2008
FINANCIAL OVERVIEW
Kent County, Michigan

Daryl J. Delabbio
County Administrator/Controller

Robert J. White
Fiscal Services Director

OFFICE OF THE ADMINISTRATOR

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April 24, 2008

The Honorable Board of Commissioners
Kent County Administration Building
300 Monroe Avenue NW
Grand Rapids, MI 49503-2221

RE: 2008 Kent County Financial Overview

The following document presents a "Financial Overview" for Kent County. The information contained herein provides significant economic, demographic and financial information in summary format. It will provide the reader with a comprehensive report demonstrating the financial strength and stability of Kent County government.

The document is intended to serve the information needs of individuals and organizations with a financial interest in Kent County including:

- Retail Bond Holders/Institutional Investors/Rating Agencies;
- County Elected Officials;
- The Citizens of Kent County; and
- Businesses doing business or considering locating new business in Kent County.

This is an annual publication, the preparation of which is a cooperative effort of the County Treasurer, Human Resources and Fiscal Services staff. This document continues to demonstrate the County's adherence to conservative fiscal principles and strong management oversight.

Respectfully submitted,

Daryl J. Delabbio
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County Administrator/Controller

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GOVERNMENT

The County is governed by a legislative body consisting of 19 members forming the Board of commissioners, each of whom is elected for terms of two years from districts of approximately equal population. County elected officials include the County Treasurer, County Clerk and Register of Deeds, Prosecuting Attorney, Drain Commissioner, and Sheriff. These officials are elected at large for four year terms.

Administration of the County is divided by the State of Michigan Constitution (the "State Constitution") among various officials all elected at large according to purpose and by various appointed officials. The County Treasurer is the chief custodian of the County moneys, collector of County taxes, disbursing agent for certain tax funds to local communities and school districts and performs other duties concerned with inter-related fiscal affairs of County departments and agencies and is the Treasurer of the Drainage Board. The duties of the County Clerk and Register of Deeds are primarily record keeping in nature and include such duties as clerk of the Circuit Court and Board of Commissioners and keeping and maintaining records of births, deaths, marriages, discharges of military personnel, records of deeds, mortgages, surveys, recording of plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of state criminal law within the County and may represent the County in appropriate courts. The County Drain Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County jail, the serving of processes, and law enforcement in unincorporated areas. The Board of Commissioners has created the office of County Administrator/Controller as the chief administrative and fiscal officer of the County. The County Administrator/Controller is appointed by the Board of Commissioners and the responsibilities of the office include, but are not limited to: County Administration; budget preparation and control; all accounting and auditing; Executive Secretary to the Board of Commissioners. The County Administrator/Controller administers all policies of the Board of Commissioners and oversees centralized service functions (information technology, human resources, finance, purchasing, etc.) that serve all departments.

Kent County Elected/Appointed Officials

Board of Commissioners

Chair
Roger Morgan

Vice-Chair
Richard Vander Molen

Dean Agee
Jack Boelema
Dick Bulkowski
Brandon Dillon
Carol Hennessy
Marvin Hiddema
Nadine Klein
Harold Mast
Paul Mayhue
David Morren
Sandi Frost Parrish
Gary Rolls
Arthur Tanis
James Vaughn
Ted Vonk
Harold Voorhees
Fritz Wahlfield

