have average durations ranging from 4.49 to 5.70 years, all within 120% of the duration of the stated benchmark.

At December 31, 2014, maturities of the County's pension and VEBA investments were as follows:

	Pension Trust	VEBA Trust	Total
Less than 1 year	\$ 2,448,942	\$ -	\$ 2,448,942
1 - 5 years	37,218,080	-	37,218,080
6 - 10 years	35,614,119	-	35,614,119
More than 10 years	38,994,544	-	38,994,544
No maturity	675,382,974	16,345,366	691,728,340
Total	<u>\$ 789,658,659</u>	<u>\$ 16,345,366</u>	<u>\$ 806,004,025</u>

### *Cash and Investment Pool*

The County maintains a cash and investment pool called the Sungard System that is available for use by all funds, component units and, on a voluntary basis, other local units of government, except the Employees' Retirement Plans. The Sungard System is not subject to regulatory oversight, is not registered with the SEC and does not issue a separate report. The net asset 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 Sungard 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 Sungard System include the activity of all funds, component units and local units of government in the investment pool:

### Condensed Statement of Net Position

Assets	
Demand deposits	\$ 69,946,859
Imprest cash	16,410
Certificates of deposit	176,786,926
Pooled investments	75,544,504
Accrued interest	728,363
Total assets	<u>\$ 323,023,062</u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Net position	
Available for external pool participants	\$ 71,640,321
Available for internal pool participants	<u>251,382,741</u>
Total net position	<u>\$ 323,023,062</u>
Shares outstanding (unlimited shares authorized)	323,023,062
Net asset value, offering and redemption price per share	\$ 1

### Condensed Statement of Changes in Net Position

Revenues	
Interest income	<u>\$ 1,864,466</u>
Shares transactions at net position value of \$1 per share	
Purchase of units	793,308,506
Redemption of units	<u>(788,495,688)</u>
Net change in net position and shares resulting from shares transactions	<u>4,812,818</u>
Change in net position	6,677,284
Net position, beginning of year	<u>316,345,778</u>
Net position, end of year	<u>\$ 323,023,062</u>

**Custodial Credit Risk.** At December 31, 2014, the carrying amount of the Sungard System's deposits was \$246,691,886 and the bank balances totaled \$245,899,955. Of the bank balance, \$25,593,539 was insured and \$220,306,416 was uninsured and uncollateralized. In addition, the Sungard System maintained cash on hand of \$46,558. There was no custodial credit risk related to the investments.

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

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

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### 4. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 9,579,834	\$ 6,366,145	\$ 2,399,334
Less: allowance for uncollectibles	(75,330)	(289,159)	-
Taxes (current)	27,754,904	-	-
Taxes (delinquent)	727,190	1,190,537	-
Due from other governments	11,466,538	12,941,299	21,414,573
Loans	2,439,899	-	-
Special assessments	-	-	4,341,707
Leases	-	635,000	-
Notes	-	-	353,644
<b>Total receivables</b>	<b>\$ 51,893,035</b>	<b>\$ 20,843,822</b>	<b>\$ 28,509,258</b>

The Aeronautics Department and Delinquent Tax Revolving enterprise funds reported restricted receivables of \$562,755 and \$13,404,085, respectively. The Aeronautics Department's restricted receivable is restricted for capital improvements related to passenger and customer facility charges. The Delinquent Tax Revolving Fund's restricted receivables are restricted for debt service payments on the 2013 and 2014 General Obligation Limited Tax Notes.

Of the amounts reported for receivables above, special assessments receivable in the amount of \$2,863,730 and notes receivable of \$307,743 are not expected to be collected within one year.

The amount recorded as an allowance for uncollectibles in governmental activities is related to encounter cost-based reimbursements in the Health Department. The amount recorded as an allowance for uncollectibles in business-type activities is related to billings receivable in the Aeronautics Department and the Department of Public Works funds.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in governmental activities were as follows:

	Taxes Levied for Subsequent Period	Unavailable	Total
<b>Governmental Funds</b>			
Loans receivable	\$ -	\$ 2,439,899	\$ 2,439,899
Medicaid receivable	-	2,650,000	2,650,000
Property taxes receivable	26,450,484	3,449,816	29,900,300
<b>Total</b>	<b>\$ 26,450,484</b>	<b>\$ 8,539,715</b>	<b>\$ 34,990,199</b>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### 5. OTHER ASSETS

Other assets are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ 224,039	\$ 169,260	\$ 3,366,687
Prepays	1,363,249	303,098	497,923
Net other postemployment benefits asset	-	-	95,270
<b>Total other assets</b>	<b>\$ 1,587,288</b>	<b>\$ 472,358</b>	<b>\$ 3,959,880</b>

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 8,943,148	\$ 3,710,391	\$ 19,815,422
Accrued liabilities	7,876,524	1,215,042	622,888
Due to other governments	1,066	24,753	11,800,879
Accrued interest on long-term debt	461,508	4,151,389	47,977
<b>Total payables</b>	<b>\$ 17,282,246</b>	<b>\$ 9,101,575</b>	<b>\$ 32,287,166</b>

### 7. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2014, was as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,330,781	\$ 4,173,448
Correction and detention facilities	2,515,000	1,286,637
Child care	287,892	1,748,940
Nonmajor governmental funds	2,772,221	6,561,836
Aeronautics Department	-	2,213
Department of Public Works	-	1,388
Internal service funds	31,423	167,280
Timing differences	(669,663)	(7,674,088)
<b>Total</b>	<b>\$ 6,267,654</b>	<b>\$ 6,267,654</b>

Within the Drainage Districts component unit, the special revenue fund reported amounts due to and due from the capital projects fund of \$96,754 and \$138,435, respectively.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

In addition, an interfund balance existed between governmental activities and business-type activities in the amount of \$890,480. This resulted from the allocation of a portion of internal service fund net position of governmental-type internal service funds to business-type activities.

### Due to and from component units

	Due from Component Units	Due to Primary Government	Due from Primary Government	Due to Component Units
General Fund	\$ 1,088,021	\$ -	\$ -	\$ 662,657
Nonmajor governmental funds	15,409	-	-	5,948
CMH Authority	-	-	468,008	-
Drainage Districts	-	1,103,423	5,948	-
Housing Commission	-	7	-	-
Timing differences	-	-	-	(194,649)
<b>Total</b>	<b>\$ 1,103,430</b>	<b>\$ 1,103,430</b>	<b>\$ 473,956</b>	<b>\$ 473,956</b>

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.

### Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General Fund	\$ 1,079,405	\$ -
Drainage Districts	-	796,149
CMH Authority	-	283,256
<b>Total</b>	<b>\$ 1,079,405</b>	<b>\$ 1,079,405</b>

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

For the year ended December 31, 2014, interfund transfers consisted of the following:

Transfers Out	Transfers in			Totals
	General Fund	Child Care	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 14,454,146	\$ 13,748,573	\$ 28,202,719
Correction and detention facilities	12,871,637	-	750,000	13,621,637
Nonmajor governmental funds	-	-	1,793,682	1,793,682
Delinquent tax revolving	4,700,000	-	-	4,700,000
Timing differences	-	443,168	62,383	505,551
<b>Total</b>	<b>\$ 17,571,637</b>	<b>\$ 14,897,314</b>	<b>\$ 16,354,638</b>	<b>\$ 48,823,589</b>

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

### 8. CAPITAL ASSETS

#### Primary government

Capital asset activity for the primary government for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 56,171,290	\$ 123,822	\$ -	\$ -	\$ 56,295,112
Property easements	36,583	-	-	-	36,583
Construction in progress	443,851	4,560,894	(390,995)	(3,269,909)	1,343,841
	<u>56,651,724</u>	<u>4,684,716</u>	<u>(390,995)</u>	<u>(3,269,909)</u>	<u>57,675,536</u>
Capital assets, being depreciated:					
Land improvements	34,434,387	251,710	(474,473)	811,594	35,023,218
Buildings and improvements	230,058,805	118,503	(1,058,408)	1,664,220	230,783,120
Machinery and equipment	31,350,918	2,616,621	(1,914,893)	794,095	32,846,741
Motor vehicles	7,533,427	792,078	(538,747)	-	7,786,758
Infrastructure	581,891	-	-	-	581,891
Animals	30,000	12,500	(30,000)	-	12,500
	<u>303,989,428</u>	<u>3,791,412</u>	<u>(4,016,521)</u>	<u>3,269,909</u>	<u>307,034,228</u>
Less accumulated depreciation for:					
Land improvements	(19,554,927)	(1,164,387)	245,312	-	(20,474,002)
Buildings and improvements	(61,616,376)	(4,752,493)	294,241	-	(66,074,628)
Machinery and equipment	(22,564,736)	(2,802,500)	1,476,472	-	(23,890,764)
Motor vehicles	(3,369,403)	(447,401)	394,629	-	(3,422,175)
Infrastructure	(299,207)	(28,479)	-	-	(327,686)
Animals	(12,353)	(2,132)	13,235	-	(1,250)
	<u>(107,417,002)</u>	<u>(9,197,392)</u>	<u>2,423,889</u>	<u>-</u>	<u>(114,190,505)</u>
Total capital assets being depreciated, net	<u>196,572,426</u>	<u>(5,405,980)</u>	<u>(1,592,632)</u>	<u>3,269,909</u>	<u>192,843,723</u>
Governmental activities capital assets, net	<u>\$ 253,224,150</u>	<u>\$ (721,264)</u>	<u>\$ (1,983,627)</u>	<u>\$ -</u>	<u>\$ 250,519,259</u>

At December 31, 2014, the County's governmental activities had outstanding commitments through construction contracts of approximately \$90,000.

Of the amounts reported in capital assets, \$2,013,620 of machinery and equipment was purchased through a capital lease purchase agreement. Related accumulated depreciation at year-end amounted to \$416,810.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 25,752,753	\$ 19,355	\$ -	\$ -	\$ 25,772,108
Construction in progress	8,960,944	20,293,109	(43,522)	(2,146,756)	27,063,775
	<u>34,713,697</u>	<u>20,312,464</u>	<u>(43,522)</u>	<u>(2,146,756)</u>	<u>52,835,883</u>
Capital assets, being depreciated:					
Landfill cells	11,719,931	651,689	-	-	12,371,620
Land improvements	226,626,613	146,429	(754,918)	1,659,122	227,677,246
Buildings and improvements	328,918,570	42,465	(170,575)	170,887	328,961,347
Machinery and equipment	41,171,905	1,671,022	(1,999,152)	305,053	41,148,828
Office equipment and furniture	2,087,227	-	(134,036)	11,694	1,964,885
Vehicles	1,168,085	190,723	(108,306)	-	1,250,502
	<u>611,692,331</u>	<u>2,702,328</u>	<u>(3,166,987)</u>	<u>2,146,756</u>	<u>613,374,428</u>
Less accumulated depreciation for:					
Landfill cells	(6,684,826)	(1,102,748)	367	-	(7,787,207)
Land improvements	(121,223,405)	(7,228,073)	754,918	-	(127,696,560)
Buildings and improvements	(120,934,929)	(10,497,006)	170,575	-	(131,261,360)
Machinery and equipment	(18,891,038)	(2,534,297)	1,847,697	-	(19,577,638)
Office equipment and furniture	(1,338,328)	(102,367)	134,036	-	(1,306,659)
Vehicles	(805,129)	(134,582)	108,306	-	(831,405)
	<u>(269,877,655)</u>	<u>(21,599,073)</u>	<u>3,015,899</u>	<u>-</u>	<u>(288,460,829)</u>
Total capital assets being depreciated, net	<u>341,814,676</u>	<u>(18,896,745)</u>	<u>(151,088)</u>	<u>2,146,756</u>	<u>324,913,599</u>
Business-type activities capital assets, net	<u>\$ 376,528,373</u>	<u>\$ 1,415,719</u>	<u>\$ (194,610)</u>	<u>\$ -</u>	<u>\$ 377,749,482</u>

At December 31, 2014, the County's business-type activities had outstanding commitments through construction contracts of approximately \$17,500,000.

# 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	\$ 1,605,586
Public safety	2,719,244
Health and welfare	1,234,031
Cultural and recreation	1,985,319
Judicial	1,653,212
<b>Total</b>	<b>\$ 9,197,392</b>

Depreciation of business-type activities by function	
Aeronautics department	\$ 16,446,326
Department of public works	5,152,747
<b>Total</b>	<b>\$ 21,599,073</b>

### Discretely presented component units

Capital assets activity for the Road Commission component unit for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Unit - Road Commission</b>					
<b>Capital assets, not being depreciated:</b>					
Land and right-of-way	\$ 2,576,972	\$ 11,185	\$ (7,410)	\$ -	\$ 2,580,747
Construction in progress	168,669	1,343,077	-	(168,669)	1,343,077
	<u>2,745,641</u>	<u>1,354,262</u>	<u>(7,410)</u>	<u>(168,669)</u>	<u>3,923,824</u>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	12,073,695	133,720	-	-	12,207,415
Equipment	24,135,474	1,315,661	(724,051)	-	24,727,084
Infrastructure	511,587,378	19,026,053	-	168,669	530,782,100
	<u>547,796,547</u>	<u>20,475,434</u>	<u>(724,051)</u>	<u>168,669</u>	<u>567,716,599</u>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(5,968,822)	(244,191)	-	-	(6,213,013)
Equipment	(19,391,390)	(1,697,744)	723,369	-	(20,365,765)
Infrastructure	(280,775,387)	(20,016,642)	-	-	(300,792,029)
	<u>(306,135,599)</u>	<u>(21,958,577)</u>	<u>723,369</u>	<u>-</u>	<u>(327,370,807)</u>
<b>Total capital assets being depreciated, net</b>	<u>241,660,948</u>	<u>(1,483,143)</u>	<u>(682)</u>	<u>168,669</u>	<u>240,345,792</u>
<b>Road Commission capital assets, net</b>	<u>\$ 244,406,589</u>	<u>\$ (128,881)</u>	<u>\$ (8,092)</u>	<u>\$ -</u>	<u>\$ 244,269,616</u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Capital assets activity for the CMH Authority component unit for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Unit - CMH Authority</b>					
Capital assets, being depreciated:					
Land improvements	\$ 523,756	\$ -	\$ -	\$ -	\$ 523,756
Leasehold improvements	4,747,276	72,861	-	-	4,820,137
Equipment and furniture	2,346,797	525,730	(52,708)	-	2,819,819
	<u>7,617,829</u>	<u>598,591</u>	<u>(52,708)</u>	<u>-</u>	<u>8,163,712</u>
Less accumulated depreciation for:					
Land improvements	(133,430)	(29,651)	-	-	(163,081)
Leasehold improvements	(764,545)	(175,176)	-	-	(939,721)
Equipment and furniture	(1,344,365)	(308,723)	52,708	-	(1,600,380)
	<u>(2,242,340)</u>	<u>(513,550)</u>	<u>52,708</u>	<u>-</u>	<u>(2,703,182)</u>
CMH Authority capital assets, net	<u>\$ 5,375,489</u>	<u>\$ 85,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,460,530</u>

Capital assets activity for the Drainage Districts component unit for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Unit - Drainage Districts</b>					
Capital assets, not being depreciated:					
Land	\$ 2,106,713	\$ -	\$ -	\$ -	\$ 2,106,713
Construction in progress	-	253,730	-	-	253,730
	<u>2,106,713</u>	<u>253,730</u>	<u>-</u>	<u>-</u>	<u>2,360,443</u>
Capital assets, being depreciated:					
Infrastructure	25,622,185	338,313	-	-	25,960,498
Less accumulated depreciation for:					
Infrastructure	(18,354,669)	(1,191,820)	-	-	(19,546,489)
Total capital assets being depreciated, net	<u>7,267,516</u>	<u>(853,507)</u>	<u>-</u>	<u>-</u>	<u>6,414,009</u>
Drainage Districts capital assets, net	<u>\$ 9,374,229</u>	<u>\$ (599,777)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,774,452</u>

At December 31, 2014, the Drainage Districts component unit had outstanding commitments through construction contracts of approximately \$210,000.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Capital assets activity for the Land Bank Authority component unit for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Unit - Land Bank Authority</b>					
Capital assets, being depreciated:					
Office equipment	\$ 23,015	\$ -	\$ -	\$ -	\$ 23,015
Less accumulated depreciation for:					
Office equipment	(5,330)	(4,603)	-	-	(9,933)
<b>Land Bank Authority capital assets, net</b>	<b>\$ 17,685</b>	<b>\$ (4,603)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,082</b>

## 9. SHORT-TERM BORROWINGS

The Land Bank Authority discretely-presented component unit has various unsecured lines of credit with local financial institutions. The lines provide for an aggregate maximum borrowing of \$1,000,000 and bear interest at rates ranging from 2.405%-4.0%.

Short-term borrowing activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Short-term borrowings	\$ 29,147	\$ 501,204	\$ (318,396)	\$ 211,955

## 10. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 115,475,000	\$ 7,460,000	\$ (11,145,000)	\$ 111,790,000	\$ 6,640,000
Capital leases	127,057	1,697,811	(587,041)	1,237,827	561,727
Total installment debt	115,602,057	9,157,811	(11,732,041)	113,027,827	7,201,727
Net bond premium/discount	4,071,567	443,943	(486,685)	4,028,825	360,820
Pollution remediation liability	30,928	-	-	30,928	30,928
Compensated absences	4,742,622	9,294,001	(9,210,114)	4,826,509	2,467,522
<b>Total governmental activities</b>	<b>\$ 124,447,174</b>	<b>\$ 18,895,755</b>	<b>\$ (21,428,840)</b>	<b>\$ 121,914,089</b>	<b>\$ 10,060,997</b>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
General obligation bonds	\$ 11,430,000	\$ -	\$ (1,080,000)	\$ 10,350,000	\$ 1,125,000
Revenue bonds	174,580,000	-	(5,715,000)	168,865,000	6,290,000
Notes payable	31,500,000	20,400,000	(25,500,000)	26,400,000	21,000,000
Total installment debt	217,510,000	20,400,000	(32,295,000)	205,615,000	28,415,000
Net bond premium/discount	7,146,240	12,342	(383,081)	6,775,501	385,764
Landfill closure and post-closure liabilities	20,764,495	1,569,774	(363,784)	21,970,485	423,000
<b>Total business-type activities</b>	<b>\$ 245,420,735</b>	<b>\$ 21,982,116</b>	<b>\$ (33,041,865)</b>	<b>\$ 234,360,986</b>	<b>\$ 29,223,764</b>
<b>Discretely-Presented Component Units</b>					
<i>Drainage Districts</i>					
Special assessment bonds	\$ 5,230,000	\$ 4,550,000	\$ (1,190,000)	\$ 8,590,000	\$ 1,430,000
Net bond premium/discount	47,032	174,384	(7,612)	213,804	15,638
<b>Total Drainage Districts component unit</b>	<b>\$ 5,277,032</b>	<b>\$ 4,724,384</b>	<b>\$ (1,197,612)</b>	<b>\$ 8,803,804</b>	<b>\$ 1,445,638</b>
<i>Road Commission</i>					
Compensated absences	\$ 2,587,217	\$ 16,630	\$ -	\$ 2,603,847	\$ 1,219,272
<i>Land Bank Authority</i>					
Loans payable	\$ 1,300,000	\$ -	\$ (150,000)	\$ 1,150,000	\$ 750,000

### Governmental Activities

\$49,990,000 2005 Building Authority Refunding Bonds, due in annual installments of \$1,805,000 to \$4,100,000 plus interest ranging from 3.625 to 5.50%, payable semi-annually, through June 1, 2026.	\$ 37,970,000
\$27,000,000 2007 Building Authority Bonds, due in annual installments of \$910,000 to \$1,935,000 plus interest ranging from 4.00 to 5.00%, payable semi-annually, through June 1, 2029.	22,095,000
\$14,300,000 2008 Capital Improvement Bonds, due in annual installments of \$425,000 to \$900,000 plus interest ranging from 3.75 to 4.50%, payable semi-annually, through June 1, 2028.	10,425,000
\$32,000,000 2009 Building Authority Bonds, due in annual installments of \$1,425,000 to \$2,285,000 plus interest ranging from 2.94 to 6.25%, payable semi-annually, through December 1, 2030.	29,125,000
\$6,470,000 2010 Building Authority Refunding Bonds, due in annual installments of \$55,000 to \$755,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through June 1, 2021.	4,715,000

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### Governmental Activities (Concluded)

\$4,460,000 2014 Capital Improvement Refunding Bonds, due in annual installments of \$395,000 to \$520,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through December 1, 2024.	\$ 4,460,000
\$3,000,000 2014 Capital Improvement Bonds, due in a single installment on November 1, 2019, plus interest at 2.02%, payable semi-annually. Principal expected to be forgiven in full upon maturity based on terms of a donor agreement.	3,000,000
\$1,697,811 De Lage equipment capital lease, due in monthly installments of \$49,167, plus interest at an imputed rate of 2.88%, through February 1, 2017.	<u>1,237,827</u>
Total governmental activities	<u>\$ 113,027,827</u>

### Business-type Activities

\$117,360,000 2007 Airport Revenue Bonds, due in annual installments of \$600,000 to \$7,785,000 plus interest ranging from 4.00 to 5.00%, payable semi-annually, through January 1, 2037.	\$ 110,310,000
\$30,110,000 2009 Airport Revenue Bonds, due in annual installments of \$130,000 to \$2,645,000 plus interest ranging from 2.00 to 5.00%, payable semi-annually, through January 1, 2025.	23,490,000
\$38,675,000 2011 Airport Revenue Bonds, due in annual installments of \$1,785,000 to \$3,290,000 plus interest ranging from 2.00 to 5.00%, payable semi-annually, through January 1, 2028.	35,065,000
\$11,895,000 2009 Refuse Disposal Bonds, due in annual installments of \$355,000 to \$855,000 plus interest ranging from 2.00 to 5.00%, payable semi-annually, through November 1, 2029.	9,715,000
\$5,305,000 2004 Wyoming Water Refunding Bonds, due in annual installments of \$55,000 to \$635,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through November 1, 2015.	635,000
\$24,000,000 2013 General Obligation Limited Tax Note, interest at 0.40%, payable semi-annually, through April 1, 2015.	6,000,000
\$20,400,000 2014 General Obligation Limited Tax Note, interest ranging from 0.37 to 0.55%, payable semi-annually, through April 1, 2016.	<u>20,400,000</u>
Total business-type activities	<u>\$ 205,615,000</u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### Discretely-presented Component Units

