

COUNTY OF KENT, MICHIGAN

2007 POPULAR ANNUAL FINANCIAL REPORT

Year Ended December 31, 2007

Introduction

The Popular Annual Financial Report (PAFR) is created for the citizens of Kent County. The purpose of this report is to summarize the presentation of financial information contained in the Kent County Comprehensive Annual Financial Report (CAFR). The PAFR is not required to present the same level of detail as the CAFR. The PAFR contains reports and statements that do not present the entire financial reporting entity and may not conform to generally accepted accounting principles (GAAP). These reports are intended to inform the public of the County's financial condition in a less technical and user friendly format.

The County's CAFR contains a complete set of financial statements presented in conformance with GAAP and audited in conformity with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. The statements contained in the CAFR are technical and complex, resulting in a document that may not be useful to the general public. The CAFR is available online at www.accesskent.com.

Government Profile

The County of Kent, the fourth most populous County in the State of Michigan (State), encompasses an area of approximately 864 square miles and, with a 2000 census population of 574,335, is located in the central west portion of Michigan's Lower Peninsula. 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 2000 population of the County resides as follows: townships (194,163); cities (373,043); and villages (7,129). 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 the same 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 range of services including sheriff, correctional facility, three court systems, airport, fire, social services both State and County funded public health, park system and zoo. Kent County CMH Authority is a component unit that provides mental health services. The Department of Public Works, a component unit, manages a waste-to-energy incinerator and landfill, maintains some local unit water and sanitary sewer systems, and provides for the construction of these local systems. The Kent County 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).

Page 1 Government Profile	Page 2 Local Economy	Page 3 Net Assets	Page 6 Revenues & Expenses	Page 8 Debt Summary	Page 9 Bond Rating	Page 10 General Fund Summary
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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

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. The Grand Rapids metropolitan area, which is the hub of the County, continues to experience growth in population. Within the County, the State Equalized Value (SEV) for commercial property increased in value from \$3.08 billion (tax year 2001) to \$4.17 billion (tax year 2006), for an average annual increase of 7.1 percent. Industrial property SEV

increased in value from \$1.48 billion (tax year 2001) to \$1.90 billion (tax year 2006), for an average annual increase of 5.5 percent. In addition, the area has begun to experience significant employment increases in the educational and health services industry. Several projects that will provide additional employment opportunities in this industry are either recently completed, nearing completion or about to break ground. These projects and a brief description of each include:

- Spectrum Health - Lemmen Holton Cancer Pavilion - The hospital recently broke ground on this new facility. The projected cost of the project is \$78 million and opened in late 2007. The new facility will provide a comprehensive cancer treatment program.
- Spectrum Hospital - DeVos Children's Hospital - The hospital began construction of a new 415,000 square foot facility in early 2007. This new \$190 million facility is scheduled to open in 2010.

Labor Force By Industry					
Grand Rapids, Wyoming MSA ⁽¹⁾					
Calendar Year Average Employment					
Industry	2004	2005	2006	2007	Three-Year Change
Manufacturing					
Durable Goods	51,900	51,600	51,200	50,200	(1,700)
Nondurable Goods	22,200	22,300	22,300	22,600	400
Trade, Transportation & Utilities					
Retail Trade	43,200	43,200	43,200	43,700	500
Wholesale Trade	22,100	22,100	22,600	22,300	200
Warehousing & Utilities	10,100	10,400	10,500	10,500	400
Professional & Business Services	53,500	54,100	54,200	56,700	3,200
Educational & Health Services					
Health Care & Social Assistance	42,400	43,800	45,000	48,000	5,600
Educational Services	10,400	11,400	11,800	11,300	900
Government					
Federal, State, Local	17,300	17,600	17,800	16,800	(500)
Education	20,500	20,500	20,400	20,900	400
Leisure & Hospitality	31,800	32,600	32,400	33,000	1,200
Financial Activities	21,600	21,900	22,000	22,900	1,300
Natural Resources & Mining	19,000	18,600	18,600	17,300	(1,700)
Other Services	17,000	17,600	17,800	16,300	(700)
Information	5,500	5,600	5,600	5,600	100
Total Nonfarm Employment	388,500	393,300	395,400	398,100	9,600

Sources: DLEG/Bureau of Labor Market Information & Strategic Initiatives.
 (1) Includes Kent, Barry, Ionia & Newaygo Counties.

- Metro Hospital - The hospital recently completed construction on a new 208-bed facility located in southwest Kent County. This \$190 million facility opened in the fall of 2007.