Elected Officers

Clerk/Register of Deeds
Mary Hollinrake

Drain Commissioner
William Byl

Prosecuting Attorney
William Forsyth

Treasurer
Kenneth Parrish

Sheriff
Lawrence Stelma

Executive Staff

Administrator/Controller
Daryl Delabbio

Corporate Counsel
Sherry Batzer

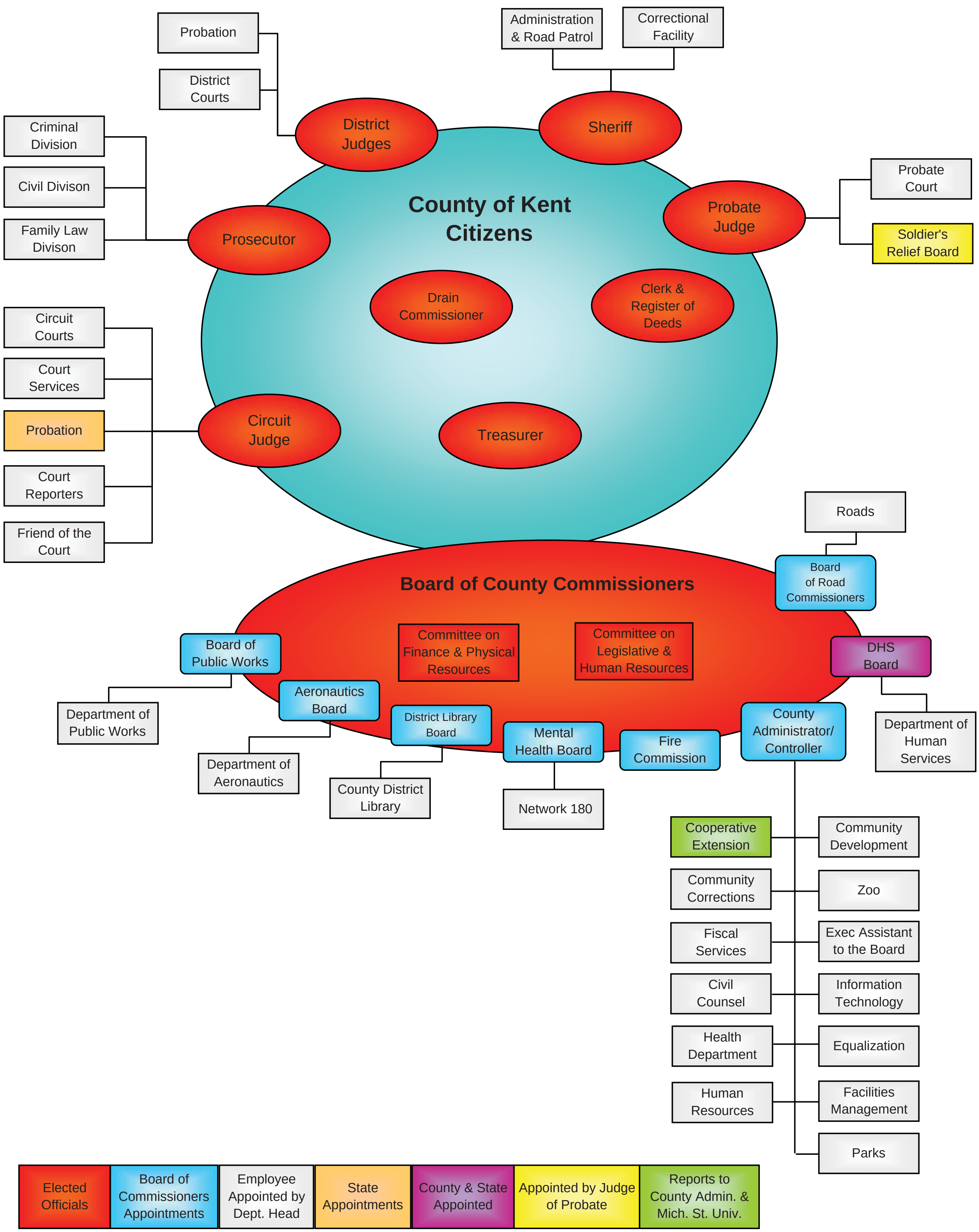
Fiscal Services Director
Robert White

Budget Manager
Marvin Van Nortwick

Professional Services

Auditors: BDO Seidman
Grand Rapids, Michigan

Organization Chart



Property Tax Rates

Prior to 1982 the County's tax rate was determined by a County-wide Allocation Board. In 1982, the County electorate voted a fixed millage allocation of 15 mills for operating purposes of the County and certain other taxing units within the County, as authorized by the State Constitution. Prior to 1995 the millage allocation was equal to $15.00 per $1,000 of the State Equalized Valuation ("SEV") of taxable property in the County and since 1995 has been equal to $15.00 per $1,000 of Taxable Value (defined below) of the taxable property. (See "COUNTY AND TAXATION LIMITATIONS - Taxable Valuation of Property," herein.) The 15 mills allocation was voted for an indefinite period of time, although State statute permits a maximum levy of 18 mills. Of the 15 voted mills, 4.8 mills were authorized as the maximum levy for the County's operating purposes, including the payment of debt service. The remaining 10.2 mills were allocated among the other taxing units within the County. The allocation of the millage is fixed until such time as the electorate votes to change the allocation or the total authorized millage. The County electorate must approve additional millages of any amount for any general or specific purpose within statutory and constitutional limitations. In addition, the electorate may, at any time in the future, vote to (i) increase the 15 mill limit to 18 mills or (ii) re-establish the Allocation Board, and the County allocation of the total authorized 15 mills tax levy would thereafter be determined by the Allocation Board. The County's operating and additional voted millage for the past five years is shown in the following table. Tax levies are as of December 1 and July 1 of each year shown, are levied against each $1,000 of Taxable Value and exclude taxes levied by underlying taxing units. The current tax levies are reduced from 4.8000 mills and 0.8400 mills for County operating and correction facility purposes, respectively, as a result of the 1978 State Constitutional amendment described under "Property Tax Limitations."

MILLAGE RATE

	2003	2004	2005		2006		2007	
Millages	**Dec 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**	**Jul 1**	**Dec 1**
County Operating	4.2803	4.2803	1.4267	2.8536	2.8535	1.4268	4.2803	-
Correction Facility (1)	0.7893	0.7893	-	0.7893	-	0.7893	-	0.7893
Senior Services (1)	0.2444	0.2444	-	0.2444	-	0.3244	-	0.3244
Total Levy	5.3140	5.3140	1.4267	3.8873	2.8535	2.5405	4.2803	1.1137

(1) Voter approved millages

Source: County of Kent

Property Tax Rate History

In addition to the County taxes, property owners in the County are required to pay ad valorem taxes to other taxing units such as cities, townships, school districts, community colleges, and other units within the County. The total tax rate per $1,000 of Taxable Value varies widely depending upon which municipality and school district the property is located. The highest tax rate on property within the County for the 2007 tax year was 62.0584 mills (44.0584 mills on homestead property) per $1,000 of Taxable Value for the residents of the City of East Grand Rapids in the East Grand Rapids School District; the lowest tax rate was 38.2840 mills (20.2840 mills on homestead property) for the residents of Solon Township in the Tri County School District.