#### *Drainage Districts*

\$5,290,000 2003 Silver Creek Drain Bonds, due in annual installments of \$235,000 to \$580,000 plus interest ranging from 2.00 to 4.25%, payable semi-annually, through November 1, 2015.	\$ 365,000
\$7,870,000 2008 Grand River Floodwalls and Embankments Drain Bonds, due in annual installments of \$285,000 to \$970,000 plus interest ranging from 2.10 to 4.25%, payable semi-annually, through November 1, 2020.	3,675,000
\$4,550,000 2014 Grand River Floodwalls and Embankments Drain Bonds, due in annual installments of \$170,000 to \$305,000 plus interest ranging from 2.0 to 4.0%, payable semi-annually, through November 1, 2034.	<u>4,550,000</u>
Total drainage districts discretely-presented component unit	<u><u>\$ 8,590,000</u></u>

#### *Land Bank Authority*

\$400,000 Grand Rapids Community Foundation Loan, unsecured, due in full upon maturity with the option of interim partial payments at the Authority's discretion, interest due quarterly at 3.00% based on outstanding principal, through July 30, 2017.	\$ 400,000
\$600,000 Grand Rapids Community Foundation Loan, unsecured, due in a single installment in December 2014; interest payable quarterly at a rate of 3.00%.	600,000
Loan from an individual, unsecured, due in a single installment in July 2015; interest payable quarterly at a rate of 3.00%.	<u>150,000</u>
Total Land Bank Authority discretely-presented component unit	<u><u>\$ 1,150,000</u></u>

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
2015	\$ 7,201,727	\$ 5,407,206	\$ 28,415,000	\$ 8,502,888
2016	7,453,120	5,118,695	12,430,000	8,170,988
2017	7,242,980	4,806,330	7,290,000	7,866,012
2018	7,435,000	4,484,853	7,610,000	7,518,387
2019	10,520,000	4,147,590	7,990,000	7,134,412
2020-2024	40,285,000	14,603,088	46,115,000	29,381,009
2025-2029	30,605,000	4,582,992	42,925,000	18,113,130
2030-2034	2,285,000	142,812	30,575,000	9,536,875
2035-2037	-	-	22,265,000	1,705,875
Totals	<u>\$ 113,027,827</u>	<u>\$ 43,293,566</u>	<u>\$ 205,615,000</u>	<u>\$ 97,929,576</u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Year Ended December 31,	Discretely-presented Component Units			
	Drainage Districts		Land Bank Authority	
	Principal	Interest	Principal	Interest
2015	\$ 1,430,000	\$ 301,821	\$ 750,000	\$ 19,875
2016	1,100,000	265,684	-	12,000
2017	1,140,000	225,082	400,000	9,000
2018	465,000	181,184	-	-
2019	480,000	164,384	-	-
2020-2024	1,345,000	593,230	-	-
2025-2029	1,210,000	379,480	-	-
2030-2034	1,420,000	151,480	-	-
<b>Totals</b>	<b>\$ 8,590,000</b>	<b>\$ 2,262,345</b>	<b>\$ 1,150,000</b>	<b>\$ 40,875</b>

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 Aeronautics 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 Aeronautics Department has available a letter of credit totaling \$10,862,500, which has not been drawn upon. The 2011 Airport revenue refunding bonds reserve requirement is funded with cash and accrued interest in the amount of \$3,550,821 for the year ended December 31, 2014. In addition, all Airport 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 revenues of the Aeronautics Department are insufficient to meet requirements.

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 funds. The pollution remediation liability in governmental activities is expected to be paid from the Capital Improvement Program capital projects fund.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *Refunded and Defeased Debt*

During 2014, the County issued \$4,460,000 of 2014 Capital Improvement Refunding Bonds to provide resources 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 of \$4,750,000 of 2004A Capital Improvement Bonds. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a savings of \$694,364 and an economic gain of \$612,121. The bonds were called prior to year-end. Accordingly, no defeased bonds are outstanding at December 31, 2014.

## 11. 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
2015	\$ 2,811,685
2016	2,811,090
2017	2,811,831
2018	2,811,340
2019	2,810,665
2020-2024	13,989,947
2025-2026	<u>5,410,629</u>
Total	<u>\$ 33,457,187</u>

The cost of the portion of courthouse facility leased to the City is \$18,140,248 and related accumulated depreciation at December 31, 2014 was \$4,697,252. Annual depreciation expense is approximately \$350,000.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

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
2015	\$ 7,485,418
2016	6,806,077
2017	6,408,393
2018	3,979,612
2019	2,682,186
2020-2024	6,697,121
2025-2029	5,160,680
2030-2034	5,160,680
2035-2039	4,788,978
2040-2044	4,444,931
Total	<u>\$ 53,614,076</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 with lodging excise tax revenue, accounted for in the lodging excise tax special revenue fund. Rental expense under this lease amounted to \$6,217,944 for the year ended December 31, 2014.

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, 2014, there are two such bond issues of the Joint Building Authority dated November 29, 2001 and May 15, 2013, with balances of \$42,723,904 and \$2,485,000, respectively. The County becomes liable for the debt in the event that lodging excise tax revenue is not sufficient to meet lease obligations.

Future minimum rental commitments are as follows:

Year Ended December 31,	Amount
2015	\$ 6,446,201
2016	6,676,100
2017	6,921,000
2018	7,168,200
2019	7,435,250
2020-2024	41,119,600
2025-2029	48,030,000
2030-2031	21,870,000
Total	<u>\$ 145,666,351</u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *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
2015	\$ 151,949
2016	140,000
2017	<u>98,598</u>
Total	<u>\$ 390,547</u>

## 12. 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, \$600,000 for each workers' compensation claim and \$100,000 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.

# 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, January 1, 2013	\$ 1,229,745	\$ 59,628	\$ -	\$ 799,321	\$ 1,098,046
Estimated claims incurred	17,836,861	1,260,345	132,228	1,611,202	1,098,773
Claim payments	(17,894,007)	(1,262,969)	(132,228)	(1,451,270)	(1,096,989)
Estimated liability, December 31, 2013	1,172,599	57,004	-	959,253	1,099,830
Estimated claims incurred	19,874,146	1,340,733	103,523	180,866	651,580
Claim payments	(19,728,745)	(1,326,979)	(103,523)	(778,620)	(726,951)
Estimated liability, December 31, 2014	<u>\$ 1,318,000</u>	<u>\$ 70,758</u>	<u>\$ -</u>	<u>\$ 361,499</u>	<u>\$ 1,024,459</u>

The Department of Public Works and the Aeronautics Department are included in the County's self-insurance program, although separate insurance coverage is maintained for some enterprise-specific operations.

### *Kent County Road Commission*

The Road Commission is exposed to various risks of loss including property, employee injury and liability among others. In response to this exposure, the Road Commission has purchased commercial insurance coverage for employee's health claims and participates in the Michigan County Road Commission Self Insurance Pool (MCRCSIP) for general and auto related liability. Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members. Due to the Road Commission's participation in this pool, the liability of the Road Commission relative to claims covered by the pool is limited to various minimal deductibles per occurrence for claims.

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.

Settled claims for the Road Commission have not exceeded coverage during the past three years. There have been no significant reductions in insurance coverage during the past year.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### 13. 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% of the current estimated market value.

The taxable value of real and personal property for 2014, for which revenue was recognized in the General Fund, was \$20,335,194,279. The general operating tax rate for this levy was 4.2803 mills. The taxable value of real and personal property for 2013, for which revenue was recognized in all other funds, was \$20,008,496,372. 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.

### 14. 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.

### 15. 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, CMH Authority and Land Bank Authority. The Plan was established by the Kent County Board of Commissioners and is administered by a seven member Board called the Kent County Employees' Retirement Plan Pension Board (referred to herein as the "Board of Trustees"). The Board is comprised of the Chairman of the Finance Committee of the Commissioners, one other Commissioner appointed by the Board of Commissioners, three employees covered by the Plan, and two residents of the County that are independent of the County and the Plan. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the Kent County Board of Commissioners. 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 include 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 49503-2222.

## COUNTY OF KENT, MICHIGAN

### Notes to Financial Statements

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, Airport Command Officers Association, and Circuit Court Referees) are eligible at age 62 with 5 years of service or at age 60 (55 for captains and lieutenants) with 25 years of service. VEBA members of the KCDSA bargaining unit hired on or after January 1, 2013 are eligible to receive this benefit at age 62 with 5 years of service or age 55 with 25 years of service. An early retirement option is offered for retirement at age 55 with 15 or more years of service.

Cost-of-living adjustments (COLAs) vary based on bargaining unit and hire date and range from 1%-3%.

*Method Used to Value Investments.* The Plan's investments are stated 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. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate and infrastructure investments is based on independent appraisals. Investments that do not have established market values are reported at estimated fair value. 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 Plan's Board of Trustees, with the assistance of a valuation service.

*Benefits Provided.* Employees who retire with minimum age and years of service requirements are entitled to annual retirement benefits, payable in monthly installments for life, in an amount equal to a percentage of their final average compensation times years of credited service.

*Contributions.* 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. The variable rate was 8.5% for the year ended December 31, 2014. The additional amounts paid for COLAs by the members of the three unions covering public safety officers are a fixed amount added to the variable rate and ranged from 3.32%-3.50%. The County is required to contribute at actuarially determined rates expressed as a percentage of covered payroll and are designed to accumulate sufficient assets to pay benefits when due. The County's contribution rate for the year ended December 31, 2014 was 9.3% of projected valuation payroll. The normal cost and amortization payment were determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a closed period of 24 years.

*Investment Policy.* The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is detailed below.

*Rate of Return.* For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Concentrations.* Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2014 is disclosed in Note 3 to the separately issued financial statements.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the Plan was 100.4% funded. The covered payroll (annual payroll of active employees covered by the Plan) was \$90,602,575, and the ratio of the UAAL to the covered payroll was 3.5%. The unfunded actuarial accrued liability was determined as follows:

Actuarial accrued liability for:	
Active participants (1,249 vested and 300 non-vested)	\$ 344,226,525
Retired participants and beneficiaries currently receiving benefits (1,298 recipients)	379,903,436
Vested terminated participants not yet receiving benefits (223)	<u>18,963,608</u>
<b>Total actuarial accrued liability</b>	<b><u>743,093,569</u></b>
Actuarial value of assets (smoothed market value)	<u>746,298,467</u>
Unfunded (overfunded) actuarial accrued liability	<b><u><u>\$ (3,204,898)</u></u></b>

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 and mortality. Actuarially determined amounts 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, present multiyear trend information about whether the actuarial values of assets held in trust are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 7.0% per year compounded annually (b) projected salary increases of 4.0% attributable to inflation, (c) 0.0%-7.0% per year, depending on age, attributable to seniority/merit and (d) and the assumption that benefits will increase beginning 3 years after retirement. 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.

*Net Pension Liability.* The components of the net pension liability of the Plan at December 31, 2014, were as follows:

Total pension liability	\$ 751,577,688
Plan fiduciary net pension	<u>789,770,521</u>
County's net pension liability	<b><u><u>\$ (38,192,833)</u></u></b>
Plan fiduciary net position as percentage of total pension liability	105.08%

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2013 (rolled forward to December 31, 2014), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.0%
Salary increases	4.0%-11.0%, including inflation
Investment rate of return	7.0%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for males and females projected to the year 2017 using Scale BB. A margin for future mortality improvement is included in these tables.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 to December 31, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2013 (see the discussion of the pension plan's investment policy in Note 3) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Large cap equity	30.00%	5.39%	1.62%
Small cap equity	10.00%	6.68%	0.67%
International equity	15.00%	6.39%	0.96%
Emerging market equity	5.00%	7.74%	0.39%
Core fixed income	20.00%	0.40%	0.08%
Multi-sector fixed income	12.50%	1.38%	0.17%
Core real estate	5.00%	3.11%	0.16%
Infrastructure	2.50%	6.39%	0.16%
	<u>100.00%</u>		4.20%
Inflation			4.00%
Risk adjustment			<u>-1.20%</u>
Investment rate of return			<u>7.00%</u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*Discount Rate.* The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Plan, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	One Percent Decrease (6.0%)	Current Discount Rate (7.0%)	One Percent Increase (8.0%)
County's net pension liability	\$ 62,884,044	\$ (38,192,833)	\$(122,203,214)

*Contributions.* During the year ended December 31, 2014, total contributions of \$18,138,796 were made in accordance with actuarially determined requirements, computed through an actuarial valuation performed as of December 31, 2012. The County contributed \$8,929,617 (9.3% of projected valuation payroll); employees contributed \$9,209,179. The County's contribution consisted of \$7,130,423 normal cost (7.23% of projected valuation payroll) plus \$1,799,194 in amortization of the unfunded accrued liability and cost-of-living adjustments (2.07% of projected valuation payroll).

Employer contributions to the Plan for the current fiscal year and two years prior were as follows:

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2012	\$ 8,547,559	100%	\$ -
2013	9,741,061	100%	-
2014	8,929,617	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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *Road Commission Component Unit*

#### Defined Contribution Pension Plan

The Kent County Road Commission provides pension benefits to full-time employees through a 401(k) defined contribution plan administered by MERS. 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 7% of employees' gross earnings. Employees may contribute any amount up to a maximum of 85% of their earnings into their retirement account within annual IRS limitations. Employer contributions and employee contributions for each employee (including interest allocated to the employee's account), are fully vested after one year of service. For the current year, the Road Commission's contributions were \$872,040 and employee contributions were \$837,608.

#### 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, 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.

For the year ended September 30, 2014, the Road Commission's annual pension cost of \$47,508 was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2011 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%-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 to reflect fair value. The difference in investment income between expected return and market return is recognized over a 10 year period. The unfunded actuarial accrued liability is being amortized over 5 years on a closed basis.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

Three-Year Trend Information			
Years Ended September 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2012	\$ 47,508	100%	\$ -
2013	47,820	100%	-
2014	47,508	100%	-

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Plan was 23% funded. The actuarial accrued liability for benefits was \$296,199, and the actuarial value of assets was \$66,657, resulting in an unfunded actuarial accrued liability (UAAL) of \$229,542.

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 Contribution Pension Plan

Eligible employees hired after December 31, 2011 and working at least 80 hours per month are covered under a defined contribution plan, which is administered by MERS. The Authority contributes up to 6% of the employee's base pay, depending on the employee's contribution. Employer contributions to the plan for the year ended September 30, 2014 were \$167,205.

#### 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 Plan is closed to employees hired after December 31, 2011, as those employees are covered by the defined contribution plan discussed below. 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.

*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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

*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 6.60% for the fiscal year ended September 30, 2014. The Plan members were required to contribute 7.33% to the Plan for the fiscal year ended September 30, 2014. The required contribution percentages were determined as part of the December 31, 2011 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.

Three-Year Trend Information			
Years Ended September 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2012	\$ 382,224	100%	\$ -
2013	397,147	100%	-
2014	481,032	100%	-

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent valuation date, the Plan was 103% funded. The actuarial accrued liability for benefits was \$25,899,434 and the actuarial value of assets was \$26,572,042, resulting in an unfunded actuarial accrued liability of \$(672,608), which means the plan is overfunded. The covered payroll (annual payroll for active employees covered by the Plan) was \$6,410,988 and the ratio for the UAAL to the covered payroll was (10.5%).

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.

### *Land Bank Authority Component Unit*

#### Defined Contribution Pension Plan

Effective October 1, 2013, the Land Bank established a 401(k) retirement plan for employees over the age of 21 with at least 3 months of service. The Land Bank matches employee contributions up to 4% of eligible wages. Employer and employee contributions to the plan for the year ended December 31, 2014, were \$9,528 and \$10,005, respectively. At December 31, 2014, there were 4 participants in the plan. Participants are immediately vested in all contributions and proceeds may be withdrawn at any time, subject to an early withdrawal penalty.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### 16. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

#### *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 15, the Plan provides health insurance benefits to certain retirees, 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 \$350 per month. 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, 2014, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	577
Active plan members	<u>1,552</u>
Total	<u><u>2,129</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 ten 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 County's funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll, and are designed to accumulate sufficient assets to pay benefits when due. The County's contribution rate for the year ended December 31, 2014 was 1.68% of projected valuation payroll. For the year ended December 31, 2014, the County contributed \$3,412,730, including cash contributions of \$1,674,191 and an implicit rate subsidy (which did not require cash) of \$1,738,539. Cash payments included \$1,205,658 for current premiums and an additional \$468,533 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 position.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual 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	\$ 3,412,730
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	3,412,730
Contributions made	<u>(3,412,730)</u>
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ -</u></u>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

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:

Year Ended December 31,	Three-Year Trend Information		
	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2012	\$ 3,587,147	100%	\$ -
2013	3,227,728	100%	-
2014	3,412,730	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 December 31, 2014, the most recent actuarial valuation date, the Plan was 31.6% funded. The actuarial accrued liability for benefits was \$52,899,776, and the actuarial value of assets was \$16,705,220, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,194,556. The covered payroll (annual payroll of active employees covered by the Plan) was \$90,860,847, and the ratio of the UAAL to the covered payroll was 39.8%.

*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.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

In the December 31, 2012, actuarial valuation (used to determine the contribution rates for the year ended December 31, 2014), the entry age actuarial cost method was used. The actuarial assumptions included a 7.5% 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% initially, reduced by decrements to an ultimate rate of 4.0% after ten years. Both rates included a 4.0% 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, 2014, the most recent actuarial date, was 30 years.

### *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 Road Commission 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 \$263,344 for fiscal year 2014. For the year ended September 30, 2014, the Road Commission contributed \$361,684 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 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	\$ 361,684
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	361,684
Contributions made	(361,684)
	<hr/>
Increase in net OPEB obligation (asset)	-
Net OPEB obligation (asset), beginning of year	(95,270)
	<hr/>
Net OPEB obligation (asset), end of year	\$ (95,270)

# 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 September 30,	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
2012	\$ 395,389	103%	\$ -
2013	386,609	125%	(95,270)
2014	361,684	100%	(95,270)

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.

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the Plan was 31% funded. The actuarial accrued liability for benefits was \$4,799,746, and the actuarial value of assets was \$1,508,557, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,291,189. 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.

In the December 31, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 7.5% 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% initially, reduced by decrements to an ultimate rate of 4.5% after 2022. The UAAL is being amortized as a level dollar amount on a closed basis for supervisory employees and an open basis for non-supervisory employees. The remaining amortization period at December 31, 2012 was 24 years and 30 years for the supervisory and non-supervisory groups, respectively.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### *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, fourteen retirees are eligible, seven of whom 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.

*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, 2013 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 6%; (b) turnover rates of 4%-9%, 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 \$74,048 for the year ended September 30, 2014.

*Annual OPEB Cost and Net OPEB Obligation.* The Authority's annual 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 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	\$ 74,048
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	74,048
Contributions made	(74,048)
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ -

# 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 September 30,	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2012	\$ 36,609	100%	\$ -
2013	75,343	100%	-
2014	74,048	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.

*Funded Status and Funding Progress.* As of September 30, 2013, the most recent actuarial valuation date, the Plan was 83% funded. The actuarial accrued liability for benefits was \$762,856, and the actuarial value of assets was \$630,770, resulting in an unfunded actuarial accrued liability (UAAL) of \$132,086. 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.

## 17. 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.

## 18. 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:

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

	General Fund	Correction and Detention Facilities	Child Care	Nonmajor Funds	Total
<b>Nonspendable</b>					
Inventory	\$ 73,178	\$ -	\$ -	\$ 101,878	\$ 175,056
Prepays	820,212	-	-	65,552	885,764
Long-term advances	1,079,405	-	-	-	1,079,405
<b>Total nonspendable</b>	<b>1,972,795</b>	<b>-</b>	<b>-</b>	<b>167,430</b>	<b>2,140,225</b>
<b>Restricted</b>					
Fire prevention	-	-	-	125,537	125,537
Correction and detention facilities	-	5,440,025	-	-	5,440,025
Senior services	-	-	-	146,679	146,679
Register of deeds automation	-	-	-	1,823,476	1,823,476
Drug forfeiture	-	-	-	774,988	774,988
Grant programs	-	-	-	1,535,385	1,535,385
Veterans' services	-	-	-	15,536	15,536
Community development	-	-	-	56,866	56,866
Unexpended bond proceeds	-	-	-	3,131,950	3,131,950
<b>Total restricted</b>	<b>-</b>	<b>5,440,025</b>	<b>-</b>	<b>7,610,417</b>	<b>13,050,442</b>
<b>Committed</b>					
Economic stabilization	23,861,959	-	-	-	23,861,959
<b>Assigned</b>					
Convention/arena debt service or capital improvements	-	-	-	2,130,695	2,130,695
Children's services	-	-	249,999	-	249,999
Child support enforcement	-	-	-	250,000	250,000
Health services	-	-	-	332,831	332,831
Grant programs	-	-	-	362,142	362,142
Capital projects	-	-	-	7,646,033	7,646,033
Encumbrances	68,871	-	-	-	68,871
<b>Total assigned</b>	<b>68,871</b>	<b>-</b>	<b>249,999</b>	<b>10,721,701</b>	<b>11,040,571</b>
<b>Unassigned</b>	<b>42,936,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,936,312</b>
<b>Total fund balances, governmental funds</b>	<b>\$ 68,839,937</b>	<b>\$ 5,440,025</b>	<b>\$ 249,999</b>	<b>\$ 18,499,548</b>	<b>\$ 93,029,509</b>

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### 19. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of December 31, 2014, was as follows:

	Governmental Activities	Business-type Activities	Component Units
<b>Capital assets:</b>			
Capital assets not being depreciated	\$ 57,675,536	\$ 52,835,883	\$ 6,284,267
Capital assets being depreciated, net	192,843,723	324,913,599	252,233,413
	<u>250,519,259</u>	<u>377,749,482</u>	<u>258,517,680</u>
<b>Related debt:</b>			
Total installment debt	113,027,827	205,615,000	8,590,000
Net bond premium/discount	4,028,825	6,766,915	213,804
Deferred loss on advance refunding	(723,417)	(2,487,691)	(232,701)
Unexpended bond proceeds	(3,131,950)	-	(4,470,654)
Notes payable related to tax settlement	-	(26,400,000)	-
Bonds payable related to capital leases*	-	(635,000)	-
	<u>113,201,285</u>	<u>182,859,224</u>	<u>4,100,449</u>
<b>Net investment in capital assets</b>	<u>\$ 137,317,974</u>	<u>\$ 194,890,258</u>	<u>\$ 254,417,231</u>

\*Certain bonds payable in the DPW enterprise fund were issued to finance construction of infrastructure by other local governments. These entities have pledged their full faith and credit as collateral on these bonds and are responsible for all debt service payments in accordance with contractual agreements. The related assets are deemed to be under ownership of the respective local governments through a capital lease arrangement. Title to the assets will transfer to the local government once repayment of the bonds has been made in full.