- VanAndel Institute - This medical research facility recently broke ground on construction of a 280,000 square foot addition to its existing research complex. This \$160 million project is scheduled for opening in late 2010.

- Michigan State University Medical School - The University continues to work with local hospitals, research institutes and philanthropic partners to establish a relocated medical school in the community. The school is scheduled to begin its local program before the end of 2008, in temporary facilities, transitioning to full operations by 2010. On January 18, 2007, Michigan State University announced construction of a new \$70 million medical school facility on the "Michigan Hill." Construction is expected to be completed in 2010.

- St. Mary's Hospital - The hospital broke ground, in 2006, on the construction of a new 145,000 square foot neurology services facility. This \$60 million facility is scheduled to open in summer 2008.

Factors that have encouraged major projects and have attracted numerous firms from outside the area are: a strong but highly diversified base of industries, an excellent work force, educational opportunities, excellent employer/employee relations, good location and transportation facilities, utilities and possibly the most important, quality of life.

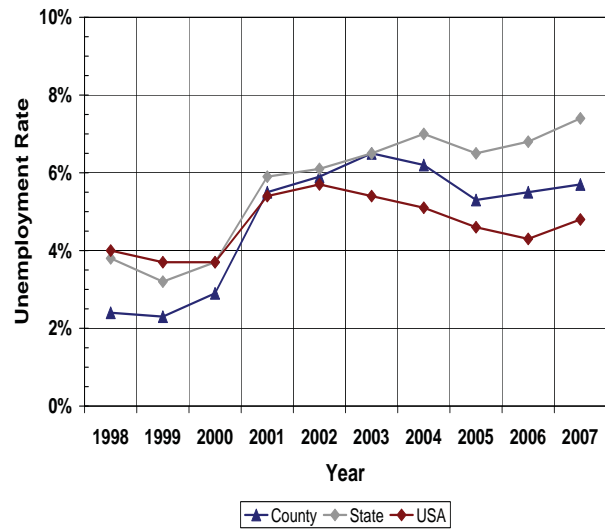
The County has experienced a favorable local economic environment for a number of years. The area has a relatively diverse employment base, which adds to the relative strength of the local economy. During the past ten years, the unemployment rate has fluctuated from a decade low of 2.3 percent (1999) to a decade high of 6.5 percent (2003), only to descend once more to the current annual average rate of 5.7 percent. Unemployment is expected to remain stable.

Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$454.7 million at the close of the most recent fiscal year.

Unemployment Rates

Year	County	State	USA
1998	2.4%	3.8%	4.0%
1999	2.3%	3.2%	3.7%
2000	2.9%	3.7%	3.7%
2001	5.5%	5.9%	5.4%
2002	5.9%	6.1%	5.7%
2003	6.5%	6.5%	5.4%
2004	6.2%	7.0%	5.1%
2005	5.3%	6.5%	4.6%
2006	5.5%	6.8%	4.3%
2007	5.7%	7.4%	4.8%



Source: Michigan Department of Labor & Economic Growth

A substantial portion of the County's net assets, \$251.7 million (55.4 percent), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net assets of \$78.5 million (17.3 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of unrestricted net assets of \$124.5 million

Net Assets (in thousands)