In addition to the allocated millage, the County electorate from time to time may approve additional millages of any amount for any general or specific purpose within State constitutional and statutory limitations.

Property Tax Rate Limitations

In 1978, the electorate of the State passed an amendment to the State Constitution (the "Amendment") which placed certain limitations on increases of taxes by the State and political subdivisions from currently authorized levels of taxation. The Amendment and the enabling legislation, Act 35 of the Public Acts of Michigan of 1979, as amended, may have the effect of reducing the maximum authorized tax rate which may be levied by a local taxing unit. Under the Amendment's millage reduction provisions, should the value of taxable property, exclusive of new construction, increase at a percentage greater than the percentage increase in the Consumer Price Index, as published by the United States Department of Labor, then the maximum authorized tax rate would be reduced by a factor which would result in the same maximum potential tax revenues to the local taxing unit as if the valuation of taxable property (less new construction) had grown only at the national inflation rate instead of the higher actual growth rate. Thus, should taxable property values rise faster than consumer prices, the maximum authorized tax rate would be reduced accordingly. However, should consumer prices subsequently rise faster than taxable property values, the maximum authorized tax rate would not increase over the prior year tax rate, but remain the same. The Amendment does not limit taxes for the payment of principal and interest on bonds or other evidences of indebtedness outstanding at the time the Amendment became effective or which have been approved by the electors of the County.

Taxable Valuation of Property

Article IX, Section 3, of the State Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true market value. The State Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The State Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

In 1994, the electors of the State approved an amendment to the State Constitution (the "1994 Amendment") permitting the State Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing the 1994 Amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations - SEV and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the inflation rate, or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

The 1994 Amendment and the implementing legislation based the Taxable Value of existing property for the year 1995 on the SEV of that property in 1994 and for the years 1996 and thereafter on the Taxable Value of the property in the preceding year. Beginning with the taxes levied in 1995, an increase, if any, in Taxable Value of existing property is limited to the lesser of 5% or the inflation rate. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local board of review and ultimately to the State of Michigan Tax Tribunal.

The State Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the local assessor. Assessments are then equalized to the 50% levels as determined by the County's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Ad valorem Taxable Value does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198 of the Public Acts of Michigan of 1974, as amended ("Act 198") and Act 146 of the Public Acts of Michigan of 2000, as amended ("Act 146"). Property granted tax abatements under Act 198 and Act 146, is recorded on separate tax rolls while subject to tax abatement.

Property taxpayers may appeal their assessments to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. County taxpayers have approximately 146 tax appeals pending before the Tax Tribunal as of March 5, 2008, none of which will have a significant impact on the County's State Equalized Valuation, Taxable Value or the resulting taxes.

State Equalized and Taxable Valuation

Ad valorem Taxable Value does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) or property granted tax abatement under Act 198 or Act 146. The effect of the abatements granted under Act 198 and Act 146 is to understate the 2007 Taxable Value of the County by an estimated $583,900,900 or approximately 2.7%. Excluding the SEV of these properties, the County's total SEV has increased $4,419,199,666 or 22.20% between 2003 and 2007 and the Taxable Value has increased $4,150,380,180 or 24.2% between 2003 and 2007. (See "COUNTY TAXATION AND LIMITATIONS -- Property Tax Abatement" herein). Per capita 2007 SEV is $40,596 and the per capita 2007 Taxable Valuation is $35,571, both of which are based on the 2006 U.S. Census estimated population of 599,524.

SEV AND TAXABLE VALUE HISTORY				
Year of Valuation	SEV	Taxable Valuation	SEV Increase Over Prior Year	Taxable Valuation Increase Over Prior Year
2003	19,919,370,780	17,175,074,149	6.8%	4.7%
2004	20,930,699,290	18,015,373,868	5.1%	4.9%
2005	22,119,875,769	19,043,661,224	5.7%	5.7%
2006	23,346,848,319	20,223,487,574	5.5%	6.2%
2007	24,338,570,446	21,325,454,329	4.2%	5.4%

Source: County of Kent

CURRENT TAXABLE VALUATION COMPONENTS					
By Use:		**By Class:**		**By Municipality:**	
Residential	64.2%	Real Property	91.3%	Cities	54.8%
Commercial	18.0%	Personal Property	8.7%	Townships	45.2%
Personal	8.7%				
Industrial	8.3%				
Agricultural and Development	0.8%				
Total	100.0%		100.0%		100.0%

Source: County of Kent

Property Tax Abatement

The SEV and Taxable Values do not include valuation of certain facilities which have temporarily been removed from the ad valorem tax roll pursuant to Act 198. Act 198 was designed to provide a stimulus in the form of significant tax incentives to industrial enterprises to renovate and expand aging facilities ("Rehab Properties") and to build new facilities ("New Properties"). Except as indicated below, under the provisions of Act 198, a local governmental unit (i.e., a city, village or township) may establish plant rehabilitation districts and industrial development districts and offer industrial firms certain property tax incentives or abatements to encourage restoration or replacement of obsolete facilities and to attract new facilities.