### 20. 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 \$1,150,000 with the Michigan Department of Environmental Quality as beneficiaries. The letter of credit has not been drawn on at December 31, 2014. The letter of credit expires on December 3, 2015. The DPW has recorded a liability of \$8,871,485 related to the Kentwood landfill and \$13,099,000 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, 2014 was \$30,928.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### 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 amount paid under the agreement during 2014 was \$363,784, with additions of \$439,774, resulting in the liability as of December 31, 2014 of \$8,871,485, with \$3,174,030 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 \$13,099,000 at December 31, 2014. The liability represents the cumulative amount reported to date based on the use of 65.03% of the estimated capacity of the landfill as of December 31, 2014. The DPW will recognize the remaining estimated cost of the closure and post-closure care of \$7,082,028 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 2008, inflated by 3.5% per year, less expenses paid. The DPW expects the current permitted area of the landfill to be at capacity in 2020 for ash and 2026 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.

The DPW is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The DPW is in compliance with these requirements, and, at December 31, 2014, investments of \$2,107,029 are held for these purposes. These are reported as restricted assets on the balance sheet.

### *Commitments*

#### Department of Public Works

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.

The Department of Public Works' has committed \$8,983,916 of net position related to future maintenance of closed landfill sites, repair and maintenance of waste-to-energy operations, contract retainages for construction projects and debt retirement.

# COUNTY OF KENT, MICHIGAN

## Notes to Financial Statements

### John Ball Zoological Corporation

Effective January 1, 2014, the County executed a lease and operating agreement with the John Ball Zoological Corporation (the "Zoo Corporation"), a nonprofit Corporation, for management of the John Ball Zoo. The County retained ownership of all real property which is being used by the Zoo Corporation for an initial period of 20 years, through December 31, 2034. All personal property and zoo collections, unless otherwise specified in the agreement, became the property of the Zoo Corporation for the term of the agreement. The lease rental rate is \$20 for the entire term of the agreement. The lease is renewable for two additional 20-year periods. As compensation for management and maintenance of the zoological gardens, the County pays an annual management fee to the Zoo Corporation. For the year ended December 31, 2014, management fees paid to the Zoo Corporation totaled \$2,500,000. Future minimum commitments are as follows:

Year Ended December 31,	Amount
2015	\$ 2,400,000
2016	2,250,000
2017	2,000,000
2018	2,000,000
2019	2,000,000
2020-2024	10,000,000
2025-2029	10,000,000
2030-2034	<u>10,000,000</u>
Total	<u>\$ 40,650,000</u>

## 21. SUBSEQUENT EVENTS

### *Delinquent Tax Anticipation Notes*

In May 2015, the County issued \$19,200,000 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).

### *Aeronautics Department Bond Issuances*

On February 19, 2015, the Aeronautics Department issued Airport Revenue Refunding Bonds, Series 2015, in the amount of \$93,930,000 to refund \$101,895,000 of the Airport Revenue Bonds, Series 2007.

On April 9, 2015, the Aeronautics Department issued Airport Revenue Bonds, Series 2015, in the amount of \$14,595,000 to finance a parking deck roof.

# COUNTY OF KENT, MICHIGAN

## ■ Notes to Financial Statements

### *Contract for Financial Management System*

Subsequent to year-end, the County entered into an agreement for implementation of a new financial management system. In addition to an upfront cost of approximately \$1.6 million for configuration of the software, the County has committed to a licensing fee of \$883,000 per year for a period of 5 years. Some of these costs will be offset by a grant through the State of Michigan which will cover approximately \$1.4 million of the cost.



## REQUIRED SUPPLEMENTARY INFORMATION

# COUNTY OF KENT, MICHIGAN

## Required Supplementary Information Employees' Retirement Plan

### Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31, 2014
Total pension liability	
Service cost	\$ 16,145,491
Interest on total pension liability	49,676,858
Benefit payments	(31,099,736)
Refunds	(582,890)
Net change in total pension liability	<u>34,139,723</u>
Total pension liability, beginning of year	<u>717,437,965</u>
Total pension liability, end of year	<u>751,577,688</u>
Plan fiduciary net position	
Employer contributions	8,929,617
Employee contributions	9,209,179
Pension plan net investment income	47,055,073
Benefit payments	(31,099,736)
Pension plan administrative expense	(745,779)
Refunds	(582,890)
Net change in plan fiduciary net position	<u>32,765,464</u>
Plan fiduciary net position, beginning of year	<u>757,005,057</u>
Plan fiduciary net position, end of year	<u>789,770,521</u>
Net pension liability (asset)	<u>\$ (38,192,833)</u>
Plan fiduciary net position as a percentage of total pension liability	105.08%
Covered employee payroll	<u>\$ 91,944,708</u>
Net pension liability as a percentage of covered employee payroll	-41.54%

Note: GASB 67 was implemented in 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

# COUNTY OF KENT, MICHIGAN

## Required Supplementary Information Employees' Retirement Plan

### Schedule of the Net Pension Liability

Year Ended December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as Percentage of Total Pension Liability	Covered <sup>(1)</sup> Payroll	Net Pension Liability as Percentage of Covered Payroll
2014	\$ 751,577,688	\$ 789,770,521	\$ (38,192,833)	105.08%	\$ 91,944,708	-41.54%

Note: GASB 67 was implemented in 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<sup>(1)</sup> Based on covered payroll for the previous calendar year.

# COUNTY OF KENT, MICHIGAN

## Required Supplementary Information Employees' Retirement Plan

### Schedule of Contributions

Year Ended December 31,	Actuarially <sup>(2)</sup> Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered <sup>(1)</sup> Payroll	Actual Contribution as Percentage of Covered
2014	\$ 8,929,617	\$ 8,929,617	\$ -	\$ 91,944,708	9.71%

<sup>(1)</sup> Based on covered payroll for the previous calendar year.

<sup>(2)</sup> The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

Note: GASB 67 was implemented in 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

#### Notes to Schedule of Contributions

Valuation Date: December 31, 2013 (rolled forward to December 31, 2014)  
 Notes: Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	4-year smoothed market
Inflation	4.0%
Salary increases	4.0%-11.0%, including inflation
Investment rate of return	7.0%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to the January 1, 2008 - December 31, 2012 experience study
Mortality	The RP-2000 Combined Healthy Mortality Table for males and females projected to the year 2017 using Scale BB. A margin for future mortality improvement is included in these tables
Cost-of-living adjustment	Varied, depending on union
Other information	There were no assumption or benefit changes during the year

# COUNTY OF KENT, MICHIGAN

## Required Supplementary Information Employees' Retirement Plan

### Schedule of Investment Returns

Year Ended December 31,	Annual <sup>(3)</sup> Return
2014	6.34%

<sup>(3)</sup> Annual money-weighted rate of return, net of investment expenses

Note: GASB 67 was implemented in 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF KENT, MICHIGAN

Required Supplementary Information  
Employees' Retirement Plan

Schedule of Funding Progress  
Single-employer Defined Benefit Pension Trust Fund

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	\$ 589,308,522	\$ 586,765,706	\$ (2,542,816)	100.4%	\$ 94,508,103	-2.7%
12/31/2010	595,338,901	612,634,457	17,295,556	97.2%	92,487,613	18.7%
12/31/2011	614,855,931	650,110,580	35,254,649	94.6%	90,889,046	38.8%
12/31/2012	644,210,465	678,725,155	34,514,690	94.9%	91,209,371	37.8%
12/31/2013	693,348,539	717,437,965	24,089,426	96.6%	91,944,708	26.2%
12/31/2014	746,298,467	743,093,569	(3,204,898)	100.4%	90,602,575	-3.5%

Schedule of Employer Contributions  
Single-employer Defined Benefit Pension Trust Fund

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 5,006,344	100%
2010	6,747,873	100%
2011	8,412,960	100%
2012	8,547,559	100%
2013	9,741,061	100%
2014	8,929,617	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 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)
12/31/2011	\$ 126,394	\$ 377,926	\$ 251,532	33.4%	(4)	(4)
12/31/2012	90,181	352,836	262,655	25.6%	(4)	(4)
12/31/2013	66,657	296,199	229,542	22.5%	(4)	(4)

Schedule of Employer Contributions  
MERS Defined Benefit Pension Plan

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2012	\$ 47,508	100%
2013	47,820	100%
2014	47,508	100%

(4) 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)
12/31/2011	\$ 23,560,886	\$ 22,156,542	\$ (1,404,344)	106.3%	\$ 7,288,516	-19.3%
12/31/2012	24,844,974	23,626,846	(1,218,128)	105.2%	6,938,737	-17.6%
12/31/2013	26,572,042	25,899,434	(672,608)	102.6%	6,410,988	-10.5%

Schedule of Employer Contributions  
MERS Defined Benefit Pension Plan

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2012	\$ 382,224	100%
2013	397,147	100%
2014	481,032	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)
12/31/2012	\$ 12,605,625	\$ 48,975,067	\$ 36,369,442	25.7%	\$ 91,421,357	39.8%
12/31/2013	15,178,339	50,174,616	34,996,277	30.3%	91,589,536	38.2%
12/31/2014	16,705,220	52,899,776	36,194,556	31.6%	90,860,847	39.8%

Schedule of Employer Contributions  
 Other Postemployment Benefits Plan

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2012	\$ 3,587,147	100%
2013	3,227,728	100%
2014	3,412,730	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)
12/31/2008	\$ 241,018	\$ 4,571,518	\$ 4,330,500	5.3%	(5)	(5)
12/31/2010	911,072	4,813,836	3,902,764	18.9%	(5)	(5)
12/31/2012	1,508,557	4,799,746	3,291,189	31.4%	(5)	(5)

Schedule of Employer Contributions  
Other Postemployment Benefits Plan

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2012	\$ 395,389	103%
2013	386,609	125%
2014	361,684	100%

(5) 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	-	(6)	(6)
12/31/2010	323,938	404,876	80,938	80.0%	(6)	(6)
12/31/2013	630,770	762,856	132,086	82.7%	(6)	(6)

Schedule of Employer Contributions  
Other Postemployment Benefits Plan

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2012	\$ 36,609	100%
2013	75,343	100%
2014	74,048	100%

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

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL 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 Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
<b>Taxes:</b>					
Property	\$82,101,565	\$82,101,565	\$83,727,333	\$ 1,625,768	\$82,033,855
Industrial facilities	725,679	725,679	815,900	90,221	798,999
Payment in lieu of taxes	293,390	293,390	74,956	(218,434)	126,054
Trailer tax	50,000	50,000	50,989	989	47,486
Penalties and interest on taxes	140,000	140,000	132,092	(7,908)	146,011
<b>Total taxes</b>	<b>83,310,634</b>	<b>83,310,634</b>	<b>84,801,270</b>	<b>1,490,636</b>	<b>83,152,405</b>
<b>Licenses and permits:</b>					
Marriage licenses	23,900	23,900	24,705	805	24,350
Pistol permits	152,800	152,800	172,366	19,566	213,252
Professional registration	3,000	3,000	2,875	(125)	3,325
Boat livery inspection	400	400	-	(400)	-
<b>Total licenses and permits</b>	<b>180,100</b>	<b>180,100</b>	<b>199,946</b>	<b>19,846</b>	<b>240,927</b>
<b>Intergovernmental:</b>					
State revenue sharing	9,738,483	9,738,483	10,384,212	645,729	9,329,896
State grants	6,413,490	7,225,687	8,116,409	890,722	7,228,281
State grants - other	3,055,900	3,055,900	2,814,018	(241,882)	2,936,645
State cigarette tax	-	-	-	-	23,984
State grants - public safety	121,700	121,700	75,695	(46,005)	228,205
Local units	990,500	990,500	1,078,965	88,465	1,055,708
<b>Total intergovernmental</b>	<b>20,320,073</b>	<b>21,132,270</b>	<b>22,469,299</b>	<b>1,337,029</b>	<b>20,802,719</b>
<b>Charges for services:</b>					
Court fees	3,094,700	3,094,700	2,982,835	(111,865)	3,136,600
Board and care	2,601,600	2,601,600	2,450,066	(151,534)	2,517,291
Real estate transfer tax	2,435,000	2,435,000	3,077,951	642,951	2,791,631
Recording fee	1,902,600	1,902,600	1,466,155	(436,445)	2,010,548
Sales utilities	1,035,000	1,035,000	1,050,324	15,324	1,053,454
Certified copy fee	1,040,100	1,040,100	1,093,865	53,765	1,052,253
Other services	608,800	608,800	668,615	59,815	625,723
Printing services	220,000	220,000	209,257	(10,743)	197,736
Motion fees	69,100	69,100	65,520	(3,580)	68,230
Arrest processing fee	307,910	307,910	324,871	16,961	296,486
Civil fees	548,600	548,600	460,558	(88,042)	520,594
Sales of supplies	39,900	39,900	44,609	4,709	27,443
Commissary	389,142	389,142	302,425	(86,717)	303,781
Jury fees	31,000	31,000	31,555	555	30,900
Probation fees	214,300	214,300	178,602	(35,698)	196,514
Filing fees	146,200	146,200	142,039	(4,161)	146,364
Other charges	13,900	13,900	10,618	(3,282)	9,146

continued...

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
Revenues (continued)					
Charges for services (concluded):					
Park fees	\$ 1,716,100	\$ 1,594,900	\$ 1,704,049	\$ 109,149	\$ 1,828,735
Court bond costs	67,400	67,400	49,790	(17,610)	52,909
Assumed name	25,700	25,700	23,360	(2,340)	23,650
Record copy fees	67,100	67,100	25,351	(41,749)	44,827
Other fees	367,709	367,709	363,215	(4,494)	368,321
Photographic services	40,000	40,000	47,708	7,708	43,117
Service fees	65,200	65,200	66,591	1,391	95,456
Partnership filing and dissolution	3,100	3,100	2,400	(700)	2,830
Tax certificate, history and search	17,400	17,400	16,417	(983)	17,632
Transport services	14,300	14,300	13,179	(1,121)	14,070
Appeal fees	2,300	2,300	1,545	(755)	2,400
Admission fees	1,857,260	26,650	74,634	47,984	1,937,639
Adoption fees	18,700	18,700	14,165	(4,535)	15,643
Scrap sales	500	500	690	190	1,189
Notary bonds	10,450	10,450	8,594	(1,856)	10,936
Clinic fees - Kent Health Plan	777,000	777,000	157,088	(619,912)	192,347
Total charges for services	<u>19,748,071</u>	<u>17,796,261</u>	<u>17,128,641</u>	<u>(667,620)</u>	<u>19,636,395</u>
Fines and forfeitures:					
Fines	69,500	69,500	57,021	(12,479)	65,910
Bond forfeitures	25,600	25,600	54,049	28,449	21,501
Penal fines	8,500	8,500	8,500	-	8,500
Total fines and forfeitures	<u>103,600</u>	<u>103,600</u>	<u>119,570</u>	<u>15,970</u>	<u>95,911</u>
Investment earnings	<u>292,100</u>	<u>292,100</u>	<u>275,759</u>	<u>(16,341)</u>	<u>232,607</u>
Contributions and reimbursements:					
Internal support	3,999,721	4,019,251	4,168,485	149,234	3,596,934
Reimbursements	8,089,051	8,170,122	8,515,668	345,546	8,151,859
Department of Human Services	811,576	811,576	699,654	(111,922)	566,219
Attorney and jury fees	176,900	176,900	241,444	64,544	177,694
Prisoner medical	160,000	160,000	215,636	55,636	253,070
Collection fees - delinquent	42,400	42,400	56,736	14,336	48,982
Collection fees - neglect	34,100	34,100	39,910	5,810	38,326
Total contributions and reimbursements	<u>13,313,748</u>	<u>13,414,349</u>	<u>13,937,533</u>	<u>523,184</u>	<u>12,833,084</u>
Other:					
Vending machines and pay phones	384,000	384,000	360,076	(23,924)	382,420
Cash over and short	200	200	(48)	(248)	46,396
Miscellaneous income	235,397	236,153	154,788	(81,365)	162,778

continued...

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
Revenues (concluded)					
Other (concluded):					
Rent - land	\$ 68,800	\$ 68,800	\$ 71,590	\$ 2,790	\$ 111,655
Rent - building	3,566,640	3,566,640	3,497,261	(69,379)	3,668,483
Rent - other	327,944	351,944	113,898	(238,046)	116,972
Refunds and rebates	5,200	5,200	4,043	(1,157)	4,124
Rent - tract index	21,100	21,100	12,878	(8,222)	38,090
Royalties	2,400	2,400	2,289	(111)	1,841
Total other	<u>4,611,681</u>	<u>4,636,437</u>	<u>4,216,775</u>	<u>(419,662)</u>	<u>4,532,759</u>
Total revenues	<u>141,880,007</u>	<u>140,865,751</u>	<u>143,148,793</u>	<u>2,283,042</u>	<u>141,526,807</u>
Expenditures					
Current:					
General government:					
Information technology	5,233,522	5,233,522	4,777,472	(456,050)	4,803,948
Information technology - courthouse	63,969	63,969	62,566	(1,403)	64,668
Courthouse	7,864,493	7,868,993	7,868,809	(184)	7,701,770
Administrator	1,190,990	1,229,057	1,229,057	-	1,188,581
Clerk/register of deeds	2,816,161	2,764,905	2,757,125	(7,780)	2,749,169
Buildings and grounds - administration	600,721	605,421	605,295	(126)	592,676
Fiscal services	1,591,486	1,582,442	1,571,307	(11,135)	1,586,166
Boiler plant operation	1,300,222	1,300,222	1,209,107	(91,115)	1,140,024
Energy use reduction program	44,100	11,188	11,188	-	34,151
Facilities management	368,281	350,981	328,807	(22,174)	350,272
Cooperative extension	437,090	437,090	437,026	(64)	428,799
Facilities management - cooperative extension	41,511	41,511	38,709	(2,802)	34,650
Equalization	1,509,369	1,492,569	1,400,019	(92,550)	1,387,262
Treasurer	1,073,675	1,069,458	1,026,951	(42,507)	1,020,700
Board of Commissioners	847,729	844,729	812,565	(32,164)	811,029
Human resources	1,721,584	1,719,484	1,575,074	(144,410)	1,510,591
Buildings and grounds - 82 Ionia	894,084	889,584	823,216	(66,368)	822,909
Buildings and grounds - HSC	2,946,119	2,946,119	2,927,586	(18,533)	2,931,833
Drain Commission	590,113	579,580	572,892	(6,688)	554,129
Drains at large	20,000	50,000	45,641	(4,359)	16,526
Purchasing	394,495	394,495	367,608	(26,887)	324,311
Elections	348,744	430,000	429,743	(257)	219,683
Audit	91,500	100,544	100,044	(500)	86,065
Prosecuting attorney	5,903,283	5,903,283	5,815,269	(88,014)	5,818,989
Management studies	343,200	255,847	182,139	(73,708)	108,170
Corporate counsel	45,000	45,000	18,959	(26,041)	34,884
Buildings and grounds - courthouse	138,606	138,606	125,872	(12,734)	131,543
Facilities management - district court	160,520	173,120	171,961	(1,159)	162,283
Central services	632,423	632,423	631,967	(456)	609,044
Fleet services	530,652	530,652	528,418	(2,234)	410,307
Total general government	<u>39,743,642</u>	<u>39,684,794</u>	<u>38,452,392</u>	<u>(1,232,402)</u>	<u>37,635,132</u>

continued...