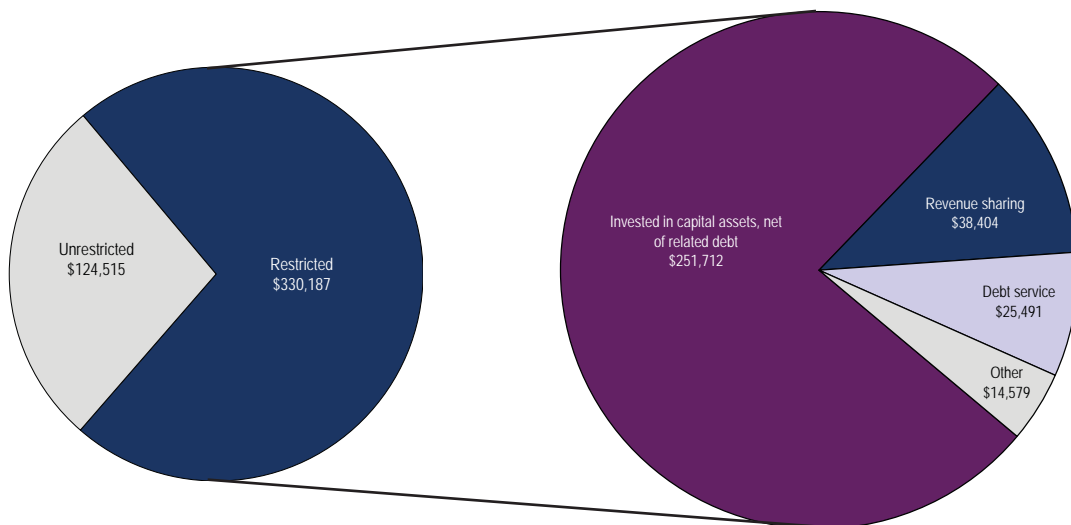
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
Current and other assets	\$ 193,912	\$ 204,430	\$ 88,714	\$ 236,657	\$ 282,626	\$ 441,087
Capital assets	179,534	185,065	222,338	237,853	401,872	422,918
Total assets	373,446	389,495	311,052	474,510	684,498	864,005
Long-term liabilities outstanding	84,657	108,179	124,196	273,288	208,853	381,467
Other liabilities	20,637	17,968	7,444	9,869	28,081	27,837
Total liabilities	105,294	126,147	131,640	283,157	236,934	409,304
Net assets:						
Invested in capital assets, net of related debt	96,409	103,894	139,941	147,818	236,350	251,712
Restricted	57,708	46,349	19,907	32,125	77,615	78,474
Unrestricted	114,035	113,105	19,564	11,410	133,599	124,515
Total	\$ 268,152	\$ 263,348	\$ 179,412	\$ 191,353	\$ 447,564	\$ 454,701

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

There was a decrease of \$11.4 million in restricted net assets reported in connection with the County's governmental activities. Almost all of

this decrease, \$9.4 million, or 82.6 percent, was the result of restricting funds for the new Revenue Sharing Fund mandated by the State of Michigan. State law restricts the use of accelerated property tax collections. There was an increase of \$12.2 million in restricted net assets reported in the County's business-type activities. All of this \$12.2 million increase was the result of restricting funds within the Aeronautics Fund to meet future debt service requirements.

Components of Net Assets (in thousands)



The County's net assets increased by \$7.1 million during the current fiscal year. Increases in ongoing revenues were more than increases in ongoing expenses. The primary reason for the increase in net assets was related to a decrease in general government expenses along with an increase in property tax revenues, along with a capital grant for airport construction during the current fiscal year.

Changes in Net Assets (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
Revenues:						
Program revenues:						
Charges for services	\$ 29,276	\$ 30,008	\$ 36,478	\$ 37,374	\$ 65,754	\$ 67,382
Operating grants and contributions	55,470	57,302	-	-	55,470	57,302
Capital grants and contributions	-	233	2,180	8,711	2,180	8,944
General revenues	120,148	126,776	3,773	4,350	123,921	131,126
Total revenues	204,894	214,319	42,431	50,435	247,325	264,754
Expenses:						
General government	34,659	30,715	-	-	34,659	30,715
Public safety	60,791	61,820	-	-	60,791	61,820
Health and welfare	68,722	69,711	-	-	68,722	69,711
Cultural and recreation	16,827	17,535	-	-	16,827	17,535
Judicial	36,136	37,919	-	-	36,136	37,919
Interest and fiscal charges	4,221	3,923	-	-	4,221	3,923
Delinquent tax	-	-	2,651	3,835	2,651	3,835
Airport operations	-	-	30,477	32,159	30,477	32,159
Total expenses	221,356	221,623	33,128	35,994	254,484	257,617
Net revenues (expenses)	(16,462)	(7,304)	9,303	14,441	(7,159)	7,137
Transfers	2,829	2,500	(2,829)	(2,500)	-	-
Inc (dec) in net assets	(13,633)	(4,804)	6,474	11,941	(7,159)	7,137
Net Assets, beginning	281,785	268,152	172,938	179,412	454,723	447,564
Net Assets, ending	\$ 268,152	\$ 263,348	\$ 179,412	\$ 191,353	\$ 447,564	\$ 454,701

Government Activities. Governmental activities decreased the County's net assets by \$4.8 million. Key elements of this decrease are as follows:

- An increase in expenses relating to judicial of \$1.8 million, public safety of \$1.0 million, and culture and recreational of \$0.7 million. There was an increase in revenues relating to property taxes of \$5.8 million to offset the increase in expenses. Overall expenses were relatively consistent with the prior year and overall revenues increased slightly. This attributes to the smaller decrease in net assets as compared to 2006.
- For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-Type Activities. Net assets of business-type activities increased by \$11.9 million. The key element of this increase was a capital grant for airport construction during the current fiscal year, producing \$8.7 million in capital contributions, which resulted in an increase in net assets for business-type activities.