An industrial facilities exemption certificate granted under Act 198 entitles an eligible facility to exemption from ad valorem taxes for a period of up to 12 years. In lieu of ad valorem taxes, the eligible facility will pay an industrial facilities tax (the "IFT Tax"). For properties granted tax abatement under Act 198 there exists a separate tax roll referred to as the industrial facilities tax roll (the "IFT Tax Roll"). The IFT Tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the ad valorem tax; the important difference being that the value of the property remains at the Taxable Value level prior to the improvements even though the restoration or replacement substantially increases the value of the facility. For a new facility the IFT Tax is also determined the same as the ad valorem tax but instead of using the total mills levied as ad valorem taxes, a lower millage rate is applied. For abatements granted prior to 1994, this millage rate equals 1/2 of all tax rates levied by other than the State and local school district for operating purposes plus 1/2 of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1993, this millage rate equals 1/2 of all tax rates levied by other than the State plus 0%, 50% or 100% of the SET (as determined by the State Treasurer).

The County's ad valorem Taxable Value also does not include the value of certain facilities which have been temporarily removed from the ad valorem tax roll pursuant to Act 146. Act 146 was designed to provide a stimulus in the form of significant tax incentives to renovate certain blighted, environmentally contaminated or functionally obsolete commercial property or commercial housing property ("OPRA Properties"). Except as indicated below, under the provisions of Act 146, a local governmental unit (i.e. a city, village or township) may establish obsolete property rehabilitation districts and offer tax incentives or abatements to encourage rehabilitation of OPRA Properties.

An obsolete property rehabilitation certificate granted under Act 146 entitles an eligible facility to an exemption from ad valorem taxes on the building only for a period of up to 12 years. A separate tax roll exists for OPRA Properties abated under Act 146 called the "Obsolete Properties Tax Roll." An "Obsolete Properties Tax" is calculated using current year ad valorem millages times the taxable value of the obsolete building for the tax year immediately prior to the effective date of the obsolete property rehabilitation certificate except for the annual school operating and State Education Tax millages which are charged at the ad valorem tax rate on the current taxable value of the building.

The local units in the County have established goals, objectives and procedures to provide the opportunity for industrial and commercial development and expansion. Since 1974, local units in the County have approved a number of applications for local property tax relief for industrial firms. The SEV of properties that have been granted tax abatement under Act 198 and Act 146, removed from the ad valorem tax roll and placed on the IFT Tax Roll in the County totaled an estimated $583,900,950 for the fiscal year ended December 31, 2007. The IFT Taxes paid on these properties are equivalent to ad valorem taxes paid on $1,167,801,900 of Taxable Value at the full tax rate (the "Equivalent Taxable Value"). Upon expiration of the industrial facilities exemption and obsolete property rehabilitation certificates the current equalized valuation of the abated properties will return to the ad valorem tax roll as Taxable Value.

As an additional measure to stimulate private investment, several local units in the County also created Renaissance Zones (the "Zones") pursuant to the provisions of Act 376 of the Public Acts of Michigan of 1996, as amended ("Act 376"). Under Act 376 individuals living in and local businesses that conduct business and own qualified property located within the Zones are entitled to, among other things, an exemption from ad valorem taxes on the qualified property. For the fiscal year ended December 31, 2006, the Taxable Value of property qualified for the benefits of the Zone program totaled $222,583,508.

Tax Increment Authorities

Act 450 of the Public Acts of Michigan of 1980, as amended (the "TIFA Act"), Act 197 of the Public Acts of Michigan of 1975, as amended (the "DDA Act"), Act 281 of the Public Acts of Michigan of 1986, as amended (the "LDFA Act"), Act 530 of the Public Acts of Michigan of 2004, as amended (The "Historic Neighborhood Act"), Act 280 of the Public Acts of Michigan of 2005, as amended (The "CIA Act") Act 61 of the Public Acts of Michigan 2007, as amended and Act 381 of the Public Acts of Michigan of 1996, as amended (the "Brownfield Act") (together the "TIF Acts") authorize the designation of specific districts known as Tax Increment Finance Authority ("TIFA) Districts, Downtown Development Authority ("DDA") Districts, Local Development Finance Authority ("LDFA") Districts, Historic Neighborhood Finance Authority ("HNFA") Districts, Cooridor Improvement Authority ("CIA") Districts, Neighborhood Improvement Authority ("NIA") Districts or Brownfield Redevelopment Authority ("BRDA") Districts, authorized to formulate tax increment financing plans for public improvements, economic development, neighborhood revitalization, historic preservation and environmental cleanup within the districts.

Tax increment financing permits the TIFA, DDA, LDFA, HNFA, CIA, NIA or BRDA to capture tax revenues attributable to increases in value ("TIF Captured Value") of real and personal property located within an approved development area while any tax increment financing plans by an established district are in place. These captured revenues are used by the tax increment finance authorities and are not passed on to the local taxing jurisdictions.

Certain local units in the County have established DDA, LDFA and BRDA Districts with an estimated aggregate 2006 captured taxable value of $449,979,000.