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
Expenditures (continued)					
Current (continued):					
Public safety:					
Jail	\$34,064,380	\$34,010,920	\$33,216,624	\$ (794,296)	\$33,341,903
Sheriff and road patrol	16,950,482	16,886,084	16,771,736	(114,348)	16,395,790
Township law	4,071,757	4,141,757	4,065,969	(75,788)	3,859,683
E-911	3,673,364	3,703,364	3,694,954	(8,410)	3,588,613
Marine law	218,063	218,063	210,070	(7,993)	205,992
Emergency management	123,875	138,875	132,390	(6,485)	103,020
Total public safety	<u>59,101,921</u>	<u>59,099,063</u>	<u>58,091,743</u>	<u>(1,007,320)</u>	<u>57,495,001</u>
Health and welfare:					
Intergovernmental	5,242,102	6,072,299	5,452,387	(619,912)	5,030,934
Prevention programming	1,505,110	1,505,110	1,480,292	(24,818)	1,502,896
Medical examiners	1,251,224	1,257,919	1,252,788	(5,131)	1,131,234
Department of Human Services	610,300	610,300	586,946	(23,354)	612,174
Soldiers' relief - administration	346,064	346,064	331,392	(14,672)	273,822
Area Agency on Aging	15,525	15,525	15,225	(300)	15,225
Total health and welfare	<u>8,970,325</u>	<u>9,807,217</u>	<u>9,119,030</u>	<u>(688,187)</u>	<u>8,566,285</u>
Cultural and recreation:					
Parks	4,162,689	4,242,807	4,238,732	(4,075)	4,063,967
John Ball Zoological Gardens	4,166,410	2,584,812	2,584,812	-	4,335,309
Total cultural and recreation	<u>8,329,099</u>	<u>6,827,619</u>	<u>6,823,544</u>	<u>(4,075)</u>	<u>8,399,276</u>
Judicial:					
Family court	685,575	787,975	787,583	(392)	687,238
District court	2,283,987	2,299,907	2,124,499	(175,408)	2,128,324
Probate court	1,336,964	1,336,964	1,320,487	(16,477)	1,317,276
Circuit court services	1,478,491	1,516,991	1,516,704	(287)	1,567,614
Circuit court	13,729,792	13,588,892	13,588,731	(161)	13,497,640
Probation - district court	445,488	445,488	439,458	(6,030)	436,583
Probation - circuit court	43,993	43,993	29,464	(14,529)	26,478
Law library	21,400	21,400	21,347	(53)	14,704
Jury commission	496	496	272	(224)	108
Legal assistance center	42,500	42,500	42,500	-	42,500
Total judicial	<u>20,068,686</u>	<u>20,084,606</u>	<u>19,871,045</u>	<u>(213,561)</u>	<u>19,718,465</u>

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COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
Expenditures (concluded)					
Current (concluded):					
Community and economic development:					
Economic development	\$ 92,500	\$ 92,500	\$ 85,000	\$ (7,500)	\$ 85,000
ACSET	65,000	65,000	65,000	-	65,000
Total community and economic development	<u>157,500</u>	<u>157,500</u>	<u>150,000</u>	<u>(7,500)</u>	<u>150,000</u>
Total expenditures	<u>136,371,173</u>	<u>135,660,799</u>	<u>132,507,754</u>	<u>(3,153,045)</u>	<u>131,964,159</u>
Revenues over expenditures	<u>5,508,834</u>	<u>5,204,952</u>	<u>10,641,039</u>	<u>5,436,087</u>	<u>9,562,648</u>
Other financing sources (uses)					
Transfers in	19,450,000	19,450,000	17,571,637	(1,878,363)	19,133,552
Transfers out	(31,638,634)	(31,383,055)	(28,202,719)	3,180,336	(28,779,251)
Proceeds from sale of capital assets	179,800	179,800	157,044	(22,756)	93,698
Total other financing sources (uses)	<u>(12,008,834)</u>	<u>(11,753,255)</u>	<u>(10,474,038)</u>	<u>1,279,217</u>	<u>(9,552,001)</u>
Net change in fund balance	(6,500,000)	(6,548,303)	167,001	6,715,304	10,647
Fund balance, beginning of year	<u>68,672,936</u>	<u>68,672,936</u>	<u>68,672,936</u>	<u>-</u>	<u>68,662,289</u>
Fund balance, end of year	<u>\$62,172,936</u>	<u>\$62,124,633</u>	<u>\$68,839,937</u>	<u>\$ 6,715,304</u>	<u>\$68,672,936</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.

*Senior Millage Fund* - accounts for the proceeds of a dedicated millage levied to plan, coordinate, evaluate and provide services to persons 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.

*Veterans Millage Fund* - accounts for the proceeds of a dedicated millage levied to plan, coordinate, evaluate and provide services to qualified veterans.

*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.

*Continuum of Care Fund* - accounts for the administration of the Continuum of Care grant through the U.S. Department of Housing and Urban Development. Funding is primarily provided to two subrecipients.

# 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 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 Human Services Complex is supported by a lease with the State of Michigan and the City of Grand Rapids.

### 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, 2014			
	Special Revenue Funds			
	Fire Prevention (206)	Lodging Excise Tax (229)	Senior Millage (251)	Register of Deeds Automation (256)
<b>Assets</b>				
Cash, investments, and accrued interest	\$ 127,426	\$ 890,332	\$ 985,106	\$ 1,868,281
Receivables, net:				
Accounts	-	473,300	509,304	-
Property taxes	-	-	9,078,001	-
Due from other governments	-	-	-	-
Loans	-	-	-	-
Due from other funds	-	935,000	-	-
Due from component units	-	-	-	-
Inventories	-	-	-	-
Prepays	-	-	-	-
<b>Total assets</b>	<u>\$ 127,426</u>	<u>\$ 2,298,632</u>	<u>\$ 10,572,411</u>	<u>\$ 1,868,281</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,845	\$ 164,182	\$ 550,990	\$ 39,021
Accrued liabilities	44	3,755	-	5,784
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>1,889</u>	<u>167,937</u>	<u>550,990</u>	<u>44,805</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent period	-	-	9,874,742	-
Unavailable revenue - loans receivable	-	-	-	-
Unavailable revenue - Medicaid receivable	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>9,874,742</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	125,537	-	146,679	1,823,476
Assigned	-	2,130,695	-	-
<b>Total fund balances</b>	<u>125,537</u>	<u>2,130,695</u>	<u>146,679</u>	<u>1,823,476</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 127,426</u>	<u>\$ 2,298,632</u>	<u>\$ 10,572,411</u>	<u>\$ 1,868,281</u>

December 31, 2014			
Special Revenue Funds			
Central Dispatch Collection (261)	Drug Forfeiture (265)	Veterans Millage (295)	Special Projects Calendar Year-end (296)
\$ 659,395	\$ 946,987	\$ 80,480	\$ 1,907,637
717,812	-	-	10,000
-	-	907,002	-
253,298	-	-	316,710
-	-	-	-
-	-	-	79,528
-	-	-	15,409
-	-	-	-
-	-	-	-
<u>\$ 1,630,505</u>	<u>\$ 946,987</u>	<u>\$ 987,482</u>	<u>\$ 2,329,284</u>
\$ 1,630,505	\$ 159,108	\$ -	\$ 140,725
-	12,634	-	111,781
-	-	-	-
-	257	-	176,833
-	-	-	5,948
-	-	-	7,221
<u>1,630,505</u>	<u>171,999</u>	<u>-</u>	<u>442,508</u>
-	-	987,474	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>987,474</u>	<u>-</u>
-	-	-	-
-	774,988	8	1,524,634
-	-	-	362,142
<u>-</u>	<u>774,988</u>	<u>8</u>	<u>1,886,776</u>
<u>\$ 1,630,505</u>	<u>\$ 946,987</u>	<u>\$ 987,482</u>	<u>\$ 2,329,284</u>

continued...

COUNTY OF KENT, MICHIGAN

**Combining Balance Sheet**  
Nonmajor Governmental Funds

	September 30, 2014			
	Special Revenue Funds			
	Friend of the Court (215)	Health (221)	Special Projects Fiscal Year-end (297)	Veterans' Trust (294)
<b>Assets</b>				
Cash, investments, and accrued interest	\$ -	\$ -	\$ 20,968	\$ 23,977
Receivables, net:				
Accounts	1,866	6,158,227	326	-
Property taxes	-	-	-	-
Due from other governments	1,003,479	-	758,965	-
Loans	-	-	-	-
Due from other funds	150,068	517,299	266,223	-
Due from component units	-	-	-	-
Inventories	-	150,861	-	-
Prepays	-	15,285	-	-
<b>Total assets</b>	<u>\$ 1,155,413</u>	<u>\$ 6,841,672</u>	<u>\$ 1,046,482</u>	<u>\$ 23,977</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,842	\$ 711,668	\$ 64,230	\$ 8,449
Accrued liabilities	160,051	407,031	54,654	-
Due to other governments	-	-	-	-
Due to other funds	736,520	2,528,081	915,917	-
Due to component units	-	-	-	-
Unearned revenue	-	94,898	930	-
<b>Total liabilities</b>	<u>905,413</u>	<u>3,741,678</u>	<u>1,035,731</u>	<u>8,449</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent period	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-
Unavailable revenue - Medicaid receivable	-	2,650,000	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>2,650,000</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	-	117,163	-	-
Restricted	-	-	10,751	15,528
Assigned	250,000	332,831	-	-
<b>Total fund balances</b>	<u>250,000</u>	<u>449,994</u>	<u>10,751</u>	<u>15,528</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,155,413</u>	<u>\$ 6,841,672</u>	<u>\$ 1,046,482</u>	<u>\$ 23,977</u>

June 30, 2014		December 31, 2014			
Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
Community Development (280)	Continuum of Care (282)	Debt Service (345)	Building Authority (350)	Capital Improvement Program (245)	Bond Capital Improvement (445)
\$ -	\$ -	\$ -	\$ -	\$ 8,019,764	\$ 2,934,663
5,833	-	-	-	-	-
-	-	-	-	-	-
900,785	1,258,754	-	-	-	-
2,439,899	-	-	-	-	-
-	-	-	-	72,348	1,755
-	-	-	-	-	-
-	-	-	-	-	-
-	-	49,167	1,100	-	-
<u>\$ 3,346,517</u>	<u>\$ 1,258,754</u>	<u>\$ 49,167</u>	<u>\$ 1,100</u>	<u>\$ 8,092,112</u>	<u>\$ 2,936,418</u>
\$ 278,136	\$ 890	\$ -	\$ -	\$ 427,596	\$ 58,893
12,891	-	-	-	-	-
812	254	-	-	-	-
557,913	1,257,610	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,483	-
<u>849,752</u>	<u>1,258,754</u>	<u>-</u>	<u>-</u>	<u>446,079</u>	<u>58,893</u>
-	-	-	-	-	-
2,439,899	-	-	-	-	-
-	-	-	-	-	-
<u>2,439,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	49,167	1,100	-	-
56,866	-	-	-	-	2,877,525
-	-	-	-	7,646,033	-
<u>56,866</u>	<u>-</u>	<u>49,167</u>	<u>1,100</u>	<u>7,646,033</u>	<u>2,877,525</u>
<u>\$ 3,346,517</u>	<u>\$ 1,258,754</u>	<u>\$ 49,167</u>	<u>\$ 1,100</u>	<u>\$ 8,092,112</u>	<u>\$ 2,936,418</u>

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COUNTY OF KENT, MICHIGAN

**Combining Balance Sheet**  
Nonmajor Governmental Funds

	December 31, 2014		
	Capital Projects Funds	Permanent Fund	
	Building Authority Construction (450)	Dickenson Trust (711)	Total
<b>Assets</b>			
Cash, investments, and accrued interest	\$ -	\$ -	\$ 18,465,016
Receivables, net:			
Accounts	-	-	7,876,668
Property taxes	-	-	9,985,003
Due from other governments	-	-	4,491,991
Loans	-	-	2,439,899
Due from other funds	750,000	-	2,772,221
Due from component units	-	-	15,409
Inventories	-	-	150,861
Prepays	-	-	65,552
<b>Total assets</b>	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 46,262,620</u>
<b>Liabilities</b>			
Accounts payable	\$ 106,870	\$ -	\$ 4,351,950
Accrued liabilities	-	-	768,625
Due to other governments	-	-	1,066
Due to other funds	388,705	-	6,561,836
Due to component units	-	-	5,948
Unearned revenue	-	-	121,532
<b>Total liabilities</b>	<u>495,575</u>	<u>-</u>	<u>11,810,957</u>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent period	-	-	10,862,216
Unavailable revenue - loans receivable	-	-	2,439,899
Unavailable revenue - Medicaid receivable	-	-	2,650,000
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>15,952,115</u>
<b>Fund balances</b>			
Nonspendable	-	-	167,430
Restricted	254,425	-	7,610,417
Assigned	-	-	10,721,701
<b>Total fund balances</b>	<u>254,425</u>	<u>-</u>	<u>18,499,548</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 46,262,620</u>

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COUNTY OF KENT, MICHIGAN

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

	For the Year Ended December 31, 2014			
	Special Revenue Funds			
	Fire Prevention (206)	Lodging Excise Tax (229)	Senior Millage (251)	Register of Deeds Automation (256)
<b>Revenues</b>				
Taxes	\$ -	\$ 7,660,224	\$ 6,291,852	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	242,679	-	-	-
Charges for services	-	32	-	492,191
Fines and forfeitures	-	14,020	-	-
Investment earnings	484	12,532	12,776	7,706
Contributions and reimbursements	145,352	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>388,515</b>	<b>7,686,808</b>	<b>6,304,628</b>	<b>499,897</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	512,750
Public safety	597,162	-	-	-
Health and welfare	-	-	6,368,638	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	7,615,266	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>597,162</b>	<b>7,615,266</b>	<b>6,368,638</b>	<b>512,750</b>
<b>Revenues over (under) expenditures</b>	<b>(208,647)</b>	<b>71,542</b>	<b>(64,010)</b>	<b>(12,853)</b>
<b>Other financing sources (uses)</b>				
Transfers in	204,564	935,000	-	-
Transfers out	-	-	-	-
Issuance of long-term debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on issuance of refunding debt	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	25,600	-	-	3,200
<b>Total other financing sources (uses)</b>	<b>230,164</b>	<b>935,000</b>	<b>-</b>	<b>3,200</b>
<b>Net change in fund balances</b>	<b>21,517</b>	<b>1,006,542</b>	<b>(64,010)</b>	<b>(9,653)</b>
<b>Fund balances, beginning of year</b>	<b>104,020</b>	<b>1,124,153</b>	<b>210,689</b>	<b>1,833,129</b>
<b>Fund balances, end of year</b>	<b>\$ 125,537</b>	<b>\$ 2,130,695</b>	<b>\$ 146,679</b>	<b>\$ 1,823,476</b>

For the Year Ended December 31, 2014

Special Revenue Funds

Central Dispatch Collection (261)	Drug Forfeiture (265)	Veterans Millage (295)	Special Projects Calendar Year-end (296)
\$ -	\$ -	\$ -	\$ -
-	-	-	69,255
-	-	-	842,881
3,897,283	-	-	149,901
-	303,208	-	-
1,852	3,219	8	5,315
-	-	-	2,239,731
-	-	-	44,518
<u>3,899,135</u>	<u>306,427</u>	<u>8</u>	<u>3,351,601</u>
-	-	-	448,707
3,899,135	489,477	-	2,971,984
-	-	-	-
-	-	-	-
-	-	-	84,989
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,899,135</u>	<u>489,477</u>	<u>-</u>	<u>3,505,680</u>
-	(183,050)	8	(154,079)
-	-	-	111,421
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>111,421</u>
-	(183,050)	8	(42,658)
-	958,038	-	1,929,434
<u>\$ -</u>	<u>\$ 774,988</u>	<u>\$ 8</u>	<u>\$ 1,886,776</u>

continued...

COUNTY OF KENT, MICHIGAN

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

	For the Year Ended September 30, 2014			
	Special Revenue Funds			
	Friend of the Court (215)	Health (221)	Special Projects Fiscal Year-end (297)	Veterans' Trust (294)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	1,900,486	-	-
Intergovernmental	5,802,217	9,293,834	3,158,619	150,006
Charges for services	831,588	1,026,280	-	-
Fines and forfeitures	5,521	113,555	78,243	-
Investment earnings	-	-	61	-
Contributions and reimbursements	-	5,827,273	531	-
Other	-	618,237	2,500	-
<b>Total revenues</b>	<b>6,639,326</b>	<b>18,779,665</b>	<b>3,239,954</b>	<b>150,006</b>
<b>Expenditures</b>				
Current:				
General government	-	-	16,065	-
Public safety	-	-	760,997	-
Health and welfare	-	22,974,065	5,255	138,304
Culture and recreation	-	-	-	-
Judicial	8,306,054	-	3,130,316	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>8,306,054</b>	<b>22,974,065</b>	<b>3,912,633</b>	<b>138,304</b>
<b>Revenues over (under) expenditures</b>	<b>(1,666,728)</b>	<b>(4,194,400)</b>	<b>(672,679)</b>	<b>11,702</b>
<b>Other financing sources (uses)</b>				
Transfers in	1,816,796	4,544,394	669,981	-
Transfers out	-	-	-	-
Issuance of long-term debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on issuance of refunding debt	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,816,796</b>	<b>4,544,394</b>	<b>669,981</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>150,068</b>	<b>349,994</b>	<b>(2,698)</b>	<b>11,702</b>
<b>Fund balances, beginning of year</b>	<b>99,932</b>	<b>100,000</b>	<b>13,449</b>	<b>3,826</b>
<b>Fund balances, end of year</b>	<b>\$ 250,000</b>	<b>\$ 449,994</b>	<b>\$ 10,751</b>	<b>\$ 15,528</b>

For the Year Ended June 30, 2014		For the Year Ended December 31, 2014			
Special Revenue Funds		Debt Service Funds		Capital Projects Funds	
Community Development (280)	Continuum of Care (282)	Debt Service (345)	Building Authority (350)	Capital Improvement Program (245)	Bond Capital Improvement (445)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,534,854	1,147,161	-	696,693	285,058	-
-	-	-	-	-	-
-	-	-	-	-	-
55,277	-	-	-	74,513	1,667
-	-	-	9,490,543	1,392,217	72,189
<u>2,590,131</u>	<u>1,147,161</u>	<u>-</u>	<u>10,187,236</u>	<u>1,751,788</u>	<u>73,856</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,625,688	1,147,161	-	-	-	-
-	-	1,611,723	5,325,000	45,318	-
-	-	649,809	4,966,365	231	-
-	-	99,860	-	-	12,688
-	-	-	-	4,687,130	1,881,454
<u>2,625,688</u>	<u>1,147,161</u>	<u>2,361,392</u>	<u>10,291,365</u>	<u>4,732,679</u>	<u>1,894,142</u>
<u>(35,557)</u>	<u>-</u>	<u>(2,361,392)</u>	<u>(104,129)</u>	<u>(2,980,891)</u>	<u>(1,820,286)</u>
-	-	2,367,364	105,229	4,849,889	-
-	-	-	-	(1,688,453)	-
-	-	-	-	-	4,697,811
-	-	4,460,000	-	-	-
-	-	443,943	-	-	-
-	-	(4,860,748)	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>2,410,559</u>	<u>105,229</u>	<u>3,161,436</u>	<u>4,697,811</u>
<u>(35,557)</u>	<u>-</u>	<u>49,167</u>	<u>1,100</u>	<u>180,545</u>	<u>2,877,525</u>
<u>92,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,465,488</u>	<u>-</u>
<u>\$ 56,866</u>	<u>\$ -</u>	<u>\$ 49,167</u>	<u>\$ 1,100</u>	<u>\$ 7,646,033</u>	<u>\$ 2,877,525</u>

continued...