Revenues

The majority of the County's revenues come from Taxes which represents 52.8 percent of total revenues. In FY 2007, the County collected \$118.2 million in taxes.

The two other main sources of revenues come from the Intergovernmental and Charges for services categories.

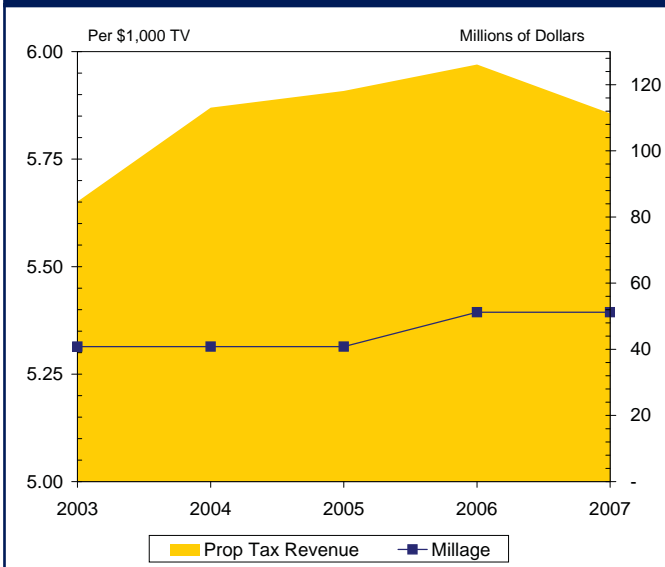
Taxes: \$118,156,686 - The majority of the County's tax collections come from property taxes and include the designated millages for the Correctional Facility and Senior Services, as well as Industrial Facilities Exemption Certificate taxes, and the Hotel/Motel Tax. In FY 2007, the County collected \$111.3 million in property taxes, a \$14.7 million, or 13.2 percent decrease from FY 2006 collections of \$126.1 million. The decrease is a result of the final year of the State mandated property tax shift (Public Act 357). In 2004, Public Act 357 was issued which provides that one-third of the December 2005 property tax levy be placed in a special revenue fund to be used as a substitute for state revenue sharing payments. In 2007 the County transferred \$11.2 million from this fund to the General Fund as required by the Act. In addition, the Act shifted the winter levy to a summer levy over three years starting in 2005. The County's State Taxable Value (STV), which grew from \$20.2 billion in 2006 to \$21.3 billion in 2007 representing an increase of 5.4 percent. While the millage rate has remained constant, at 5.394 mills.

Revenue by Category*

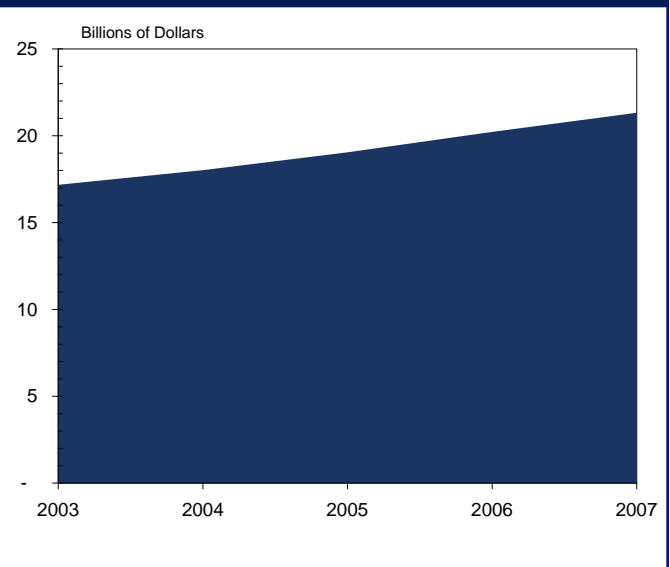
	2006	2007
Revenue:		
Taxes	\$ 132,658,697	\$ 118,156,686
Intergovernmental	58,924,230	60,262,395
Licenses and permits	1,294,778	1,498,811
Charges for services	21,053,923	21,936,346
Fines and forfeitures	442,504	329,203
Investment earnings	7,511,202	8,064,527
Contributions and reimbursements	8,593,436	9,320,091
Other	5,276,245	4,394,721
Total revenue	\$ 235,755,015	\$ 223,962,780

* This statement was created using the modified accrual basis, while the Changes in Net Assets statement was created using the full accrual basis causing a variance between the statements.