Personal Property Tax Exemptions and Property Tax Proposals

Act 328 of the Public Acts of Michigan of 1998, as amended, allows certain eligible communities to designate specific existing areas as “eligible distressed areas” in which “new personal property” of “eligible businesses” would be exempt from ad valorem property taxation. The eligible communities could, with the approval of the State Tax Commission, designate one or more areas as eligible distressed areas.

Property Tax Collections

The County’s fiscal year is the calendar year. County taxes were historically due and payable on December 1 of each year, at which time a lien on taxable property is created. Property taxes billed on December 1 are payable without penalty until February 14. Property taxes billed on July 1 are payable without penalty on various dates, based on the billing cycles of city and township treasurers, but not later than September 14. Unpaid real property taxes become delinquent on the following March 1 and are thereafter collected by the County Treasurer with penalties and interest. Real property returned to the County Treasurer for delinquent taxes is subject to forfeiture, foreclosure and sale as provided in Act 206, Public Acts of Michigan of 1893, as amended. In recent years, the County has paid to the respective municipalities within the County, including the County, from the Delinquent Tax Revolving Fund (the “Fund”), the delinquent real property taxes of such municipalities; collections of delinquent real property taxes otherwise would be paid to such municipalities by the County Treasurer on a monthly basis following collection. Funding by the County of delinquent real property taxes is dependent upon the ability of the County, annually, to sell its notes for that purpose. There is no assurance the Fund will be continued in future years. Delinquent personal property taxes are less than 1% of the County’s total levy. Suit may be brought to collect personal property taxes or personal property may be seized and sold to satisfy the tax lien thereon.

PROPERTY TAX COLLECTION HISTORY

Year of Levy	Levy as of December 1 (1)	Total Tax Collection to March 1 Year Following Levy		Collection to February 29, 2008	
2003	$ 90,498,480	$ 84,020,375	92.84%	$ 90,497,549	100.00%
2004	94,868,201	88,336,598	93.12%	94,864,205	100.00%
2005	100,103,230	93,881,338	93.78%	100,018,694	99.92%
2006	107,819,921	101,351,375	94.00%	107,015,856	99.25%
2007	113,547,947	105,669,239	93.06%	105,669,239	93.06%

(1) The County of Kent's fiscal year begins January 1. Taxes are billed the previous December 1st and are recorded as delinquent the following March 1.

Source: County of Kent

Revenue Sharing

The County receives revenue sharing payments and other moneys from the State under the State Constitution and the State Revenue Sharing Act of 1971, as amended (the “Revenue Sharing Act”). The State revenue sharing program distributes sales tax revenues collected by the State to city, village, township, and county governments as unrestricted revenues.

In 1996, the State Legislature expressly designated the revenues of the sales tax as the sole source for revenue sharing. The sales tax revenues come from a 6% State levy on retail sales (other than sales of certain exempt items such as food and drugs). The State Constitution limits the rate of sales tax to 6%, and dedicates 100% of the revenue of sales tax imposed at a rate of 2% to the State School Aid Fund. The State Constitution further mandates that 15% of the total revenues collected from sales taxes levied at the remaining 4% be distributed to townships, cities and villages. The Revenue Sharing Act distributes an additional 21.3% of those revenues to Michigan municipalities, including counties.

At the end of calendar year 1998, the Legislature again amended the Revenue Sharing Act (the “1998 Amendments”) to accomplish the following, among other things:

- Re-adjust the percent share of statutory distributions from 24.5% for counties and 75.5% to cities, villages, and townships, to 25.06% for counties and 74.94% to cities, villages, and townships.
- Create a “sunset” of the statute by including language that revenue sharing after June 30, 2007 will be distributed “as provided by law.”

In addition to payments of revenue sharing moneys, the State pays the County to support judges’ salaries, as well as other miscellaneous state grants.

Revenue sharing payments and other monies paid to municipalities (other than the portion which is mandated by the State constitution) are subject to annual appropriation by the State Legislature, and may be reduced or delayed by Executive Order during any fiscal year in which the Governor, with the approval of the legislature’s appropriation committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

Revenue sharing payments were distributed in accordance with the 1998 Amendments until December 2002. Consistent with the downturn in the national economy, however, the State began experiencing an economic slowdown, resulting in reductions in anticipated and actual sales tax revenue. In response, the State Legislature enacted each year one or more acts to further amend the distribution formula and reduce statutory revenue sharing payments to local governments otherwise established by the 1998 Amendments.

County Reserve Fund

In anticipation of a continued budget deficit, in September 2004, Governor Granholm signed into law Act 356 of the Public Acts of Michigan of 2004 (“Act 356”), an amendment to the Revenue Sharing Act and Act 357 of the Public Acts of Michigan of 2004 (“Act 357”) an amendment to the General Property

Tax Act. Act 356 and Act 357 accomplished the temporary elimination of approximately $182.1 million in statutory revenue sharing payments to counties by creating a revenue sharing reserve fund ("RSRF") paid for by the permanent advancement of the counties' property tax levy from December to July each year, beginning July 2005. Under this amendment, the State directed county governments to shift the levy of County operating property tax millages from the December tax billing to the July tax billing in one-third increments over a three year time period and fund the RSRF from increased cash flow generated by the tax billing shift. The planned transition of County operating millage levies and creation of reserve accounts was as follows:

DEPOSITS

	General Fund		
Year	**July Tax**	**December Tax**	**RSRF**
2004	-	3/3	1/3
2005	1/3	2/3	1/3 *
2006	2/3	1/3	1/3 *
2007	3/3	-	-

* Equal to 1/3 of December 2004 tax levy.