COUNTY OF KENT, MICHIGAN

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

	For the Year Ended December 31, 2014		
	Capital Projects Funds	Permanent Fund	
	Building Authority Construction (450)	Dickenson Trust (711)	Total
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 13,952,076
Licenses and permits	-	-	1,969,741
Intergovernmental	-	-	24,154,002
Charges for services	-	-	6,397,275
Fines and forfeitures	-	-	514,547
Investment earnings	434	163	46,217
Contributions and reimbursements	-	-	8,342,677
Other	-	-	11,620,204
<b>Total revenues</b>	<b>434</b>	<b>163</b>	<b>66,996,739</b>
<b>Expenditures</b>			
Current:			
General government	-	-	977,522
Public safety	-	-	8,718,755
Health and welfare	-	-	29,486,262
Culture and recreation	-	116,544	116,544
Judicial	-	-	11,521,359
Community and economic development	-	-	11,388,115
Debt service:			
Principal	-	-	6,982,041
Interest and fiscal charges	-	-	5,616,405
Bond issuance costs	-	-	112,548
Capital outlay	756,623	-	7,325,207
<b>Total expenditures</b>	<b>756,623</b>	<b>116,544</b>	<b>82,244,758</b>
Revenues over (under) expenditures	(756,189)	(116,381)	(15,248,019)
<b>Other financing sources (uses)</b>			
Transfers in	750,000	-	16,354,638
Transfers out	(105,229)	-	(1,793,682)
Issuance of long-term debt	-	-	4,697,811
Issuance of refunding debt	-	-	4,460,000
Premium on issuance of refunding debt	-	-	443,943
Payment to refunding bond escrow agent	-	-	(4,860,748)
Proceeds from sale of capital assets	-	-	28,800
<b>Total other financing sources (uses)</b>	<b>644,771</b>	<b>-</b>	<b>19,330,762</b>
<b>Net change in fund balances</b>	<b>(111,418)</b>	<b>(116,381)</b>	<b>4,082,743</b>
Fund balances, beginning of year	365,843	116,381	14,416,805
<b>Fund balances, end of year</b>	<b>\$ 254,425</b>	<b>\$ -</b>	<b>\$ 18,499,548</b>

concluded

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Fire Prevention Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	235,906	235,906	242,679	6,773	130,108
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	100	100	484	384	919
Contributions and reimbursements	142,000	142,000	145,352	3,352	238,809
Other	-	-	-	-	-
<b>Total revenues</b>	<b>378,006</b>	<b>378,006</b>	<b>388,515</b>	<b>10,509</b>	<b>369,836</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	596,047	616,047	597,162	(18,885)	693,464
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>596,047</b>	<b>616,047</b>	<b>597,162</b>	<b>(18,885)</b>	<b>693,464</b>
Revenues over (under) expenditures	(218,041)	(238,041)	(208,647)	29,394	(323,628)
<b>Other financing sources (uses)</b>					
Transfers in	204,564	204,564	204,564	-	156,135
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	10,000	10,000	25,600	15,600	24,300
<b>Total other financing sources (uses)</b>	<b>214,564</b>	<b>214,564</b>	<b>230,164</b>	<b>15,600</b>	<b>180,435</b>
Net change in fund balances	(3,477)	(23,477)	21,517	44,994	(143,193)
Fund balances, beginning of year	104,020	104,020	104,020	-	247,213
Fund balances, end of year	\$ 100,543	\$ 80,543	\$ 125,537	\$ 44,994	\$ 104,020

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Lodging Excise Tax Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ 7,203,522	\$ 7,203,522	\$ 7,660,224	\$ 456,702	\$ 6,897,106
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	500	500	32	(468)	361
Fines and forfeitures	1,000	1,000	14,020	13,020	3,736
Investment earnings	10,000	10,000	12,532	2,532	10,652
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>7,215,022</b>	<b>7,215,022</b>	<b>7,686,808</b>	<b>471,786</b>	<b>6,911,855</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	7,646,514	7,646,514	7,615,266	(31,248)	7,260,338
<b>Total expenditures</b>	<b>7,646,514</b>	<b>7,646,514</b>	<b>7,615,266</b>	<b>(31,248)</b>	<b>7,260,338</b>
Revenues over (under) expenditures	(431,492)	(431,492)	71,542	503,034	(348,483)
<b>Other financing sources (uses)</b>					
Transfers in	1,303,000	935,000	935,000	-	348,483
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,303,000</b>	<b>935,000</b>	<b>935,000</b>	<b>-</b>	<b>348,483</b>
Net change in fund balances	871,508	503,508	1,006,542	503,034	-
Fund balances, beginning of year	1,124,153	1,124,153	1,124,153	-	1,124,153
Fund balances, end of year	\$ 1,995,661	\$ 1,627,661	\$ 2,130,695	\$ 503,034	\$ 1,124,153

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Senior Millage Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ 6,275,295	\$ 6,275,295	\$ 6,291,852	\$ 16,557	\$ 6,247,773
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	7,000	7,000	12,776	5,776	12,099
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>6,282,295</b>	<b>6,282,295</b>	<b>6,304,628</b>	<b>22,333</b>	<b>6,259,872</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	6,469,482	6,469,482	6,368,638	(100,844)	6,342,320
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>6,469,482</b>	<b>6,469,482</b>	<b>6,368,638</b>	<b>(100,844)</b>	<b>6,342,320</b>
Revenues over (under) expenditures	(187,187)	(187,187)	(64,010)	123,177	(82,448)
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(187,187)	(187,187)	(64,010)	123,177	(82,448)
Fund balances, beginning of year	210,689	210,689	210,689	-	293,137
Fund balances, end of year	\$ 23,502	\$ 23,502	\$ 146,679	\$ 123,177	\$ 210,689

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Register of Deeds Automation Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	650,000	650,000	492,191	(157,809)	657,055
Fines and forfeitures	-	-	-	-	-
Investment earnings	5,000	5,000	7,706	2,706	6,499
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>655,000</b>	<b>655,000</b>	<b>499,897</b>	<b>(155,103)</b>	<b>663,554</b>
<b>Expenditures</b>					
Current:					
General government	647,655	647,655	512,750	(134,905)	518,775
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>647,655</b>	<b>647,655</b>	<b>512,750</b>	<b>(134,905)</b>	<b>518,775</b>
Revenues over (under) expenditures	7,345	7,345	(12,853)	(20,198)	144,779
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	3,200	3,200	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,200</b>	<b>3,200</b>	<b>-</b>
Net change in fund balances	7,345	7,345	(9,653)	(16,998)	144,779
Fund balances, beginning of year	1,833,129	1,833,129	1,833,129	-	1,688,350
Fund balances, end of year	<u>\$ 1,840,474</u>	<u>\$ 1,840,474</u>	<u>\$ 1,823,476</u>	<u>\$ (16,998)</u>	<u>\$ 1,833,129</u>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Central Dispatch Collection Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	4,200,000	4,200,000	3,897,283	(302,717)	3,903,341
Fines and forfeitures	-	-	-	-	-
Investment earnings	10,000	10,000	1,852	(8,148)	1,827
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>4,210,000</b>	<b>4,210,000</b>	<b>3,899,135</b>	<b>(310,865)</b>	<b>3,905,168</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	4,210,000	4,210,000	3,899,135	(310,865)	3,905,168
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>4,210,000</b>	<b>4,210,000</b>	<b>3,899,135</b>	<b>(310,865)</b>	<b>3,905,168</b>
Revenues over (under) expenditures	-	-	-	-	-
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Drug Forfeiture Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	531,601	531,601	303,208	(228,393)	289,643
Investment earnings	-	-	3,219	3,219	2,468
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>531,601</b>	<b>531,601</b>	<b>306,427</b>	<b>(225,174)</b>	<b>292,111</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	528,767	528,767	489,477	(39,290)	171,790
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>528,767</b>	<b>528,767</b>	<b>489,477</b>	<b>(39,290)</b>	<b>171,790</b>
<b>Revenues over (under) expenditures</b>	<b>2,834</b>	<b>2,834</b>	<b>(183,050)</b>	<b>(185,884)</b>	<b>120,321</b>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,834</b>	<b>2,834</b>	<b>(183,050)</b>	<b>(185,884)</b>	<b>120,321</b>
<b>Fund balances, beginning of year</b>	<b>958,038</b>	<b>958,038</b>	<b>958,038</b>	<b>-</b>	<b>837,717</b>
<b>Fund balances, end of year</b>	<b>\$ 960,872</b>	<b>\$ 960,872</b>	<b>\$ 774,988</b>	<b>\$ (185,884)</b>	<b>\$ 958,038</b>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Veterans Millage Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	8	8	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8</b>	<b>\$ 8</b>	<b>\$ -</b>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Special Projects - Calendar Year-End Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	63,000	63,000	69,255	6,255	67,290
Intergovernmental	374,763	856,059	842,881	(13,178)	1,892,466
Charges for services	160,000	160,000	149,901	(10,099)	151,095
Fines and forfeitures	-	-	-	-	-
Investment earnings	450	450	5,315	4,865	5,164
Contributions and reimbursements	2,024,615	2,318,726	2,239,731	(78,995)	2,440,369
Other	4,000	4,000	44,518	40,518	4,000
<b>Total revenues</b>	<b>2,626,828</b>	<b>3,402,235</b>	<b>3,351,601</b>	<b>(50,634)</b>	<b>4,560,384</b>
<b>Expenditures</b>					
Current:					
General government	397,011	517,486	448,707	(68,779)	1,718,876
Public safety	2,573,327	3,264,638	2,971,984	(292,654)	2,852,090
Health and welfare	-	-	-	-	-
Cultural and recreation	5,000	-	-	-	75,506
Judicial	133,986	84,989	84,989	-	37,659
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>3,109,324</b>	<b>3,867,113</b>	<b>3,505,680</b>	<b>(361,433)</b>	<b>4,684,131</b>
Revenues over (under) expenditures	(482,496)	(464,878)	(154,079)	310,799	(123,747)
<b>Other financing sources (uses)</b>					
Transfers in	35,000	132,226	111,421	(20,805)	97,180
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>35,000</b>	<b>132,226</b>	<b>111,421</b>	<b>(20,805)</b>	<b>97,180</b>
<b>Net change in fund balances</b>	<b>(447,496)</b>	<b>(332,652)</b>	<b>(42,658)</b>	<b>289,994</b>	<b>(26,567)</b>
Fund balances, beginning of year	1,929,434	1,929,434	1,929,434	-	1,956,001
<b>Fund balances, end of year</b>	<b>\$ 1,481,938</b>	<b>\$ 1,596,782</b>	<b>\$ 1,886,776</b>	<b>\$ 289,994</b>	<b>\$ 1,929,434</b>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Friend of the Court Fund

For the Year Ended September 30, 2014

(With Comparative Totals for the Year Ended September 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	5,940,898	5,940,898	5,802,217	(138,681)	5,855,526
Charges for services	761,000	761,000	831,588	70,588	784,834
Fines and forfeitures	2,000	2,000	5,521	3,521	4,020
Investment earnings	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>6,703,898</b>	<b>6,703,898</b>	<b>6,639,326</b>	<b>(64,572)</b>	<b>6,644,380</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	8,567,010	8,567,010	8,306,054	(260,956)	8,433,601
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>8,567,010</b>	<b>8,567,010</b>	<b>8,306,054</b>	<b>(260,956)</b>	<b>8,433,601</b>
Revenues over (under) expenditures	(1,863,112)	(1,863,112)	(1,666,728)	196,384	(1,789,221)
<b>Other financing sources (uses)</b>					
Transfers in	1,863,112	1,863,112	1,816,796	(46,316)	1,789,221
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,863,112</b>	<b>1,863,112</b>	<b>1,816,796</b>	<b>(46,316)</b>	<b>1,789,221</b>
Net change in fund balances	-	-	150,068	150,068	-
Fund balances, beginning of year	99,932	99,932	99,932	-	99,932
Fund balances, end of year	\$ 99,932	\$ 99,932	\$ 250,000	\$ 150,068	\$ 99,932

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Health Fund

For the Year Ended September 30, 2014

(With Comparative Totals for the Year Ended September 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,665,128	1,846,031	1,900,486	54,455	1,740,218
Intergovernmental	9,544,967	9,888,846	9,293,834	(595,012)	9,389,838
Charges for services	1,062,007	1,067,007	1,026,280	(40,727)	1,027,370
Fines and forfeitures	123,000	123,000	113,555	(9,445)	129,141
Investment earnings	-	-	-	-	-
Contributions and reimbursements	4,736,474	4,494,665	5,827,273	1,332,608	5,051,573
Other	660,526	660,526	618,237	(42,289)	721,813
<b>Total revenues</b>	<b>17,792,102</b>	<b>18,080,075</b>	<b>18,779,665</b>	<b>699,590</b>	<b>18,059,953</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	24,696,317	24,978,417	22,974,065	(2,004,352)	23,095,981
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>24,696,317</b>	<b>24,978,417</b>	<b>22,974,065</b>	<b>(2,004,352)</b>	<b>23,095,981</b>
Revenues over (under) expenditures	(6,904,215)	(6,898,342)	(4,194,400)	2,703,942	(5,036,028)
<b>Other financing sources (uses)</b>					
Transfers in	6,304,214	6,304,214	4,544,394	(1,759,820)	4,861,022
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,304,214</b>	<b>6,304,214</b>	<b>4,544,394</b>	<b>(1,759,820)</b>	<b>4,861,022</b>
Net change in fund balances	(600,001)	(594,128)	349,994	944,122	(175,006)
Fund balances, beginning of year	100,000	100,000	100,000	-	275,006
Fund balances, end of year	\$ (500,001)	\$ (494,128)	\$ 449,994	\$ 944,122	\$ 100,000

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Special Projects - Fiscal Year-End Fund

For the Year Ended September 30, 2014

(With Comparative Totals for the Year Ended September 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	3,013,276	3,281,968	3,158,619	(123,349)	3,020,976
Charges for services	-	-	-	-	-
Fines and forfeitures	74,840	74,840	78,243	3,403	72,859
Investment earnings	-	-	61	61	67
Contributions and reimbursements	1,000	1,000	531	(469)	475
Other	2,500	2,500	2,500	-	2,500
<b>Total revenues</b>	<b>3,091,616</b>	<b>3,360,308</b>	<b>3,239,954</b>	<b>(120,354)</b>	<b>3,096,877</b>
<b>Expenditures</b>					
Current:					
General government	-	16,065	16,065	-	45,011
Public safety	546,684	772,488	760,997	(11,491)	596,904
Health and welfare	2,571	5,255	5,255	-	2,941
Cultural and recreation	-	-	-	-	-
Judicial	3,219,554	3,264,803	3,130,316	(134,487)	3,145,541
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>3,768,809</b>	<b>4,058,611</b>	<b>3,912,633</b>	<b>(145,978)</b>	<b>3,790,397</b>
Revenues over (under) expenditures	(677,193)	(698,303)	(672,679)	25,624	(693,520)
<b>Other financing sources (uses)</b>					
Transfers in	677,122	695,547	669,981	(25,566)	693,137
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>677,122</b>	<b>695,547</b>	<b>669,981</b>	<b>(25,566)</b>	<b>693,137</b>
Net change in fund balances	(71)	(2,756)	(2,698)	58	(383)
Fund balances, beginning of year	13,449	13,449	13,449	-	13,832
Fund balances, end of year	\$ 13,378	\$ 10,693	\$ 10,751	\$ 58	\$ 13,449

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Veterans' Trust Fund

For the Year Ended September 30, 2014

(With Comparative Totals for the Year Ended September 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	175,000	175,000	150,006	(24,994)	145,918
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>175,000</b>	<b>175,000</b>	<b>150,006</b>	<b>(24,994)</b>	<b>145,918</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	175,000	175,000	138,304	(36,696)	145,918
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	-	-	-	-	-
<b>Total expenditures</b>	<b>175,000</b>	<b>175,000</b>	<b>138,304</b>	<b>(36,696)</b>	<b>145,918</b>
Revenues over (under) expenditures	-	-	11,702	11,702	-
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	11,702	11,702	-
Fund balances, beginning of year	3,826	3,826	3,826	-	3,826
Fund balances, end of year	<u>\$ 3,826</u>	<u>\$ 3,826</u>	<u>\$ 15,528</u>	<u>\$ 11,702</u>	<u>\$ 3,826</u>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Community Development Fund

For the Year Ended June 30, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	2,232,633	2,570,593	2,534,854	(35,739)	2,172,249
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	45,000	55,095	55,277	182	158,730
Other	-	-	-	-	-
<b>Total revenues</b>	<b>2,277,633</b>	<b>2,625,688</b>	<b>2,590,131</b>	<b>(35,557)</b>	<b>2,330,979</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	2,277,633	2,625,688	2,625,688	-	2,330,990
<b>Total expenditures</b>	<b>2,277,633</b>	<b>2,625,688</b>	<b>2,625,688</b>	<b>-</b>	<b>2,330,990</b>
Revenues over (under) expenditures	-	-	(35,557)	(35,557)	(11)
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	(35,557)	(35,557)	(11)
Fund balances, beginning of year	92,423	92,423	92,423	-	92,434
Fund balances, end of year	\$ 92,423	\$ 92,423	\$ 56,866	\$ (35,557)	\$ 92,423

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual

Continuum of Care Fund

For the Year Ended June 30, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	2013 Actual
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,398,494	1,398,494	1,147,161	(251,333)	1,055,614
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>1,398,494</b>	<b>1,398,494</b>	<b>1,147,161</b>	<b>(251,333)</b>	<b>1,055,614</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	-
Community and economic development	1,398,494	1,398,494	1,147,161	(251,333)	1,055,614
<b>Total expenditures</b>	<b>1,398,494</b>	<b>1,398,494</b>	<b>1,147,161</b>	<b>(251,333)</b>	<b>1,055,614</b>
Revenues over (under) expenditures	-	-	-	-	-
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

### Debt Service Funds

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Debt Service		Building Authority Debt Service	
	2014	2013	2014	2013
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 696,693	\$ 708,790
Investment earnings	-	-	-	(1,198)
Other	-	-	9,490,543	9,298,491
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>10,187,236</u>	<u>10,006,083</u>
<b>Expenditures</b>				
Debt service:				
Principal	1,611,723	1,116,020	5,325,000	5,135,000
Interest and fiscal charges	649,809	736,237	4,966,365	5,174,735
Bond issuance costs	99,860	-	-	-
<b>Total expenditures</b>	<u>2,361,392</u>	<u>1,852,257</u>	<u>10,291,365</u>	<u>10,309,735</u>
Revenues under expenditures	<u>(2,361,392)</u>	<u>(1,852,257)</u>	<u>(104,129)</u>	<u>(303,652)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,367,364	1,852,257	105,229	48,316
Issuance of refunding debt	4,460,000	-	-	-
Premium on issuance of refunding debt	443,943	-	-	-
Payment to refunding bond escrow agent	(4,860,748)	-	-	-
<b>Total other financing sources (uses)</b>	<u>2,410,559</u>	<u>1,852,257</u>	<u>105,229</u>	<u>48,316</u>
<b>Net change in fund balances</b>	<u>49,167</u>	<u>-</u>	<u>1,100</u>	<u>(255,336)</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,336</u>
<b>Fund balances, end of year</b>	<u>\$ 49,167</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ -</u>

# COUNTY OF KENT, MICHIGAN

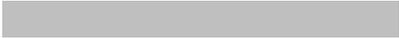
## Schedule of Revenues, Expenditures and Changes in Fund Balances

### Capital Projects Funds

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Capital Improvement Program		Bond Capital Improvement	
	2014	2013	2014	2013
<b>Revenues</b>				
Intergovernmental	\$ 285,058	\$ 62,500	\$ -	\$ -
Investment earnings	-	-	1,667	18,288
Contributions and reimbursements	74,513	68,055	-	-
Other revenues	1,392,217	1,111,766	72,189	-
<b>Total revenues</b>	<b>1,751,788</b>	<b>1,242,321</b>	<b>73,856</b>	<b>18,288</b>
<b>Expenditures</b>				
Debt service:				
Principal	45,318	265,556	-	-
Interest and fiscal charges	231	7,735	-	-
Bond issuance costs	-	-	12,688	-
Capital outlay	4,687,130	2,732,952	1,881,454	8,277
<b>Total expenditures</b>	<b>4,732,679</b>	<b>3,006,243</b>	<b>1,894,142</b>	<b>8,277</b>
Revenues over (under) expenditures	(2,980,891)	(1,763,922)	(1,820,286)	10,011
<b>Other financing sources (uses)</b>				
Transfers in	4,849,889	4,863,904	-	-
Transfers out	(1,688,453)	(948,609)	-	(20,314)
Issuance of long-term debt	-	-	4,697,811	-
<b>Total other financing sources (uses)</b>	<b>3,161,436</b>	<b>3,915,295</b>	<b>4,697,811</b>	<b>(20,314)</b>
Net change in fund balances	180,545	2,151,373	2,877,525	(10,303)
Fund balances, beginning of year	7,465,488	5,314,115	-	10,303
Fund balances, end of year	<u>\$ 7,646,033</u>	<u>\$ 7,465,488</u>	<u>\$ 2,877,525</u>	<u>\$ -</u>



**Building Authority  
Construction**

**2014**                      **2013**

\$                      -                      \$                      -  
                         434                      29,314  
                         -                                      -  
                         -                      79,843

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                         434                      109,157

                         -                                      -  
                         -                                      -  
                         -                                      -  
                         756,623                      4,033,805

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                         756,623                      4,033,805

---

                         (756,189)                      (3,924,648)

                         750,000                                      -  
                         (105,229)                      (59,550)  
                         -                                      -

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                         644,771                      (59,550)

                         (111,418)                      (3,984,198)

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                         365,843                      4,350,041

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**\$                      254,425                      \$                      365,843**

# COUNTY OF KENT, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Permanent Fund

For the Year Ended December 31, 2014

(With Comparative Totals for the Year Ended December 31, 2013)

	Dickenson Trust	
	2014	2013
Revenues		
Investment earnings	\$ 163	\$ 426
Expenditures		
Current:		
Culture and recreation	116,544	-
Net change in fund balances	(116,381)	426
Fund balance, beginning of year	116,381	115,955
Fund balance, end of year	\$ -	\$ 116,381

## COUNTY OF KENT, MICHIGAN

### Internal Service Funds

#### Employee Benefits 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 Workers' compensation self-insurance.

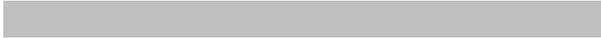
# COUNTY OF KENT, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

December 31, 2014

	Employee Benefits		
	Health	Dental	Unemployment
<b>Assets</b>			
Cash, investments, and accrued interest	\$ 5,090,559	\$ 326,569	\$ 275,037
Accounts receivable, net	185,034	-	-
Due from other governments	-	-	-
Due from other funds	31,423	-	-
Prepays	-	-	-
<b>Total assets (all current)</b>	<b>5,307,016</b>	<b>326,569</b>	<b>275,037</b>
<b>Liabilities</b>			
Accounts payable	204,584	-	103,523
Accrued liabilities	1,318,000	70,758	-
Due to other funds	167,280	-	-
<b>Total liabilities (all current)</b>	<b>1,689,864</b>	<b>70,758</b>	<b>103,523</b>
<b>Net position</b>			
Unrestricted	<u>\$ 3,617,152</u>	<u>\$ 255,811</u>	<u>\$ 171,514</u>



Risk Management		
Property and Liability	Workers' Compensation	Total
\$ 383,017	\$ 1,123,788	\$ 7,198,970
52,955	432,759	670,748
17,424	-	17,424
-	-	31,423
477,485	-	477,485
<hr/>	<hr/>	<hr/>
930,881	1,556,547	8,396,050
<hr/>	<hr/>	<hr/>
33,361	1,950	343,418
366,079	1,024,459	2,779,296
-	-	167,280
<hr/>	<hr/>	<hr/>
399,440	1,026,409	3,289,994
<hr/>	<hr/>	<hr/>
<u>\$ 531,441</u>	<u>\$ 530,138</u>	<u>\$ 5,106,056</u>

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Internal Service Funds For the Year Ended December 31, 2014

	Employee Benefits		
	Health	Dental	Unemployment
Operating revenues			
Charges for services	\$ 16,797,888	\$ 1,318,067	\$ 123,686
Operating expenses			
Salaries and fringes	-	-	-
Contractual services	-	36,572	-
Benefit payments and refunds	19,874,146	1,340,733	103,523
Other	-	-	-
Total operating expenses	19,874,146	1,377,305	103,523
Operating income (loss)	(3,076,258)	(59,238)	20,163
Nonoperating revenues			
Investment earnings	27,694	1,078	857
Intergovernmental revenues	-	-	-
Total nonoperating revenues	27,694	1,078	857
Change in net position	(3,048,564)	(58,160)	21,020
Net position, beginning of year	6,665,716	313,971	150,494
Net position, end of year	\$ 3,617,152	\$ 255,811	\$ 171,514