Property Tax Revenue & Millage Rates



State Taxable Values



Intergovernmental: \$60,262,395 - Intergovernmental revenue consists of grants from Federal, State, and local units of government. In FY 2007, this source accounts for \$60.3 million or 26.9 percent of total revenues. This represents an increase of \$1.3 million, or 2.3 percent, from FY 2006.

Charges for Services: \$21,936,346 - Charges for services revenue consists of State court funding, Real estate transfer tax, Certified copy fees, Recording fees, Board & care, Parking fees, Public works services, and other fees. In FY 2007, this source accounts for \$21.9 million, or 9.8 percent, of total revenues. This represents an increase of \$0.8 million, or 4.2 percent, from FY 2006.

Expenditures

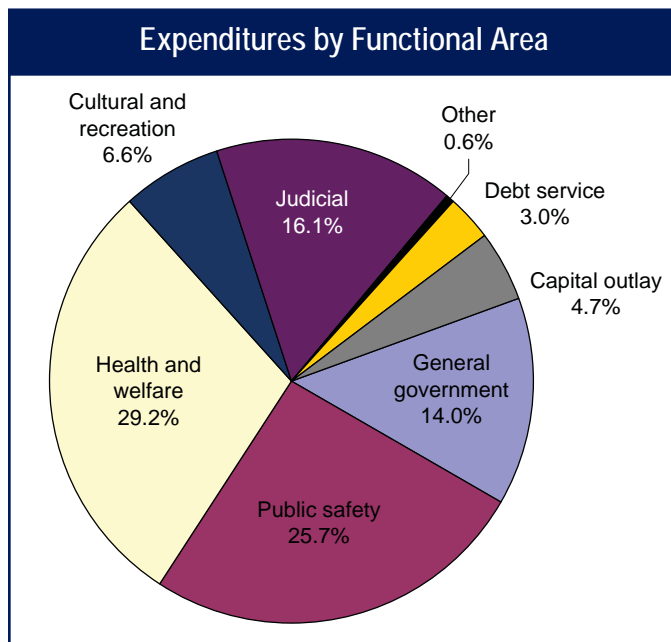
The County's expenditures are segregated into eight functional areas: General government, Public safety, Health and welfare, Cultural and recreation, Judicial, Other, Debt service, and Capital outlay.

Expenditure:	2006	2007
General government	\$ 39,189,502	\$ 33,872,987
Public safety	59,445,999	62,250,744
Health and welfare	62,267,542	70,724,185
Cultural and recreation	14,951,995	15,991,577
Judicial	34,256,960	38,947,012
Other	1,418,596	1,439,661
Debt service	6,852,291	7,378,724
Capital outlay	4,949,520	11,485,767
Total expenditure	\$ 223,332,405	\$ 242,090,657

* This statement was created using the modified accrual basis, while the Changes in Net Assets statement was created using the full accrual basis causing a variance between the statements.

General government: \$33,872,987 - The primary activities of the General government functional area include Facilities Management, Fiscal Services, Information Technology, and Policy/Administration. In FY 2007, the General government functional area accounts for \$33.9 million or 14.0 percent of total expenditures. This represents a decrease of \$5.3 million, or 13.6 percent, from FY 2006.

Public safety: \$62,250,744 - The primary activities of the Public Safety functional area include the Sheriff's administration & road patrol, the Correctional facility, and the Fire commission. In FY 2007, the Public safety functional area accounts for \$62.2 million or 25.7 percent of total expenditures. This represents an increase of \$2.8 million, or 4.7 percent, from FY 2006.



Health and welfare: \$70,724,185 - The primary activities of the Health and welfare functional area include the Health department and Childcare. In FY 2007, the Health and welfare functional area accounts for \$70.7 million, or 29.2 percent, of total expenditures. This represents an increase of \$8.5 million, or 13.6 percent, over FY 2006.

Cultural and recreation: \$15,991,577 - The primary activities of the Cultural and recreation functional area include the Parks, the Zoo, and the MSU cooperative extension. In FY 2007, the Cultural and recreation functional area accounts for \$15.9 million, or 6.6 percent, of total expenditures. This represents an increase of \$1.0 million, or 7.0 percent, over FY 2006.