- The creation of the RSRF is restricted for the purpose of reducing the State's obligation for revenue sharing payments to county governments for a temporary period.

- The RSRF was funded with a set aside of property tax collections equal to 100% of the December 2004 operating millage tax collections. One-third of this amount was set aside for each of the December 2004 through 2006 inclusive tax collection cycles. By resolution of the County Board of Commissioners, any interest earnings generated from the deposits will be credited to the RSRF.

- Counties with a fiscal year end December 31, were allowed to withdraw from the RSRF the amount which would otherwise have been received as revenue sharing payments for October 2004, December 2004, and February 2005 as necessary to compensate for revenue sharing payments accrued to the prior year.

- On January 1, 2005 through 2008, counties with a fiscal year ending December 31 were allowed to withdraw from the RSRF an amount equal to the total amount which would have otherwise been received as revenue sharing payments for April 2004 through February 2005, increased by the "inflation rate" as defined in section 34d of the General Property Tax Act, Act 204 of the Public Acts of Michigan of 1893, as amended (the "Inflation Rate"), and not affected by any Executive Orders issued after May 17, 2004.

- On January 1, 2009, and each year thereafter, counties with a fiscal year ending December 31, will be able to withdraw from the RSRF an amount equal to the total amount able to be withdrawn in the prior year, again increased by the Inflation Rate and not affected by any Executive Orders issued after May 17, 2004.

- The counties' statutory guarantee to receive revenue sharing payments from the State will remain in full force and effect, but the payments to an individual county will be credited by the amount the individual county is able to withdraw funds from the RSRF. At the time that the RSRF for an individual county is depleted, the law currently provides that the State will immediately resume its obligation to make revenue sharing payments. The counties' statutory guarantee to receive revenue sharing payments will supersede the current sunset provision in the revenue sharing statute. The statutory language clearly indicated the intent of the State at the time of enactment of this change to continue revenue sharing payments to counties.

PROJECTED RESERVE ACCUMULATION AND DEPLETION SCHEDULE

County of Kent, Michigan
Revenue Sharing Reserve Special Revenue Fund
Projection of Revenues, Expenses, and Changes in Fund Balance *(in thousands)*

	Year Ended December 31,							
Category	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Revenues:								
Property Tax Set-Aside	$ 24,873	$ 24,873	$ 24,873	$ -	$ -	$ -	$ -	$ -
Interest (1)	(5)	245	1,109	1,868	1,077	648	192	-
	24,868	25,118	25,982	1,868	1,077	648	192	-
Appropriations:								
Transfers to General Fund (2)	6,845	10,494	10,841	11,242	11,500	11,776	12,047	5,008
Excess (Deficient) Revenues	18,023	14,624	15,141	(9,374)	(10,423)	(11,128)	(11,855)	(5,008)
Fund Balance, Beg	-	18,023	32,647	47,788	38,414	27,991	16,863	5,008
Fund Balance, End	$ 18,023	$ 32,647	$ 47,788	$ 38,414	$ 27,991	$ 16,863	$ 5,008	$ -

(1) Prior year ending Fund Balance, less current year transfer, plus one half current year property tax, invested at an average interest rate of 5.0%
(2) Indexed at an assumed inflation rate of 2.3% per annum

Source: County of Kent

GENERAL FUND REVENUES FROM THE STATE OF MICHIGAN

Category	**2004**	**2005**	**2006**	**2007** (1)	**2008** (2)
Revenue Sharing (3)	$ 8,929,831	$ 10,494,321	$ 10,840,632	$ 11,241,736	$ 11,500,296
Court Equity Funding	3,594,746	3,472,493	3,428,062	3,421,449	3,363,198
Liquor Tax	2,792,678	2,960,118	3,193,611	-	3,585,636
Single Business Tax	1,313,425	-	-	-	-
Cigarette Tax	330,300	359,017	339,202	277,174	340,000
Grants and Other	1,543,937	1,527,432	1,486,418	1,557,677	1,608,525
Total	$ 18,504,917	$ 18,813,381	$ 19,287,925	$ 16,498,036	$ 20,397,655

(1) Preliminary, subject to audit
(2) As budgeted by the County
(3) Including Interfund Transfers from the RSRF

Source: County of Kent

Constitutional Debt Limitation

Article VII, Section 6 of the State Constitution states "No county shall incur any indebtedness which shall increase its total debt beyond l0%, of its assessed valuation." The Notes are included within this debt limitation.

STATEMENT OF LEGAL DEBT MARGIN - APRIL 30, 2008	
2007 State Equalized Value (SEV)	$ 24,338,570,446
Legal Debt Limit (10% of SEV)	2,433,857,045
Debt Outstanding (including the Notes)	516,779,904
Margin of additional debt that can be legally incurred	$ 1,917,077,141
Debt Outstanding as a percentage of 2007 SEV	2.1%

Debt Statement

The following table reflects a breakdown of the County's direct and overlapping debt as of April 30, 2008 including the Bonds. Bonds or notes designated L.T.G.O. are limited tax pledge bonds or notes.