Risk Management		
Property and Liability	Workers' Compensation	Total
<u>\$ 1,746,656</u>	<u>\$ 1,368,345</u>	<u>\$ 21,354,642</u>
89,920	-	89,920
28,077	28,860	93,509
189,215	651,580	22,159,197
<u>1,080,756</u>	<u>76,701</u>	<u>1,157,457</u>
<u>1,387,968</u>	<u>757,141</u>	<u>23,500,083</u>
<u>358,688</u>	<u>611,204</u>	<u>(2,145,441)</u>
4,264	2,637	36,530
<u>17,424</u>	<u>-</u>	<u>17,424</u>
<u>21,688</u>	<u>2,637</u>	<u>53,954</u>
380,376	613,841	(2,091,487)
<u>151,065</u>	<u>(83,703)</u>	<u>7,197,543</u>
<u>\$ 531,441</u>	<u>\$ 530,138</u>	<u>\$ 5,106,056</u>

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2014

	Employee Benefits		
	Health	Dental	Unemployment
Cash flows from operating activities			
Receipts from customers and users	\$ 16,810,447	\$ 1,318,067	\$ 123,686
Payments to vendors	-	(36,572)	(28,705)
Payments for personnel services	-	-	-
Benefit payments	<u>(19,444,794)</u>	<u>(1,326,979)</u>	<u>(103,523)</u>
Net cash provided by (used in) operating activities	(2,634,347)	(45,484)	(8,542)
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	-
Cash flows from investing activities			
Interest received on investments	<u>27,694</u>	<u>1,078</u>	<u>857</u>
Net increase (decrease) in cash and cash equivalents	(2,606,653)	(44,406)	(7,685)
Cash and cash equivalents, beginning of year	<u>7,697,212</u>	<u>370,975</u>	<u>282,722</u>
Cash and cash equivalents, end of year	<u>\$ 5,090,559</u>	<u>\$ 326,569</u>	<u>\$ 275,037</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (3,076,258)	\$ (59,238)	\$ 20,163
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in:			
Accounts receivable	14,143	-	-
Due from other governments	-	-	-
Due from other funds	(31,423)	-	-
Prepays	-	-	-
Accounts payable	148,094	-	(28,705)
Accrued liabilities	145,401	13,754	-
Due to other funds	167,280	-	-
Unearned revenue	<u>(1,584)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (2,634,347)</u>	<u>\$ (45,484)</u>	<u>\$ (8,542)</u>



Risk Management		
Property and Liability	Workers' Compensation	Total
\$ 2,747,076	\$ 1,449,641	\$ 22,448,917
(1,509,617)	(26,910)	(1,601,804)
(89,920)	-	(89,920)
(786,210)	(803,652)	(22,465,158)
<u>361,329</u>	<u>619,079</u>	<u>(1,707,965)</u>
17,424	-	17,424
<u>4,264</u>	<u>2,637</u>	<u>36,530</u>
383,017	621,716	(1,654,011)
<u>-</u>	<u>502,072</u>	<u>8,852,981</u>
<u>\$ 383,017</u>	<u>\$ 1,123,788</u>	<u>\$ 7,198,970</u>
\$ 358,688	\$ 611,204	\$ (2,145,441)
1,017,344	81,296	1,112,783
(16,924)	-	(16,924)
-	-	(31,423)
(69,431)	-	(69,431)
(154,589)	1,950	(33,250)
(596,995)	(75,371)	(513,211)
(176,764)	-	(9,484)
-	-	(1,584)
<u>\$ 361,329</u>	<u>\$ 619,079</u>	<u>\$ (1,707,965)</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 postemployment healthcare 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, 2014

	Trust and Agency	Library Penal Fine Fund (721)	Total
<b>Assets</b>			
Cash, investments, and accrued interest	\$ 4,522,574	\$ 638,335	\$ 5,160,909
Accounts receivable	6,250	-	6,250
<b>Total assets</b>	<b>\$ 4,528,824</b>	<b>\$ 638,335</b>	<b>\$ 5,167,159</b>
<b>Liabilities</b>			
Accounts payable	\$ 2,327,961	\$ -	\$ 2,327,961
Due to other governments	2,200,863	-	2,200,863
Undistributed collections	-	638,335	638,335
<b>Total liabilities</b>	<b>\$ 4,528,824</b>	<b>\$ 638,335</b>	<b>\$ 5,167,159</b>

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
<i>Trust and Agency Fund</i>				
<b>Assets</b>				
Cash, investments and accrued interest	\$ 3,734,419	\$ 200,816,691	\$ (200,028,536)	\$ 4,522,574
Accounts receivable	-	6,250	-	6,250
<b>Total assets</b>	<u>\$ 3,734,419</u>	<u>\$ 200,822,941</u>	<u>\$ (200,028,536)</u>	<u>\$ 4,528,824</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,202,148	\$ 63,341,914	\$ (63,216,101)	\$ 2,327,961
Due to other governments	1,532,271	137,481,027	(136,812,435)	2,200,863
<b>Total liabilities</b>	<u>\$ 3,734,419</u>	<u>\$ 200,822,941</u>	<u>\$ (200,028,536)</u>	<u>\$ 4,528,824</u>
<i>Library Penal Fine</i>				
<b>Assets</b>				
Cash, investments and accrued interest	\$ 587,109	\$ 1,943,771	\$ (1,892,545)	\$ 638,335
<b>Liabilities</b>				
Undistributed collections	\$ 587,109	\$ 1,943,771	\$ (1,892,545)	\$ 638,335
<i>Total All Agency Funds</i>				
<b>Assets</b>				
Cash, investments and accrued interest	\$ 4,321,528	\$ 202,760,462	\$ (201,921,081)	\$ 5,160,909
Accounts receivable	-	6,250	-	6,250
<b>Total assets</b>	<u>\$ 4,321,528</u>	<u>\$ 202,766,712</u>	<u>\$ (201,921,081)</u>	<u>\$ 5,167,159</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,202,148	\$ 63,341,914	\$ (63,216,101)	\$ 2,327,961
Due to other governments	1,532,271	137,481,027	(136,812,435)	2,200,863
Undistributed collections	587,109	1,943,771	(1,892,545)	638,335
<b>Total liabilities</b>	<u>\$ 4,321,528</u>	<u>\$ 202,766,712</u>	<u>\$ (201,921,081)</u>	<u>\$ 5,167,159</u>

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Fiduciary Net Position

Pension and Other Postemployment Benefits Trust Funds

December 31, 2014

	Pension Trust Fund	VEBA Trust Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 22	\$ 281,788	\$ 281,810
Receivables	1,602,302	84,317	1,686,619
Due from brokers	39,579	-	39,579
Investments, at fair value:			
U.S. government obligations	37,303,633	-	37,303,633
U.S. government agency obligations	32,608,380	-	32,608,380
Municipal obligations	596,861	-	596,861
Corporate obligations	38,109,986	-	38,109,986
Common stock	334,588,953	-	334,588,953
Foreign obligations	5,656,825	-	5,656,825
Foreign common stock	6,589,837	-	6,589,837
Money market funds	13,500,103	-	13,500,103
Domestic equity mutual funds	-	7,201,004	7,201,004
International equity mutual funds	142,035,847	2,825,028	144,860,875
Domestic fixed income mutual funds	-	4,026,205	4,026,205
International fixed income mutual funds	85,939,101	2,293,129	88,232,230
Real estate securities	64,979,148	-	64,979,148
Mortgage-backed securities fund	27,749,985	-	27,749,985
Total investments	<u>789,658,659</u>	<u>16,345,366</u>	<u>806,004,025</u>
Total assets	<u>791,300,562</u>	<u>16,711,471</u>	<u>808,012,033</u>
<b>Liabilities</b>			
Accounts payable	1,213,468	6,250	1,219,718
Due to brokers	316,573	-	316,573
Total liabilities	<u>1,530,041</u>	<u>6,250</u>	<u>1,536,291</u>
<b>Net position</b>			
Restricted for:			
Employees' pension benefits	789,770,521	-	789,770,521
Other postemployment benefits	-	16,705,221	16,705,221
Total net position	<u>\$ 789,770,521</u>	<u>\$ 16,705,221</u>	<u>\$ 806,475,742</u>

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Changes in Fiduciary Net Position

Pension and Other Postemployment Benefits Trust Funds

For the Year Ended December 31, 2014

	Pension Trust Fund	VEBA Trust Fund	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 8,929,617	\$ 1,674,191	\$ 10,603,808
Plan members	9,209,179	-	9,209,179
<b>Total contributions</b>	<b>18,138,796</b>	<b>1,674,191</b>	<b>19,812,987</b>
Investment income:			
Net increase in fair value of securities	37,203,009	733,576	37,936,585
Interest	3,861,965	370,021	4,231,986
Dividends	10,584,639	-	10,584,639
Net increase in fair value of investments	51,649,613	1,103,597	52,753,210
Investment expense	(4,594,540)	(48,575)	(4,643,115)
Net investment income	47,055,073	1,055,022	48,110,095
Other income	-	34,177	34,177
<b>Total additions</b>	<b>65,193,869</b>	<b>2,763,390</b>	<b>67,957,259</b>
<b>Deductions</b>			
Benefit payments	31,099,736	1,205,658	32,305,394
Administrative expenses	745,779	30,850	776,629
Refunds of contributions	582,890	-	582,890
<b>Total deductions</b>	<b>32,428,405</b>	<b>1,236,508</b>	<b>33,664,913</b>
<b>Change in net position</b>	<b>32,765,464</b>	<b>1,526,882</b>	<b>34,292,346</b>
Net position, beginning of year	757,005,057	15,178,339	772,183,396
<b>Net position, end of year</b>	<b>\$ 789,770,521</b>	<b>\$ 16,705,221</b>	<b>\$ 806,475,742</b>

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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, 2014

	Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
<b>Assets</b>				
Cash, investments, and accrued interest	\$ 2,070,745	\$ 8,406	\$ 4,630,730	\$ 6,709,881
Accounts receivable	349,972	-	37,560	387,532
Special assessments receivable	4,341,707	-	-	4,341,707
Notes receivable	353,644	-	-	353,644
Due from other funds	138,435	-	96,754	235,189
Due from primary government	5,948	-	-	5,948
<b>Total assets</b>	<b>\$ 7,260,451</b>	<b>\$ 8,406</b>	<b>\$ 4,765,044</b>	<b>\$ 12,033,901</b>
<b>Liabilities</b>				
Accounts payable	\$ 18,487	\$ -	\$ 116,380	\$ 134,867
Due to other funds	96,754	-	138,435	235,189
Due to primary government	1,102,884	-	539	1,103,423
Advances from primary government	796,149	-	-	796,149
<b>Total liabilities</b>	<b>2,014,274</b>	<b>-</b>	<b>255,354</b>	<b>2,269,628</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessment receivable	4,341,707	-	-	4,341,707
<b>Fund balances</b>				
Restricted	-	8,406	4,509,690	4,518,096
Unassigned	904,470	-	-	904,470
<b>Total fund balances</b>	<b>904,470</b>	<b>8,406</b>	<b>4,509,690</b>	<b>5,422,566</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,260,451</b>	<b>\$ 8,406</b>	<b>\$ 4,765,044</b>	<b>\$ 12,033,901</b>

# COUNTY OF KENT, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Component Units  
Drainage Districts Component Unit  
December 31, 2014

Fund balances - total governmental funds \$ 5,422,566

Amounts reported for the *component unit* in the statement of net position 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	2,360,443
Capital assets being depreciated, net	6,414,009

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

Deferred special assessments receivable	4,341,707
-----------------------------------------	-----------

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	(8,590,000)
Unamortized loss on bond refunding	232,701
Unamortized bond premiums	(213,804)
Accrued interest on bonds payable	(47,977)

Net position of component unit \$ 9,919,645

# COUNTY OF KENT, MICHIGAN

## Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Drainage Districts Component Unit

For the Year Ended December 31, 2014

	Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
<b>Revenues</b>				
Intergovernmental:				
Operating grants	\$ 622,214	\$ 1,336,616	\$ -	\$ 1,958,830
Capital grants	311,800	-	37,560	349,360
Investment earnings	15,694	106	1,476	17,276
<b>Total revenues</b>	<b>949,708</b>	<b>1,336,722</b>	<b>39,036</b>	<b>2,325,466</b>
<b>Expenditures</b>				
Current:				
General government	1,787,061	-	147,685	1,934,746
Debt service:				
Principal	-	1,190,000	-	1,190,000
Interest and fiscal charges	26,307	203,226	-	229,533
Bond issuance costs	-	-	106,045	106,045
<b>Total expenditures</b>	<b>1,813,368</b>	<b>1,393,226</b>	<b>253,730</b>	<b>3,460,324</b>
Revenues under expenditures	(863,660)	(56,504)	(214,694)	(1,134,858)
<b>Other financing sources</b>				
Issuance of long-term debt	-	-	4,550,000	4,550,000
Premium on issuance of long-term debt	-	-	174,384	174,384
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>4,724,384</b>	<b>4,724,384</b>
Change in fund balances	(863,660)	(56,504)	4,509,690	3,589,526
Fund balances, beginning of year	1,768,130	64,910	-	1,833,040
Fund balances, end of year	<u>\$ 904,470</u>	<u>\$ 8,406</u>	<u>\$ 4,509,690</u>	<u>\$ 5,422,566</u>

# COUNTY OF KENT, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Component Units  
Drainage Districts Component Unit  
For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds	\$ 3,589,526
Amounts reported for the <i>component unit</i> 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	(1,191,820)
Capital assets purchased/constructed	592,043
Special 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 inflows of resources for special assessments receivable	(921,997)
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 position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Issuance of long-term debt	(4,550,000)
Premium on issuance of long-term debt	(174,384)
Principal payments on long-term liabilities	1,190,000
Amortization of deferred loss on bond refunding	(39,891)
Amortization of bond premium	7,612
Change in accrued interest payable on bonds payable	<u>(14,273)</u>
Change in net position of component unit	<u>\$ (1,513,184)</u>

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## STATISTICAL SECTION

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# 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 1 - 4	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.	202
Revenue Capacity Tables 5 - 8	These schedules contain information to help the reader assess the County’s ability to generate its most significant local revenue source, the property tax.	214
Debt Capacity Tables 9 - 13	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.	222
Demographic and Economic Information Tables 14 - 15	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.	231
Operating Information Tables 16 - 18	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.	234

# COUNTY OF KENT, MICHIGAN

## Net Position By Component Last Ten Fiscal Years (Unaudited)

<i>December 31,</i>	2014	2013	2012 <sup>(2)</sup>	2011 <sup>(1)</sup>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 137,317,974	\$ 134,749,571	\$ 132,497,037	\$ 132,742,530
Restricted	15,008,391	14,939,951	13,656,864	14,617,082
Unrestricted	84,106,474	83,654,458	84,608,441	83,495,633
<b>Total Governmental Activities Net Position</b>	<b>236,432,839</b>	<b>233,343,980</b>	<b>230,762,342</b>	<b>230,855,245</b>
<b>Business-type Activities</b>				
Net investment in capital assets	194,890,258	187,333,318	187,567,730	193,838,321
Restricted	36,074,751	33,112,338	29,953,688	26,260,691
Unrestricted	80,190,415	74,976,292	76,767,194	67,636,081
<b>Total Business-type Activities Net Position</b>	<b>311,155,424</b>	<b>295,421,948</b>	<b>294,288,612</b>	<b>287,735,093</b>
<b>Primary Government</b>				
Net investment in capital assets	332,208,232	322,082,889	320,064,767	326,580,851
Restricted	51,083,142	48,052,289	43,610,552	40,877,773
Unrestricted	164,296,889	158,630,750	161,375,635	151,131,714
<b>Total Primary Government Net Position</b>	<b>\$ 547,588,263</b>	<b>\$ 528,765,928</b>	<b>\$ 525,050,954</b>	<b>\$ 518,590,338</b>

<sup>(1)</sup> Beginning with 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.

<sup>(2)</sup> GASB 63 and 65 were implemented for the fiscal year ended December 31, 2012. This resulted in a change renaming net assets to net position and invested in capital assets, net of related debt to net investment in capital assets. As a result of implementation, bond issuance costs have been eliminated. Prior years were not restated retroactively.

Table 1

2010	2009	2008	2007	2006	2005
\$ 130,574,184	\$ 124,406,333	\$ 120,022,939	\$ 103,894,486	\$ 96,409,218	\$ 98,744,808
13,959,733	29,791,970	39,499,648	46,349,239	57,708,162	40,098,992
79,994,060	75,934,640	78,401,982	92,212,892	114,035,051	142,941,550
224,527,977	230,132,943	237,924,569	242,456,617	268,152,431	281,785,350
150,726,758	155,703,788	147,664,798	147,817,960	139,941,301	134,898,921
18,096,071	16,131,724	23,170,948	32,124,846	19,906,872	17,212,982
36,573,287	32,377,357	30,377,312	11,410,270	19,563,414	20,826,246
205,396,116	204,212,869	201,213,058	191,353,076	179,411,587	172,938,149
281,300,942	280,110,121	267,687,737	251,712,446	236,350,519	233,643,729
32,055,804	45,923,694	62,670,596	78,474,085	77,615,034	57,311,974
116,567,347	108,311,997	108,779,294	103,623,162	133,598,465	163,767,796
\$ 429,924,093	\$ 434,345,812	\$ 439,137,627	\$ 433,809,693	\$ 447,564,018	\$ 454,723,499

# COUNTY OF KENT, MICHIGAN

## Changes in Net Position Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2014	2013	2012	2011 <sup>(2)</sup>
<b>Primary Government Expenses</b>				
Governmental activities:				
General government	\$ 37,821,762	\$ 37,897,662	\$ 39,423,751	\$ 30,356,607
Public safety	72,136,071	72,186,534	71,235,993	66,779,986
Health and welfare	69,449,438	68,667,812	70,824,320	70,988,245
Cultural and recreation	9,346,586	10,603,153	9,927,214	8,768,185
Judicial	33,157,928	33,382,950	33,390,049	32,241,005
Community and economic development	11,568,226	10,800,313	11,176,196	13,559,429
Other	-	-	-	-
Interest and fiscal charges	5,445,115	5,642,451	5,867,337	6,101,253
<b>Total governmental activities expenses</b>	<b>238,925,126</b>	<b>239,180,875</b>	<b>241,844,860</b>	<b>228,794,710</b>
Business-type activities:				
Airport operations	43,499,655	43,890,966	41,996,655	41,834,242
Public works	30,359,452	28,914,109	30,657,439	31,874,739
Delinquent tax collection and administration	677,818	842,489	842,964	1,121,577
<b>Total business-type activities expenses</b>	<b>74,536,925</b>	<b>73,647,564</b>	<b>73,497,058</b>	<b>74,830,558</b>
<b>Total Primary Government Expenses</b>	<b>\$ 313,462,051</b>	<b>\$ 312,828,439</b>	<b>\$ 315,341,918</b>	<b>\$ 303,625,268</b>
<b>Primary Government Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 14,080,877	\$ 14,465,624	\$ 13,443,601	\$ 10,570,786
Public safety	14,857,858	9,232,063	9,115,580	9,138,839
Health and welfare	3,673,754	3,554,912	3,850,232	3,943,509
Cultural and recreation	2,032,421	4,078,062	3,781,659	3,245,124
Judicial	5,168,180	5,324,415	5,046,223	5,052,987
Community and economic development <sup>(1)</sup>	17,252	6,597	3,024	8,044
Interest and fiscal charges	-	-	-	-
Operating grants and contributions	72,012,278	77,011,338	73,849,257	74,819,127
Capital grants and contributions	155,712	1,697,906	4,754,422	-
<b>Total governmental activities program revenues</b>	<b>111,998,332</b>	<b>115,370,917</b>	<b>113,843,998</b>	<b>106,778,416</b>

Table 2

2010	2009	2008	2007	2006	2005
\$ 26,435,503	\$ 30,553,856	\$ 31,603,070	\$ 30,715,392	\$ 33,044,877	\$ 24,221,861
65,967,470	65,311,001	61,541,132	61,820,092	60,791,321	55,035,399
73,265,722	75,920,077	79,053,890	67,398,243	68,722,400	64,184,200
9,046,460	10,438,955	10,564,874	10,908,497	10,654,481	10,085,949
33,183,859	33,714,785	33,909,661	37,918,708	36,135,271	34,524,297
11,699,242	8,610,844	8,309,138	8,938,749	7,786,170	8,078,754
-	-	-	-	-	4,529,422
6,363,990	5,087,411	4,828,237	3,923,717	4,220,750	4,077,894
225,962,246	229,636,929	229,810,002	221,623,398	221,355,270	204,737,776
43,166,627	32,700,498	32,924,141	32,158,720	30,477,307	30,466,240
-	-	-	-	-	-
1,167,236	2,093,417	3,386,474	3,835,069	2,651,225	2,096,996
44,333,863	34,793,915	36,310,615	35,993,789	33,128,532	32,563,236
\$ 270,296,109	\$ 264,430,844	\$ 266,120,617	\$ 257,617,187	\$ 254,483,802	\$ 237,301,012
\$ 11,057,765	\$ 13,325,506	\$ 11,964,871	\$ 10,442,953	\$ 11,091,664	\$ 10,579,432
8,100,498	10,319,160	7,129,578	5,541,173	4,455,010	5,086,162
4,038,117	3,121,195	3,582,603	2,904,437	2,964,002	3,571,498
3,084,844	3,030,945	3,000,206	2,761,743	2,529,807	2,076,803
5,314,414	4,881,481	4,700,056	8,248,727	8,126,787	7,783,152
137,914	55,649	5,020,032			
-	-	-	109,200	109,200	92,755
68,206,234	61,715,322	66,512,692	57,302,372	55,468,854	55,885,777
-	-	-	232,500	-	-
99,939,786	96,449,258	101,910,038	87,543,105	84,745,324	85,075,579

continued...