Judicial: \$38,947,012 - The primary activities of the Judicial functional area include the Circuit Court, District Court, Probate Court, and the Prosecutor's Office. In FY 2007, the Judicial functional area accounts for \$38.9 million, or 16.1 percent, of total expenditures. This represents an increase of \$4.7 million, or 13.7 percent, from FY 2006.

Debt Summary

At the end of the current fiscal year, the County had total bonded debt outstanding of \$428.6 million. Of this amount, \$48.1 million comprises debt backed by the full faith and credit of the government and \$12.5 million is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt increased by \$162.0 million (60.8 percent) during the current fiscal year. The net increase was attributable to a \$117.3 million bond issue by the Department of Aeronautics for the construction of a new parking ramp.

	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Primary Government						
Limited tax pledge bonds	\$ 78,930	\$103,065	\$ 44,000	\$ 73,000	\$122,930	\$176,065
Limited revenue bonds	-	-	33,351	154,864	33,351	154,864
Full faith revenue bonds	-	-	49,360	48,050	49,360	48,050
Component Units						
Limited tax pledge bonds	-	-	47,300	37,075	47,300	37,075
Special assessment debt with governmental commitment	13,632	12,546	-	-	13,632	12,546
Total	\$ 92,562	\$115,611	\$174,011	\$312,989	\$266,573	\$428,600

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10.0 percent of its total state equalized valuation. The current debt limitation for the County is \$2.4 billion, which is significantly higher than the County's current general obligation debt outstanding.

	December 31,			
	2004	2005	2006	2007
State Equalized Value (SEV)	\$20,930,699,290	\$22,119,875,769	\$23,346,848,319	\$24,338,570,446
Legal Debt Limit (10% of SEV)	2,093,069,929	2,211,987,577	2,334,684,832	2,433,857,045
Debt Outstanding (including the Notes)	399,927,376	373,049,381	348,610,657	506,524,904
Margin of additional debt that could be legally incurred	\$ 1,693,142,553	\$ 1,838,938,196	\$ 1,986,074,175	\$ 1,927,332,141
Percentage of Debt Outstanding to SEV	1.91%	1.69%	1.49%	2.08%

Bond Rating

What is a Bond Rating? A bond rating performs the isolated function of credit risk evaluation. A bond rating does not constitute a recommendation to invest in a bond and does not take into consideration the risk preference of the investor. While many factors go into the investment decision making process, the bond rating is often the single most important factor affecting the interest cost on bonds.

There are three main risks that investors face when investing in bonds: interest rate risk (the risk that interest rates could rise), purchasing power risk (the risk that inflation will rise and thereby erode the value of bonds), and credit risk (the risk that a bond issuer will become unable to meet its debt obligations). While assessing the first two risks demands that individual investors conduct a significant amount of research on their own, credit risks are arguably the easiest for investors to assess—thanks to credit ratings.

Rating	Rating Service	
	Standard & Poor's	Moody's
Best Quality	AAA	Aaa
High quality	AA+	Aa1
	AA	Aa2
	AA-	Aa3
Upper Medium grade	A+	A1
	A	A2
	A-	A3
Medium Grade	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3

Credit ratings are essentially rankings of an organization's ability to repay their debts and to withstand various types of financial and economic stress compared to that of other companies. Ratings are intended to help provide forward-looking opinions on an organization's ability and willingness to pay interest and repay principal as scheduled.

There are three major rating agencies for municipal bonds: Moody's Investors Service, Standard & Poor's, and Fitch Ratings. Of the three rating agencies, Standard & Poor's and Moody's rate over 80 percent of all municipal and corporate bonds including Kent County.

In assigning a rating for general obligation bonds the rating agencies assess the following factors:

Economy; Debt Structure; Financial Condition; and Demographic Factors.

Year	Rating Service	
	Standard & Poor's	Moody's
2003	AAA	Aaa
2004	AAA	Aaa
2005	AAA	Aaa
2006	AAA	Aaa
2007	AAA	Aaa

Since FY 2000, the County has attained the top bond rating for its long-term debt of Aaa from Moody's; and AAA from S & P. There are 3,142 counties in the U.S., Kent County is one of 42 counties rated AAA by S & P and one of 48 rated Aaa by Moody's. There are 83 counties in Michigan, Kent County is one of only three counties rated AAA by S & P and Aaa by Moody's. Top bond ratings allow the County to either refinance outstanding debt, or to issue new debt, at more favorable rates. Lower interest rates translate into lower debt service payments.

General Fund Summary

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$13.6 million while total fund balance amounted to \$70.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to total fund expenditures. Unreserved undesignated fund balance represents 8.4 percent of total general fund expenditures, while total fund balance represents 43.3 percent of the same amount.