Debt Type	Gross	Self-supporting or Portion Paid Directly By Benefited Municipalities	Net	Net Debt Per Capita [1]	Net Debt % of SEV
Direct Debt					
County Building Authority (L.T.G.O.)	$ 94,360,000	$ 455,000	$ 93,905,000		
General Obligation Limited Tax Notes [2]	83,000,000	83,000,000	-		
Refuse and Solid Waste Bonds (L.T.G.O.)	21,755,000	21,755,000	-		
Airport Bonds					
(L.T.G.O.)	150,200,000	150,200,000	-		
(Revenue)	46,680,000	46,680,000	-		
Water and Sewer Bonds (L.T.G.O.)	3,900,000	3,900,000	-		
Drain Bonds (L.T.G.O.)	12,546,000	12,546,000	-		
County/City Building Authority Bonds (L.T.G.O.)	81,333,904	4,265,000	77,068,904		
CIP Bonds (L.T.G.O.) [3]	23,005,000	-	23,005,000		
Total Direct Debt	$ 516,779,904	$ 322,801,000	193,978,904	$ 323.55	0.8%
Overlapping Debt [4]					
School Districts			1,283,851,189		
Cities			216,779,000		
Community Colleges			49,015,525		
Townships			30,228,000		
Villages			3,145,000		
Intermediate School Districts			65,546		
Total Overlapping Debt			1,583,084,260	2,640.57	6.5%
Total Direct and Overlapping			$ 1,777,063,164	$ 2,964.12	7.3%

(1) Based on 2006 estimated population of 599,524.
(2) Includes an estimated $30,000,000 of delinquent tax anticipation notes to be issued in April, 2008.
(3) Includes an estimated $14,300,000 of Capital Improvement Bonds to be priced on May 1, 2008.
(4) Overlapping debt is the portion of other public debt for which a County taxpayer is liable in addition to the Direct Debt of the County.

Source: Municipal Advisory Council

DEBT AMORTIZATION SCHEDULE
REQUIREMENTS AT APRIL 30, 2008

Year	Tax Notes	Refuse Disposal Bonds	Airport Revenue LTGO Bonds	Water & Sewer LTGO Bonds	Drain Bonds	City/County Building Authority Bonds	County Building Authority Bonds	Capital Improvement Bonds	Total	Cumulative Total	Percent Amortized
2008	$ -	$ -	$ -	$ -	$ 1,127,000	$ 3,545,000	$ 4,600,000	$ 605,000	$ 9,877,000	$ 9,877,000	1.9%
2009	24,000,000	10,505,000	2,740,000	490,000	1,167,000	3,895,000	4,640,000	1,205,000	48,642,000	58,519,000	11.3%
2010	29,000,000	11,250,000	3,465,000	510,000	1,227,000	4,260,000	5,685,000	1,265,000	56,662,000	115,181,000	22.3%
2011	30,000,000	-	4,050,000	530,000	1,215,000	4,675,000	3,405,000	1,305,000	45,180,000	160,361,000	31.0%
2012	-	-	4,535,000	550,000	1,280,000	5,115,000	3,540,000	1,340,000	16,360,000	176,721,000	34.2%
2013	-	-	5,080,000	580,000	1,350,000	5,585,000	3,710,000	1,040,000	17,345,000	194,066,000	37.6%
2014	-	-	5,640,000	605,000	1,165,000	6,085,000	3,880,000	1,070,000	18,445,000	212,511,000	41.1%
2015	-	-	6,275,000	635,000	1,235,000	3,513,370	4,075,000	1,105,000	16,838,370	229,349,370	44.4%
2016	-	-	6,575,000	-	925,000	3,455,616	4,270,000	1,145,000	16,370,616	245,719,986	47.5%
2017	-	-	6,890,000	-	980,000	3,399,714	4,435,000	1,185,000	16,889,714	262,609,700	50.8%
2018	-	-	7,230,000	-	275,000	3,339,653	4,660,000	1,230,000	16,734,653	279,344,353	54.1%
2019	-	-	7,585,000	-	290,000	3,303,950	4,890,000	1,060,000	17,128,950	296,473,303	57.4%
2020	-	-	7,965,000	-	310,000	3,270,176	5,135,000	1,110,000	17,790,176	314,263,479	60.8%
2021	-	-	8,360,000	-	-	3,232,569	5,400,000	1,160,000	18,152,569	332,416,048	64.3%
2022	-	-	8,785,000	-	-	3,219,531	4,860,000	1,215,000	18,079,531	350,495,579	67.8%
2023	-	-	9,220,000	-	-	3,201,469	5,005,000	1,270,000	18,696,469	369,192,048	71.4%
2024	-	-	9,675,000	-	-	2,433,499	5,270,000	1,330,000	18,708,499	387,900,547	75.1%
2025	-	-	10,160,000	-	-	2,385,378	5,535,000	785,000	18,865,378	406,765,925	78.7%
2026	-	-	7,785,000	-	-	2,344,096	5,805,000	820,000	16,754,096	423,520,021	82.0%
2027	-	-	8,175,000	-	-	2,298,194	1,775,000	860,000	13,108,194	436,628,215	84.5%
2028	-	-	8,580,000	-	-	2,257,832	1,850,000	900,000	13,587,832	450,216,047	87.1%
2029	-	-	5,270,000	-	-	2,211,380	1,935,000	-	9,416,380	459,632,427	88.9%
2030	-	-	5,535,000	-	-	2,172,718	-	-	7,707,718	467,340,145	90.4%
2031	-	-	5,810,000	-	-	2,134,759	-	-	7,944,759	475,284,904	92.0%
2032	-	-	6,100,000	-	-	-	-	-	6,100,000	481,384,904	93.2%
2033	-	-	6,405,000	-	-	-	-	-	6,405,000	487,789,904	94.4%
2034	-	-	6,725,000	-	-	-	-	-	6,725,000	494,514,904	95.7%
2035	-	-	7,065,000	-	-	-	-	-	7,065,000	501,579,904	97.1%
2036	-	-	7,415,000	-	-	-	-	-	7,415,000	508,994,904	98.5%
2037	-	-	7,785,000	-	-	-	-	-	7,785,000	516,779,904	100.0%
Total	$ 83,000,000	$ 21,755,000	$196,880,000	$ 3,900,000	$ 12,546,000	$ 81,333,904	$ 94,360,000	$ 23,005,000	$ 516,779,904		