# COUNTY OF KENT, MICHIGAN

## Changes in Net Position Last Ten Fiscal Years (Unaudited)

<i>Fiscal year Ended December 31,</i>	2014	2013	2012	2011 <sup>(2)</sup>
<b>Business-type activities:</b>				
Charges for services:				
Airport operations:				
Passenger airlines	\$ 11,475,779	\$ 10,267,491	\$ 10,899,720	\$ 10,296,427
Ground transportation	14,276,394	13,305,649	11,806,870	12,331,820
Car rental agencies	3,544,348	3,474,840	3,071,542	3,179,463
Cargo airlines	2,493,862	2,459,388	2,638,184	2,420,444
Other	4,052,047	3,682,551	3,456,829	3,401,526
Public works:				
Charges for services	32,014,002	30,245,817	30,533,380	33,334,823
Intergovernmental	-	-	-	111,160
Scrap and other	-	-	489,643	688,439
Delinquent tax:				
County processing fees	-	-	(1,333,409)	(53,033)
Interest and penalties on delinquent taxes	2,939,949	2,959,361	3,661,297	2,972,340
Collection fees	799,609	947,053	1,757,222	1,229,113
Title search fees	531,125	602,350	910,123	529,552
Auction proceeds	543,764	677,589	477,279	(258,270)
Other	269,288	256,054	561,301	243,165
Operating grants and contributions	408,902	344,591	435,676	483,823
Capital grants and contributions	21,434,625	10,710,724	15,452,306	7,618,724
<b>Total business-type activities program revenues</b>	<b>94,783,694</b>	<b>79,933,458</b>	<b>84,817,963</b>	<b>78,529,516</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 206,782,026</b>	<b>\$ 195,304,375</b>	<b>\$ 198,661,961</b>	<b>\$ 185,307,932</b>
<b>Primary Government Net (Expense) Revenue</b>				
Governmental activities	\$ (126,926,794)	\$ (123,809,958)	\$ (128,000,862)	\$ (122,016,294)
Business-type activities	20,246,769	6,285,894	11,320,905	3,698,958
<b>Total Primary Government Net Expense</b>	<b>\$ (106,680,025)</b>	<b>\$ (117,524,064)</b>	<b>\$ (116,679,957)</b>	<b>\$ (118,317,336)</b>

Table 2

	2010	2009	2008	2007	2006	2005
\$	11,298,424	\$ 10,254,216	\$ 10,908,082	\$ 10,037,191	\$ 9,892,673	\$ 9,702,981
	11,524,855	7,472,711	8,120,649	8,850,851	8,936,391	8,353,592
	3,520,866	2,682,714	3,052,669	2,787,726	2,626,383	2,486,382
	2,522,360	2,446,231	2,559,502	2,323,568	2,455,920	2,521,443
	3,115,577	3,167,571	3,098,092	2,930,173	2,932,357	3,019,687
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	170,369	110,318	77,565	357,294	1,473,301	(43,639)
	3,828,661	3,858,112	3,542,146	2,917,454	1,191,399	1,761,678
	1,293,082	1,383,842	1,283,523	1,051,201	849,385	795,215
	485,763	537,106	499,164	409,513	443,099	281,761
	889,082	730,656	218,883	279,724	189,899	94,951
	215,235	238,327	222,401	188,760	164,845	148,012
	147,823	428,769	897,872	-	-	-
	11,605,612	6,817,849	11,908,036	13,950,972	7,501,924	5,460,864
	50,617,709	40,128,422	46,388,584	46,084,427	38,657,576	34,582,927
\$	150,557,495	\$ 136,577,680	\$ 148,298,622	\$ 133,627,532	\$ 123,402,900	\$ 119,658,506
\$	(126,022,460)	\$ (133,187,671)	\$ (127,899,964)	\$ (134,080,293)	\$ (136,609,946)	\$ (119,662,197)
	6,283,846	5,334,507	10,077,969	10,090,638	5,529,044	2,019,691
\$	(119,738,614)	\$ (127,853,164)	\$ (117,821,995)	\$ (123,989,655)	\$ (131,080,902)	\$ (117,642,506)

continued...

# COUNTY OF KENT, MICHIGAN

## Changes in Net Position Last Ten Fiscal Years (Unaudited)

<i>Fiscal year Ended December 31,</i>	2014	2013	2012	2011 <sup>(2)</sup>
<b>Primary Government General Revenues and Other Changes in Net Position</b>				
<b>Governmental activities:</b>				
Property taxes	\$ 106,210,619	\$ 104,454,749	\$ 104,359,631	\$ 107,247,129
Lodging excise taxes	7,660,224	6,897,106	6,597,840	5,803,776
State revenue sharing	10,384,212	9,329,896	9,214,573	10,225,945
Unrestricted investment earnings	412,719	407,043	513,042	698,556
Gain on sale of capital assets	-	-	-	-
Other revenues	142,328	198,649	92,547	(284,009)
Transfers	5,205,551	5,104,153	6,096,980	4,652,165
<b>Total governmental activities</b>	<b>130,015,653</b>	<b>126,391,596</b>	<b>126,874,613</b>	<b>128,343,562</b>
<b>Business-type activities:</b>				
Unrestricted investment earnings	93,639	90,392	127,387	150,538
Gain on sale of capital assets	93,068	477,050	22,793	49,731
Transfers	(4,700,000)	(5,720,000)	(5,203,000)	(5,000,000)
<b>Total business-type activities</b>	<b>(4,513,293)</b>	<b>(5,152,558)</b>	<b>(5,052,820)</b>	<b>(4,799,731)</b>
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<b>\$ 125,502,360</b>	<b>\$ 121,239,038</b>	<b>\$ 121,821,793</b>	<b>\$ 123,543,831</b>
<b>Primary Government Change in Net Position Before Extraordinary Item</b>				
Governmental activities	\$ 3,088,859	\$ 2,581,638	\$ (1,126,249)	\$ 6,327,268
Business-type activities	15,733,476	1,133,336	6,268,085	(1,100,773)
<b>Extraordinary item</b>	<b>-</b>	<b>-</b>	<b>1,754,167</b>	<b>-</b>
<b>Total Primary Government Change in Net Position</b>	<b>\$ 18,822,335</b>	<b>\$ 3,714,974</b>	<b>\$ 6,896,003</b>	<b>\$ 5,226,495</b>

<sup>(1)</sup> Community and economic development has been added as an expenditure classification for the year ended December 31, 2008. Prior years were not restated retroactively.

<sup>(2)</sup> Beginning with 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.

Table 2

2010	2009	2008	2007	2006	2005
\$ 109,494,305	\$ 114,056,854	\$ 113,016,895	\$ 112,901,271	\$ 107,138,345	\$ 101,002,949
4,923,974	4,684,675	-	5,550,225	5,248,031	4,945,095
-	-	-	-	-	-
620,987	3,263,310	6,520,264	8,324,687	7,761,856	4,471,294
-	-	31,682	-	-	117,031
197,132	308,448	163,444	-	-	-
5,181,096	3,082,758	3,635,631	2,500,000	2,828,795	3,000,000
120,417,494	125,396,045	123,367,916	129,276,183	122,977,027	113,536,369
24,183	1,099,215	2,767,258	4,350,851	3,773,189	2,553,503
22,013	66,089	14,755	-	-	-
(5,146,795)	(3,500,000)	(3,000,000)	(2,500,000)	(2,828,795)	(3,000,000)
(5,100,599)	(2,334,696)	(217,987)	1,850,851	944,394	(446,497)
\$ 115,316,895	\$ 123,061,349	\$ 123,149,929	\$ 131,127,034	\$ 123,921,421	\$ 113,089,872
\$ (5,604,966)	\$ (7,791,626)	\$ (4,532,048)	\$ (4,804,110)	\$ (13,632,919)	\$ (6,125,828)
1,183,247	2,999,811	9,859,982	11,941,489	6,473,438	1,573,194
-	-	-	-	-	-
\$ (4,421,719)	\$ (4,791,815)	\$ 5,327,934	\$ 7,137,379	\$ (7,159,481)	\$ (4,552,634)

concluded

# COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2014	2013	2012	2011
<b>General Fund</b>				
Nonspendable	\$ 1,972,795	\$ 1,724,116	\$ 1,222,976	\$ 1,114,383
Restricted	-	-	-	-
Committed	23,861,959	23,380,820	23,452,233	23,054,680
Assigned	68,871	15,969	16,930	56,318
Unassigned	42,936,312	43,552,031	43,970,150	44,428,169
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total General Fund</b>	<b>68,839,937</b>	<b>68,672,936</b>	<b>68,662,289</b>	<b>68,653,550</b>
<b>All other governmental funds:</b>				
Nonspendable	167,430	243,036	193,990	144,497
Restricted	13,050,442	11,292,058	15,786,664	25,236,629
Committed	-	-	-	-
Assigned	10,971,700	9,061,379	7,242,328	5,918,423
Unassigned	-	(70,036)	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
<b>Total all other governmental funds</b>	<b>24,189,572</b>	<b>20,526,437</b>	<b>23,222,982</b>	<b>31,299,549</b>
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 93,029,509</b>	<b>\$ 89,199,373</b>	<b>\$ 91,885,271</b>	<b>\$ 99,953,099</b>

(<sup>1</sup>) The County implemented GASB 54 for the fiscal year ended December 31, 2010. Prior years were not restated retroactively.

Table 3

2010 <sup>(1)</sup>	2009	2008	2007	2006	2005
\$ 1,091,206.00					
-					
22,831,805					
153,447					
44,600,545					
-	\$ 765,027	\$ 1,159,434	\$ 651,040	\$ 6,666,266	\$ 7,083,215
-	67,735,687	66,546,846	69,558,366	65,549,620	66,885,312
68,677,003	68,500,714	67,706,280	70,209,406	72,215,886	73,968,527
140,182					
36,166,244					
-					
6,085,105					
-					
-	4,153,376	10,350,019	456,836	1,987,703	816,100
-	22,405,237	37,077,770	49,792,114	57,814,700	41,242,479
-	391,540	142,011	695,188	673,871	634,382
-	36,230,306	15,955,832	34,626,191	11,006,621	11,567,864
42,391,531	63,180,459	63,525,632	85,570,329	71,482,895	54,260,825
\$ 111,068,534	\$ 131,681,173	\$ 131,231,912	\$ 155,779,735	\$ 143,698,781	\$ 128,229,352

# COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2014	2013	2012	2011
<b>Revenues</b>				
Taxes	\$ 114,062,333	\$ 111,502,155	\$ 111,538,374	\$ 113,186,534
Licenses and permits	2,169,687	2,048,435	1,933,261	1,878,410
Intergovernmental revenues <sup>(1)</sup>	60,763,335	59,138,391	59,833,761	63,639,002
Charges for service	23,788,612	26,402,338	25,671,343	24,124,366
Grants - private sources	-	-	-	-
Fines and forfeitures	634,117	595,310	747,800	591,026
Investment earnings	383,895	376,973	458,822	636,854
Contributions and reimbursements <sup>(1)</sup>	22,505,656	20,725,437	21,419,896	21,514,163
Other <sup>(1)</sup>	15,986,979	16,148,193	13,766,859	10,381,912
<b>Total revenues</b>	<b>240,294,614</b>	<b>236,937,232</b>	<b>235,370,116</b>	<b>235,952,267</b>
<b>Expenditures</b>				
General government	39,429,914	39,917,794	39,802,424	38,189,222
Public safety	69,129,351	68,006,701	65,998,422	66,134,805
Health and welfare	68,130,806	67,103,479	69,789,758	71,262,557
Cultural and recreation	6,940,088	8,474,782	7,915,210	7,593,227
Judicial	31,392,404	31,335,266	31,811,362	31,433,217
Community and economic development	11,538,115	10,796,942	11,174,056	13,571,048
Other	-	-	-	-
Debt principal retirement	6,982,041	6,516,576	5,220,683	4,989,990
Debt interest and fiscal charges	5,616,405	5,918,707	6,139,119	6,323,222
Bond issuance costs	112,548	-	-	-
Capital outlay	7,325,207	6,775,034	12,866,888	12,735,600
<b>Total expenditures</b>	<b>246,596,879</b>	<b>244,845,281</b>	<b>250,717,922</b>	<b>252,232,888</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(6,302,265)</b>	<b>(7,908,049)</b>	<b>(15,347,806)</b>	<b>(16,280,621)</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of long-term debt	4,697,811	-	-	243,620
Issuance of refunding debt	4,460,000	-	-	-
Payment to refunded bond escrow agent	(4,860,748)	-	-	-
Premium (discount) on issuance of long-term debt	443,943	-	-	-
Proceeds from sale of capital assets	185,844	117,998	79,039	269,401
Transfers in	48,823,589	48,511,001	49,529,306	53,160,704
Transfers out	(43,618,038)	(43,406,848)	(43,432,326)	(48,508,539)
Insurance recoveries	-	-	1,103,959	-
<b>Total other financing sources (uses)</b>	<b>10,132,401</b>	<b>5,222,151</b>	<b>7,279,978</b>	<b>5,165,186</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,830,136</b>	<b>\$ (2,685,898)</b>	<b>\$ (8,067,828)</b>	<b>\$ (11,115,435)</b>
<b>Debt Service as a Percentage of</b>				
Noncapital Expenditures	5.29%	5.25%	4.73%	4.78%

<sup>(1)</sup> Revenues were reclassified between line items beginning in 2011. Prior years were not restated retroactively.

Table 4

2010	2009	2008	2007	2006	2005
\$ 115,939,475	\$ 118,864,413	\$ 113,010,186	\$ 118,156,686	\$ 132,658,697	\$ 124,294,420
1,781,554	1,568,867	1,561,688	1,498,811	1,294,778	1,443,107
70,916,802	66,957,120	67,238,129	59,770,715	58,924,230	60,111,767
24,089,582	25,430,022	27,196,727	21,936,346	21,053,923	21,831,358
551,538	574,441	503,661	491,680	-	-
592,965	558,194	459,631	329,203	442,504	334,079
563,359	3,050,293	6,221,421	8,064,527	7,511,202	4,288,828
11,791,424	9,755,599	8,977,118	9,320,091	8,593,436	8,810,105
4,236,431	5,423,040	4,308,702	4,394,721	5,276,245	4,404,269
230,463,130	232,181,989	229,477,263	223,962,780	235,755,015	225,517,933
39,085,789	40,391,037	40,310,300	42,153,239	37,575,287	35,502,935
67,835,509	67,159,220	64,003,540	62,249,844	59,445,999	55,375,644
73,195,409	76,040,396	79,288,722	63,207,107	62,267,542	62,494,632
7,581,131	8,733,326	8,564,020	9,365,287	8,780,040	9,167,690
31,731,220	32,482,483	32,603,337	35,872,279	34,256,960	33,366,670
11,699,242	8,612,234	8,309,138	8,938,749	7,786,170	8,078,754
-	-	-	1,439,661	1,418,596	1,455,560
7,386,562	5,845,000	5,205,000	2,865,000	2,740,000	8,660,000
6,641,418	5,171,896	5,155,116	4,487,924	4,112,291	4,337,153
67,195	71,881	46,958	25,800	-	-
12,281,275	22,327,056	28,758,058	11,485,767	4,949,520	13,409,026
257,504,750	266,834,529	272,244,189	242,090,657	223,332,405	231,848,064
(27,041,620)	(34,652,540)	(42,766,926)	(18,127,877)	12,422,610	(6,330,131)
1,007,248	32,000,000	14,300,000	27,457,125	-	55,627,094
6,470,000	-	-	-	-	-
(6,605,076)	-	-	-	-	(55,386,425)
214,007	(284,575)	72,654	-	-	-
161,706	303,618	210,818	268,232	245,363	227,859
61,641,298	70,877,337	65,729,311	60,402,364	51,722,854	64,277,562
(56,460,202)	(67,794,579)	(62,093,680)	(57,854,875)	(48,921,398)	(62,207,688)
-	-	-	-	-	-
6,428,981	35,101,801	18,219,103	30,272,846	3,046,819	2,538,402
\$ (20,612,639)	\$ 449,261	\$ (24,547,823)	\$ 12,144,969	\$ 15,469,429	\$ (3,791,729)
5.91%	4.51%	4.30%	3.21%	3.11%	5.98%

## 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
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	-
2012	313,849,700	4,421,845,250	1,143,589,100	13,212,462,650	-
2013	316,506,600	4,259,065,700	1,058,172,900	13,429,948,693	-
2014	327,526,500	4,255,861,650	1,082,395,400	13,999,731,225	-

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes tax-exempt property

<sup>(3)</sup> 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 5

Personal Property	Total Taxable Value <sup>(1)</sup>	Total Assessed Value <sup>(2)</sup>	Total Estimated Actual Value <sup>(3)</sup>	Percentage of Assessed to Estimated Values	Percent Increase (Decrease) in Estimated Value Over Prior Year	County Direct Rate
\$ 1,828,048,576	\$ 19,043,661,224	\$ 22,119,875,769	\$ 44,505,697,738	49.70%	5.65%	5.3940
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%	-3.73%	5.3940
1,897,109,655	20,039,365,841	20,988,856,355	42,212,729,586	49.72%	-3.51%	5.3940
1,929,155,113	20,025,808,959	20,992,849,006	42,230,266,045	49.71%	0.04%	5.3940
1,945,821,829	20,353,174,066	21,611,336,604	43,453,665,525	49.73%	2.90%	5.6196

## 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			
	2014	2013	2012	2011
<b>County Direct Rates:</b>				
Allocated Operating	4.2803	4.2803	4.2803	4.2803
Correctional Facilities	0.7893	0.7893	0.7893	0.7893
Senior Services	0.5000	0.3244	0.3244	0.3244
Veterans Services	0.0500	0.0000	0.0000	0.0000
<b>Total County Direct Rate</b>	<b>5.6196</b>	<b>5.3940</b>	<b>5.3940</b>	<b>5.3940</b>
<b>City Rates:</b>				
Cedar Springs	16.3214	16.3214	16.3214	16.3214
East Grand Rapids	14.2891	14.2287	14.6523	14.7095
Grand Rapids	9.1518	8.1719	8.1716	8.3713
Grandville	10.3000	9.1540	9.1540	9.1540
Kentwood	9.6066	9.7064	9.7064	9.7064
Lowell	15.9424	15.9424	16.0724	16.0724
Rockford	10.9000	10.9000	10.9000	10.9000
Walker	1.3360	1.3360	1.3360	1.3360
Wyoming	11.9073	11.6573	11.8873	11.8873
Township Rates	.7100-3.5244	.7100-3.7626	.7100-3.7626	.7100-3.7626
Village Rates	6.4440-19.6261	6.4440-18.5761	6.4440-18.5761	6.4440-18.5761
District Library	1.2800	0.8800	0.8800	0.8800
Interurban Transit Partners	1.4700	1.4700	1.4100	1.2900
Rockford DDA	2.0000	2.0000	2.0000	2.0000
School Districts <sup>(1)</sup>	1.7865-37.1176	1.7865-35.4765	2.3625-35.4765	2.3625-35.4426

Source: Kent County Bureau of Equalization

<sup>(1)</sup> Includes Community Colleges and Intermediate School Districts

Table 6

Year Taxes Are Payable					
2010	2009	2008	2007	2006	2005
4.2803	4.2803	4.2803	4.2803	4.2803	4.2803
0.7893	0.7893	0.7893	0.7893	0.7893	0.7893
0.3244	0.3244	0.3244	0.3244	0.3244	0.2444
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5.3940	5.3940	5.3940	5.3940	5.3940	5.3140
16.3214	16.3414	16.3214	16.3414	16.3414	16.3473
14.7296	14.7395	14.6695	14.5695	14.7162	14.7942
8.3711	8.3709	8.2410	8.2413	8.1217	8.1223
9.1540	8.4540	8.4540	8.4540	8.4540	8.4540
9.7064	7.7064	7.5061	7.5061	7.5318	7.5318
16.0724	16.0706	16.0724	16.0724	16.0715	16.0724
10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
1.3360	1.3360	1.3360	1.3360	1.3360	1.3360
11.8873	10.6773	10.6773	10.6773	10.6773	10.7073
.7100-3.7626	.7100 - 3.7626	.6962 - 3.2900	.7100 - 3.2900	.2409 - 2.5782	.2409 - 2.5782
6.4440-18.5761	5.4440 - 18.5761	5.4440 - 18.5761	5.4440 - 18.8461	5.4440 - 19.3524	5.4440 - 20.1690
0.8800	0.8800	0.8800	0.8800	0.8800	0.8800
1.1200	1.1200	1.1200	0.9500	0.9500	0.9500
2.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.3384-35.3976	1.3384 - 35.3976	1.7865 - 35.3976	1.7865 - 29.4476	1.3432 - 29.4476	1.3432 - 29.4676

# COUNTY OF KENT, MICHIGAN

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

Taxpayer	Principal Product or Service	2014 Taxable Valuation	Rank	Percent of 2014 Taxable Valuation
Consumers Energy	Public utility	\$ 270,824,013	1	1.33%
Amway Corp/Alticor	Household products	199,377,375	2	0.98%
Meijer / Goodwill	Retail sales	110,728,493	3	0.54%
DTE Energy/Gas Co.	Utility	106,463,277	4	0.52%
Steelcase, Inc.	Office equipment/furniture	82,532,174	5	0.41%
Spectrum Health Hospitals	Healthcare services	68,271,842	6	0.34%
PR Woodland	Retail shopping center	60,046,701	7	0.30%
Keebler Company	Food distributor/retailer	45,732,536	8	0.22%
Foremost Insurance	Insurance	44,042,773	8	0.22%
Holland Home	Senior citizens residence	43,516,831	10	0.21%
General Motors Corporation	Automotive			
Michigan Consolidated Gas Co.	Utility			
Alro Steel	Steel Industry Supplier			
Delphi	Automotive			
Benteler Industries	Automotive			
York Creek Ltd Ptnrs	Development			
		<b>\$1,031,536,015</b>		<b>5.1%</b>

Source: County of Kent

Table 7

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2005 Taxable Valuation	Rank	Percent of 2005 Taxable Valuation
\$ 230,334,778	2	1.21%
199,250,439	3	1.05%
107,934,720	6	0.57%
283,363,305	1	1.49%
174,902,842	4	0.92%
115,755,524	5	0.61%
81,301,829	7	0.43%
77,716,800	8	0.41%
61,812,812	9	0.32%
59,159,794	10	0.31%
<u>\$1,391,532,843</u>		<u>7.3%</u>

# COUNTY OF KENT, MICHIGAN

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

Tax Year	Fiscal Year	Total Tax Levy <sup>(1)</sup>	Current Tax Collections <sup>(2)</sup>	Percent of Levy Collected Current	Delinquent Tax Collections <sup>(3)</sup>
2005	2006	\$ 100,103,230	\$ 93,881,338	93.79%	\$ 6,221,892
2006	2007	107,819,921	101,351,375	94.00%	6,468,258
2007	2008	113,547,947	101,705,638	89.57%	11,841,432
2008	2009	115,338,920	102,456,224	88.83%	12,880,669
2009	2010	116,156,015	108,234,738	93.18%	7,917,943
2010	2011	112,116,149	104,044,458	92.80%	8,057,802
2011	2012	109,643,936	99,312,984	90.58%	10,297,728
2012	2013	106,849,778	97,799,585	91.53%	8,823,396
2013	2014	107,014,534	101,244,110	94.61%	4,872,564
2014	2015	113,079,325	106,871,185	94.51%	-

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

<sup>(2)</sup> Balance on March 1st of each Fiscal Year.