General Fund					
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual					
	2006		2007		December 31,
	Actual	Original Budget	Final Budget	Actual	Pos/(Neg) Variance
Revenues					
Taxes	\$ 80,230,391	\$ 87,425,000	\$ 87,425,000	\$ 87,109,198	\$ (315,802)
Intergovernmental	11,983,317	12,868,290	9,815,126	9,689,213	(125,913)
License and permits	73,072	80,350	65,950	66,306	356
Charges for services	17,850,973	19,904,845	19,279,845	19,112,123	(167,722)
Investment earnings	4,368,903	3,790,000	3,790,000	4,332,887	542,887
Contributions and reimbursements	6,816,183	7,334,142	6,667,008	6,642,626	(24,382)
Other	4,664,442	4,510,483	4,712,843	4,180,073	(532,770)
Total revenues	125,987,281	135,913,110	131,755,772	131,132,426	(623,346)
Expenditures					
General government	34,762,154	32,035,966	32,344,172	30,186,183	2,157,989
Public safety	56,367,529	61,110,849	62,362,239	59,689,226	2,673,013
Health and welfare	2,123,034	5,980,892	4,382,206	4,332,389	49,817
Cultural and recreation	8,209,075	9,327,146	9,660,551	9,137,690	522,861
Judicial	23,752,380	27,907,335	28,586,251	28,059,744	526,507
Other	1,418,596	1,516,899	1,536,919	1,439,661	97,258
Total expenditures	126,632,768	137,879,087	138,872,338	132,844,893	6,027,445
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	230,672	200,000	200,000	249,705	49,705
Interfund transfers in	24,872,940	28,698,373	28,746,518	28,746,518	-
Interfund transfers out	(26,210,766)	(33,303,908)	(31,514,193)	(29,290,236)	2,223,957
Estimated budget appropriation lapse	-	6,300,000	6,300,000	-	(6,300,000)
Total other financing sources (uses)	(1,107,154)	1,894,465	3,732,325	(294,013)	(4,026,338)
Net change in fund balance	(1,752,641)	(71,512)	(3,384,241)	(2,006,480)	1,377,761
Fund Balance, beginning	73,968,527	72,215,886	72,215,886	72,215,886	-
Fund Balance, ending	\$ 72,215,886	\$ 72,144,374	\$ 68,831,645	\$ 70,209,406	\$ 1,377,761

The fund balance of the County's General Fund decreased by \$2.0 million during the current fiscal year. Key factors in this change are as follows:

- Increase in total expenses relating to the general fund of \$6.2 million (4.9 percent).
- Increase in other financing uses relating to the general fund of \$3.1 million (11.7 percent).
- Increase in total revenues relating to the general fund of \$5.1 million (4.1 percent).
- Increase in other financing sources relating to the general fund of \$3.9 million (15.5 percent).

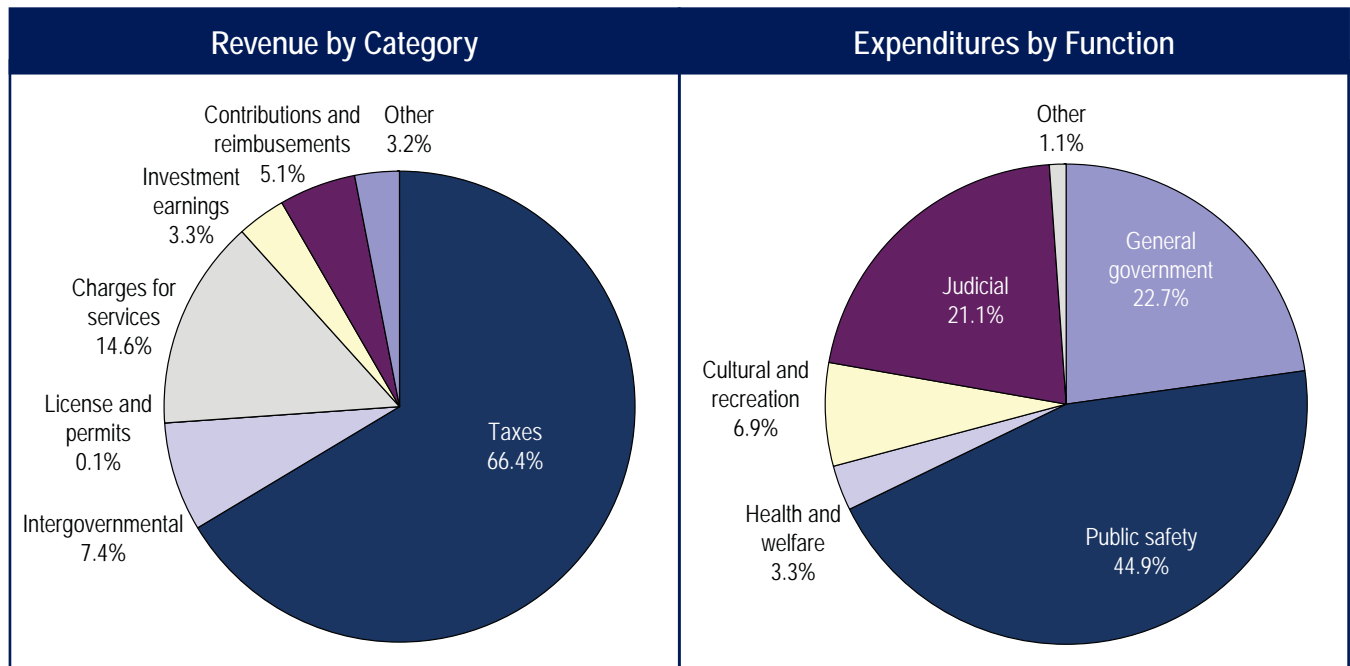
The General Fund budgeted for a decrease in fund balance of \$3.5 million and the actual decrease in fund balance was \$1.5 million. Significant changes in budgetary variance are as follows:

- Investment earnings had a positive budgetary variance of \$0.5 million as a result of interest rates being higher than originally projected.
- Other revenues had a negative budgetary variance of \$0.5 million.
- Expenditures had an overall positive budgetary variance of \$6.0 million, of which \$2.2 million related to general government, \$2.7 million related to public safety, \$0.5 related to cultural and recreation, and \$0.5 million related to judicial.
- Other financial sources had a negative budgetary variance of \$3.9 million.

General Fund Budgetary Highlights. During the year, there was a \$2.8 million increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$0.3 million in increases in general government activities.
- \$1.3 million in increases in public safety.
- \$1.6 million in decreases in health & welfare
- \$0.3 million in increases in cultural and recreation activities.
- \$0.7 million in increases in judicial activities.
- \$1.8 million in increases for other financing.

During the current fiscal year, unreserved fund balance in the General Fund was decreased to \$13.6 million as previously mentioned. The County’s 2008 budget appropriation resulted in \$1.55 million increase in reserves. This appropriation allows the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2008 fiscal year.



Phone Numbers	Board of Commissioners	Elected Officials
Administrator's Office 616.632.7570	Ted Vonk District 1	Mary Hollnrake - Clerk/Register of Deeds
Aeronautics 616.233.6000	Fritz Wahlfeld District 2	William Forsyth - Prosecuting Attorney
Animal Shelter 616.336.3210	Roger Morgan (Chair) District 3	William Byl - Drain Commissioner
Board of Commissioners Office 616.632.7580	Gary Rolls District 4	Larry Selma - Sheriff
Circuit Court 616.632.5220	Sandi Frost Parrish District 5	Kenneth Parrish - Treasurer
Clerk's Office 616.632.7640	Arthur Tantis District 6	
Community Development 616.632.7400	Marvin Hiddema District 7	Executive Staff
Drain Commissioner 616.336.3688	Jack Boelma District 8	Daryl Delabio - Administrator/Controller
Equalization 616.632.7520	Harold Voorhees District 9	Robert White - Fiscal Services Director
Fiscal Services 616.632.7670	David Morren District 10	
Friend of the Court 616.632.6888	Dean Agee District 11	Administration Building
Health Department 616.632.7100	Harold Mast District 12	
Housing Commission 616.632.7400	Dick Vander Molen (Vice-Chair) District 13	County of Kent
Human Resources 616.632.7440	Carol Hennessy District 14	300 Monroe Avenue, NW
Information Technology 616.632.6500	Dick Bulkowski District 15	Grand Rapids, MI 49503
John Ball Zoological Garden 616.336.4301	Paul Mayhew District 16	www.accesskent.com
Parks Department 616.336.2275	James Vaughn District 17	616.632.7570 phone
Probate Court 616.632.5440	Brandon Dillon District 18	616.632.7565 fax
Prosecutor's Office 616.336.3694	Nadine Klein District 19	
Public Works 616.632.6100		
Sheriff		

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