<sup>(3)</sup> Balance on March 1, 2015.

Table 8

	Total Tax Collections <sup>(3)</sup>	Total Collections As Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent as Percent of Current Levy
\$	100,103,230	100.00%	\$ -	0.00%
	107,819,633	100.00%	288	0.00%
	113,547,070	100.00%	877	0.00%
	115,336,893	100.00%	2,027	0.00%
	116,152,681	100.00%	3,334	0.00%
	112,102,260	99.99%	13,889	0.01%
	109,610,712	99.97%	33,224	0.03%
	106,622,981	99.79%	226,797	0.21%
	106,116,674	99.16%	897,860	0.84%
	106,871,185	94.51%	6,208,140	5.49%

## COUNTY OF KENT, MICHIGAN

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

Fiscal Year	Governmental Activities <sup>(1)</sup>		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Debt	Capital Leases	Revenue Bonds	General Obligation Debt			
2005	\$ 81,670,000	\$ -	\$ 87,075,000	\$ 48,300,000	\$217,045,000	1.08%	\$ 363.76
2006	78,930,000	-	84,660,000	44,000,000	207,590,000	0.99%	346.26
2007	103,065,000	-	204,747,625	73,000,000	380,812,625	1.76%	634.04
2008	117,655,768	-	202,129,310	58,000,000	377,785,078	1.78%	624.22
2009	143,213,519	-	200,135,743	55,000,000	398,349,262	1.95%	654.84
2010	136,076,010	810,686	196,325,324	44,500,000	377,712,020	1.80%	626.78
2011 <sup>(2)</sup>	131,026,449	794,316	203,745,155	42,870,000	378,435,920	1.70%	627.98
2012	126,054,680	468,633	187,389,536	48,970,000	362,882,849	1.52%	590.57
2013	119,546,567	127,057	181,726,240	42,930,000	344,329,864	1.39%	553.85
2014	115,818,825	1,237,827	175,527,055	36,863,446	329,447,153	N/A	523.57

<sup>(1)</sup> Includes information from blended component units

<sup>(2)</sup> Beginning with 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

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## 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 <sup>(1)</sup>	Estimated Actual Value in (000's)	Gross Bonded Debt	Debt Payable By Others <sup>(3)</sup>	Net General Bonded Debt
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	380,812,625	272,960,000	107,852,625
2008	605,213	48,894,755	377,785,078	255,265,000	122,520,078
2009	608,315	47,998,485	398,349,262	270,735,000	127,614,262
2010	602,622	45,445,971	376,901,334	255,606,100	121,295,234
2011 <sup>(4)</sup>	602,622	43,749,318	377,641,604	258,279,550	119,362,054
2012	614,462	42,212,730	362,414,216	228,770,000	133,644,216
2013	621,700	42,230,266	344,202,807	217,510,000	126,692,807
2014	629,237	43,453,666	328,209,326	205,615,000	122,594,326

<sup>(1)</sup> Source: U.S. Census Bureau

<sup>(2)</sup> This balance includes debt being repaid from general resources.

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

<sup>(4)</sup> Beginning with 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.

Table 10

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Debt Service Funds Available	Net Bonded Debt <sup>(2)</sup>	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
\$ 634,382	\$ 80,370,618	0.18%	\$ 134.70
673,871	77,691,129	0.17%	129.59
695,188	107,157,437	0.22%	178.41
142,011	122,378,067	0.25%	202.21
391,540	127,222,722	0.27%	209.14
430,063	120,865,171	0.27%	200.57
433,945	118,928,109	0.27%	197.35
255,336	133,388,880	0.32%	217.08
-	126,692,807	0.30%	203.78
-	122,594,326	0.28%	194.83

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COUNTY OF KENT, MICHIGAN

Table 11

Computation of Direct and Overlapping Debt  
December 31, 2014  
(Unaudited)

DEBT STATEMENT

The following table reflects a breakdown of the County's direct and overlapping debt as of December 31, 2014. Bonds designated as LTGO are limited tax pledge bonds or notes

Direct Debt	Gross	Self Supporting or Portion Paid by Benefitting Municipality	Net	Per Capita	Percent of Estimated Actual Value
CIP Bond Series	\$ 17,885,000	\$ -	\$ 17,885,000		
Capital Lease Obligation	1,237,827	-	1,237,827		
City/County Bldg. Authority (LTGO)	47,693,904	2,485,000	45,208,904		
Kent County Building Authority (LTGO)	93,905,000	19,399,410	74,505,590		
<b>Total Direct Debt</b>	<b>\$ 160,721,731</b>	<b>\$ 21,884,410</b>	<b>\$ 138,837,321</b>	<b>\$ 220.64</b>	<b>0.32%</b>
<b>County Overlapping Debt <sup>(1) (2)</sup></b>					
Cities, Villages and Townships			\$ 199,549,641		
School Districts			1,138,263,217		
Community College and Intermediate School Districts			59,065,363		
<b>Total Overlapping Debt</b>			<b>\$ 1,396,878,221</b>	<b>\$ 2,219.96</b>	<b>3.21%</b>
<b>Total County Direct Debt and Overlapping Debt</b>			<b>\$ 1,535,715,542</b>	<b>\$ 2,440.60</b>	<b>3.53%</b>

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

<sup>(2)</sup> Outstanding balances are reported as of December 31, 2014

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# COUNTY OF KENT, MICHIGAN

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

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### 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,)	2014	2013	2012	2011
State Equalized Valuation	\$21,611,336,604	\$20,992,849,006	\$20,988,856,355	\$21,735,166,525
Legal Debt Limit (10% of SEV)	2,161,133,660	2,099,284,901	2,098,885,636	2,173,516,653
Debt Outstanding	374,926,731	392,130,961	416,883,904	437,868,904
Margin of additional debt which could be incurred subject to debt limit	\$ 1,786,206,929	\$ 1,707,153,940	\$ 1,682,001,732	\$ 1,735,647,749
Percentage of debt outstanding to SEV	1.73%	1.87%	1.99%	2.01%

Source: County of Kent

Table 12

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2010	2009	2008	2007	2006	2005
\$22,577,744,317	\$23,810,524,071	\$24,296,248,175	\$24,338,570,446	\$23,346,848,319	\$22,119,875,769
2,257,774,432	2,381,052,407	2,429,624,818	2,433,857,045	2,334,684,832	2,211,987,577
459,568,904	496,995,904	482,212,904	506,524,904	348,610,657	373,049,381
\$ 1,798,205,528	\$ 1,884,056,503	\$ 1,947,411,914	\$ 1,927,332,141	\$ 1,986,074,175	\$ 1,838,938,196
2.04%	2.09%	1.98%	2.08%	1.49%	1.69%

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

Fiscal Year	Revenues	Operating Expenses <sup>(1)</sup>	Net Revenues	Debt Service		Coverage
				Principal	Interest	
2005	\$ 30,264,045	\$ 15,858,592	\$ 14,405,453	\$ 2,310,000	\$ 4,265,071	2.2%
2006	33,967,046	15,858,592	18,108,454	2,415,000	4,160,339	2.8%
2007	33,616,496	17,462,663	16,153,833	2,515,000	4,056,608	2.5%
2008	33,484,093	17,965,424	15,518,669	2,625,000	5,501,234	1.9%
2009	31,172,148	17,637,636	13,534,512	2,740,000	9,519,946	1.1%
2010	38,030,703	18,073,194	19,957,509	3,595,000	9,220,026	1.6%
2011	38,012,591	17,677,443	20,335,148	4,180,000	9,059,081	1.5%
2012	37,866,689	17,100,924	20,765,765	4,645,000	7,987,008	1.6%
2013	44,073,054	18,126,142	25,946,912	5,220,000	8,381,557	1.9%
2014	57,463,250	18,505,345	38,957,905	5,715,000	8,206,457	2.8%

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

## COUNTY OF KENT, MICHIGAN

Demographic Statistics  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Population <sup>(1)(2)</sup>	Personal Income Thousands of Dollars <sup>(2)</sup>	Per Capita Income <sup>(2)</sup>	School Enrollment <sup>(3), (5), (6)</sup>	Unemployment <sup>(4)</sup>
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	22,262,941	36,589	119,372	8.0%
2012	614,462	23,856,032	38,824	106,774	6.5%
2013	621,700	24,747,216	39,806	110,268	6.5%
2014	629,237	N/A	N/A	109,021 <sup>(7)</sup>	4.9%

<sup>(1)</sup> Source: U.S. Census Bureau

<sup>(2)</sup> Source: Bureau of Economic Analysis (for years without a census)

<sup>(3)</sup> Source: Michigan Department of Education (Fourth Friday Count)

<sup>(4)</sup> Source: Michigan Employment Security Commission (Yearly Average)

<sup>(5)</sup> For fiscal year 2012, information is received from Kent Intermediate School District and is for public schools only for Pupil Membership FTE

<sup>(6)</sup> Source: Michigan Department of Education-Kent ISD State Aid Financial Status Report for years 2014 and forward

<sup>(7)</sup> Preliminary amount - not audited

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>	2014		
Employer	Employees <sup>(1)</sup>	Rank	Percentage of Total Employment
Spectrum Health	21,300	1	6.35%
Meijer, Inc.	7,700	2	2.29%
Mercy Health St. Mary's Health	6,600	3	1.97%
Spartan Stores	4,176	4	1.24%
Alticor, Inc. (formerly Amway Corp.)	4,000	5	1.19%
Grand Rapids Public Schools	4,000	6	1.19%
Axios, Inc.	3,728	7	1.11%
Steelcase, Inc.	3,200	8	0.95%
Fifth Third Bank	2,450	9	0.73%
Gordon Food Service, Inc.	2,172	10	0.65%
Magna Donnelly Mirror Haworth, Inc. City of Grand Rapids Grand Valley State University			
<b>Total</b>	<b>59,326</b>		<b>17.67%</b>

<sup>(1)</sup> Source: The Right Place, Inc.

TABLE 15

2005		
Employees <sup>(1)</sup>	Rank	Percentage of Total Employment
12,000	1	3.67%
8,441	2	2.58%
3,040	7	0.93%
3,900	5	1.19%
3,392	6	1.04%
5,000	3	1.53%
4,225	4	1.29%
3,000	8	0.92%
2,688	9	0.82%
2,645	10	0.81%
48,331		14.78%

# COUNTY OF KENT, MICHIGAN

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

<i>December 31,</i>	2014	2013	2012	2011
<b>Function/Program</b>				
<b>General Government:</b>				
Administrator's Office	31	31	31	31
Bureau of Equalization	16	15	15	17
County Clerk	44	44	44	47
Drain Commissioner	7	7	6	6
Facilities Management	21	21	21	21
Fiscal Services	31	33	33	34
Human Resources	16	17	16	16
Information Technology	38	36	36	36
Kent/MSU Cooperative Extension	3	3	3	4
Prosecutor's Office - Criminal/Juvenile	57	57	57	57
Treasurer's Office	12	12	12	12
<b>Public Safety:</b>				
Sheriff's Department	547	547	540	549
<b>Judicial:</b>				
17th Circuit Court	223	225	225	228
63rd District Court	32	32	33	35
Community Corrections	3	3	3	3
Probate Court	15	15	15	15
Prosecutor's Office - Cooperative Reimbursement	19	19	19	19

Table 16

2010	2009	2008	2007	2006	2005
31	23	23	24	23	23
17	20	23	24	21	21
48	51	52	30	30	31
7	7	7	7	7	7
37	48	44	47	47	44
34	38	38	38	39	40
16	20	20	21	21	22
37	42	42	44	43	43
5	6	6	7	7	7
61	64	64	65	63	65
13	15	15	16	16	16
546	570	579	604	587	598
232	242	241	265	263	265
35	37	37	35	36	35
3	3	3	3	3	3
15	15	15	15	14	14
19	19	19	19	19	19

continued...

# COUNTY OF KENT, MICHIGAN

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

<i>December 31,</i>	2014	2013	2012	2011
<b>Community and Economic Development:</b>				
Community Development	5	7	8	8
Housing Commission	4	4	4	3
Lodging Excise Tax	2	2	2	2
<b>Cultural and Recreation:</b>				
John Ball Zoological Gardens	47	47	45	44
Parks <sup>(1)</sup>	57	57	57	59
<b>Health and Welfare:</b>				
Child Care	132	133	134	135
Health Department	244	248	246	250
Veteran's Affairs Department	3	3	1	1
<b>Enterprise Activities:</b>				
Aeronautics	99	108	106	125
Public works	52	62	64	66
<b>Other:</b>				
Risk Management	2	1	2	2
<b>Total</b>	<b>1,762</b>	<b>1,789</b>	<b>1,778</b>	<b>1,825</b>

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

Source: County of Kent

Table 16

2010	2009	2008	2007	2006	2005
8	6	6	6	6	6
3	3	3	4	4	4
2	2	2	2	2	2
44	49	47	47	48	48
56	65	66	38	38	38
136	133	131	132	130	129
249	255	259	280	280	288
1	1	1	1	1	1
120	124	124	124	124	124
62	71	72	72	78	76
2	2	2	2	2	2
1,839	1,931	1,941	1,972	1,952	1,971

concluded

## COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2014	2013	2012
<b>Function/Program</b>			
<b>General Government:</b>			
County bond rating (Per S&P/Moody's)	AAA/Aaa	AAA/Aaa	AAA/Aaa
Dollars saved or leveraged due to collaboration with other agencies	\$ 3,985,000	\$ 1,050,000	\$ 1,689,644
Number of programs or collaborative partnerships developed	6	4.78	4.83
General Fund cost per resident for all County services	\$ 255	\$ 259	\$ 211
On-site appraisals	2,036	2,060	1,997
New and revised property tax descriptions	5,521	5,422	4,286
Number of participants in field-crop, financial management, integrated pest management, restricted use pesticide and/or income production-related classes	1,613	1,105	557
Natural gas savings through the Utilities Program	\$ 96,250	\$ 50,000	\$ 7,000
Number of invoices processed	61,542	61,240	61,298
Number of vehicles in County fleet	230	200	229
Number of tax receipts processed	22,937	24,808	24,318
General Fund investment income	\$ 275,759	\$ 232,607	\$ 285,886
<b>Public Safety:</b>			
Neighborhood Watch satisfaction rating <sup>(2)</sup>	4.8	4.6	4.7
Total number of incidents investigated	N/A	N/A	N/A
<b>Judicial:</b>			
Number of District Court trials	112	89	128
Number of cases tried in Circuit Court	79	57	76
Amount of Restitution Awarded via the Crime Victims Compensation Board	\$ 295,674	\$ 540,897	\$ 465,832
<b>Community and Economic Development:</b>			
Percent of clients enrolled in financial literacy classes	20%	20%	27%
Percent of clients enrolled in the Family Self Sufficiency program	20%	20%	27%

Table 17

2011	2010	2009	2008	2007	2006	2005
AAA/Aaa						
\$ 1,158,240	\$ 2,545,516	\$ 2,019,184	\$ 3,077,900	\$ 1,552,818	N/A	N/A
5	6	7	6	7	5	N/A
\$ 217	\$ 215	\$ 236	\$ 237	\$ 244	\$ 226	N/A
2,000	2,115	2,388	3,095	3,739	1,764	1,586
2,869	4,725	3,195	5,440	6,711	9,450	8,526
365	N/A	N/A	N/A	N/A	N/A	N/A
\$ 17,000	\$ 150,000	\$ 170,000	\$ 79,500	\$ 109,000	\$ 118,000	\$ 81,000
65,534	65,046	69,402	68,547	67,861	57,137	57,339
210	208	208	208	208	207	205
25,856	25,863	23,701	23,582	22,340	20,910	21,700
\$ 459,384	\$ 761,632	\$ 1,275,947	\$ 2,599,234	\$ 3,826,061	\$ 4,368,903	\$ 3,017,636
4.7	4.4	4.0	4.4	4.9	4.2	N/A
N/A	13,853	13,483	13,775	12,098	10,117	N/A
147	121	122	126	167	136	N/A
75	86	118	99	122	111	113
\$ 279,372	\$ 334,009	\$ 439,815	\$ 459,253	\$ 400,497	\$ 327,561	\$ 293,388
18%	8%	10%	10%	10%	10%	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>	2014	2013	2012
<b>Cultural and Recreation:</b>			
Staff participation in conservation management programs	N/A	N/A	N/A
Beach/splash pad attendance through SPLASH program	24,825	12,203	12,746
Total Millennium Park beach/splash pad attendance	90,780	63,431	87,141
Number of project collaborations with outside agencies	55	73	13
Number of Action Plan items completed from Parks Action Plan	13	8	6
Acres of park land acquired	-	22.0	-
<b>Health and Welfare:<sup>(1)</sup></b>			
Percent of children aged 19-35 months who are fully immunized	82%	83%	81%
Number of children receiving Hearing/Vision screenings	84,360	89,677	93,503
Number of outreach programs participated in	14	13	12
<b>Enterprise Activities:</b>			
Airfield operations-takeoffs and landings	75,128	75,998	85,306
Airline passengers	2,335,105	2,237,979	2,134,956
General aviation: total based aircraft	89	86	86
Number of households served/year	3,500	3,284	3,117
Solid waste landfilled (in tons)	N/A	N/A	N/A
Electricity sold (Mwh)	100,000	104,438	96,640
Tons of solid waste processed (Waste to Energy)	189,000	189,321	183,849
Recyclable materials processed (in tons)	32,000	30,000	25,364

<sup>(1)</sup> Children within Kent County

<sup>(2)</sup> Five Point Scale

N/A Data is Not Available

Source: County of Kent

Table 17

2011	2010	2009	2008	2007	2006	2005
N/A	55	67	64	33	32	N/A
N/A						
N/A						
13	13	9	N/A	N/A	N/A	N/A
N/A						
10.4	0.2	-	275	248	90	39
82%	77%	77%	75%	77%	76%	73%
91,733	89,635	89,621	88,247	85,095	37,113	N/A
23	9	N/A	N/A	N/A	N/A	N/A
87,545	86,750	87,883	97,501	101,378	112,608	112,314
2,275,332	2,180,000	1,771,465	1,809,445	1,990,896	2,015,846	2,090,505
86	84	87	81	N/A	N/A	N/A
2,877	2,761		N/A	N/A	N/A	N/A
N/A	251,107	182,602	190,545	183,897	171,883	159,492
101,549	104,000	100,195	102,168	98,738	95,509	N/A
185,998	188,000	186,290	187,135	178,579	180,726	175,975
23,600	14,940	15,493	14,492	14,230	13,688	13,260

concluded

# COUNTY OF KENT, MICHIGAN

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

<i>December 31,</i>	2014	2013	2012	2011
<b>Function/Program</b>				
<b>General Government:</b>				
Number of buildings	14	14	14	14
Video conferencing sites	2	2	2	2
Computer training facilities	1	1	1	1
<b>Public Safety:</b>				
Fire engines	16	16	18	19
Patrol vehicles/motorcycles	68	69	70	67
Jail	1	1	1	1
Sheriff's stations/substations	6	8	6	6
Communications towers	7	8	8	8
Training facilities	-	-	-	1
Video arraignment stations	8	8	7	7
<b>Judicial:</b>				
Video arraignment stations	53	52	52	52
<b>Cultural and Recreation:</b>				
Number of parks	42	42	42	42
Number of golf courses	1	1	1	1
Number of zoos	1	1	1	1
Acres of public space	6,708	6,739	6,948	7,372
<b>Health and Welfare:</b>				
Number of clinics	5	6	6	6
<b>Enterprise Activities:</b>				
Number of landfills	4	4	4	4
Number of recycling facilities	1	1	1	1
Airports	1	1	1	1

Source: County of Kent

Table 18

2010	2009	2008	2007	2006	2005
14	15	16	15	15	15
2	2	2	2	2	2
1	1	1	1	1	1
17	18	17	20	20	19
69	69	70	66	71	62
1	1	1	1	1	1
7	7	7	7	7	6
8	7	7	7	6	5
1	1	1	1	1	1
8	11	8	7	7	7
51	49	49	46	46	46
42	42	42	42	42	42
1	1	1	1	1	1
1	1	1	1	1	1
7,362	7,362	7,352	7,096	6,684	6,550
7	7	6	6	7	7
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1