Debt History

There is no record of default on any obligation of the County.

Short-Term Financing

The County does not issue short-term obligations for cash flow purposes. The County has in the years 1974 through 2007 issued short-term notes in order to establish a Delinquent Tax Revolving Fund. Notes issued in each of these years have been in a face amount, which has been less than the actual real property tax delinquency. The primary security for these notes is the collection of the delinquent taxes pledged to the payment of principal of and interest on the notes issued. The County has pledged its full faith and credit and limited taxing power to the payment of the principal and interest on notes issued. The County may or may not issue notes to fund the Fund in future years. The amount of notes issued in 2005 through 2007 and their outstanding balance as of December 31, 2007 are as follows:

OUTSTANDING NOTES

Tax Year	Year Issued	Notes Issued	Amount Outstanding
2004	2005	$ 20,000,000	$ -
2005	2006	24,000,000	24,000,000
2006	2007	29,000,000	29,000,000

Source: County of Kent

Future Financing

The County anticipates the issuance of $30 million of Delinquent Tax Anticipation Notes in April 2008. In addition, the County anticipates the issuance of up to $16 million of solid waste disposal bonds and $2.93 million of clean renewable energy bonds for a new material recycling facility and landfill gas collection project.

Vacation and Sick Leave Liabilities

As of December 31, 2006, the County had an unfunded vacation liability of $4,412,728 and no unfunded sick leave liabilities.

Retirement System

Plan Description

The Kent County Employees' Retirement Plan (Plan) is a single-employer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission and Parks Fund. The Plan was established and may be amended by the Kent County Board of Commissioners and is administered by the Kent County Employees' Retirement Plan Board. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. At December 31, 2006, the date of the most recent actuarial valuation, membership consisted of 1,130 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them and 1,821 current active employees.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The financial report may be obtained by contacting the Fiscal Services Department.

Summary of Significant Accounting Policies

I. 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.

II. 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 that do not have an established market are reported at estimated fair values.

III. Funding Policy

The contribution requirements of Plan members are established and may be amended through union agreements. After meeting eligibility requirements, active plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. Member rates are either fixed at 6.5% of total salary or variable based on union contracts in place. The variable rate is 6.26% for

2008. The County is required to contribute at actuarially determined rates expressed as a percentage of covered payroll. The employer normal cost for 2008 is 9.80% of covered payroll; however, due to over-funding the computed employer contribution rate is 5.77% of covered payroll.

IV. Concentrations

At December 31, 2006, the Plan had no investments whose fair value exceeded 5.0% of the net assets of the Plan.

V. Annual Pension Cost and Net Pension Obligation

The annual required contribution (ARC) for the current year was determined as part of the December 31, 2006 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) a rate of return on investments of 7.0% per year, and (b) projected salary increases of 4% - 9% per year, including inflation of 4%, attributable to seniority or merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability was amortized as a level percentage of projected payroll on an open basis, with a remaining amortization period of 15 years.

THREE-YEAR TREND INFORMATION

Year ended December 31,	Annual Pension Cost (APC)	Percentage of APC contributed
2004	$ 4,101,992	100%
2005	6,681,671	100%
2006	7,888,534	100%

SCHEDULE OF FUNDING PROGRESS (IN MILLIONS)

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) entry age (b)	Unfunded AAL (b) - (a)	Funded ratio (a)/(b)	Active member covered payroll (c)	Funding excess as a percentage of active member covered payroll ((b-a)/c)
December 31, 2004	$ 471.8	$ 442.8	$ (29.0)	106.5%	$ 85.0	(34.1%)
December 31, 2005	$ 493.1	$ 469.4	$ (23.7)	105.0%	$ 87.2	(27.2%)
December 31, 2006*	$ 542.4	$ 496.8	$ (45.6)	109.2%	$ 90.8	(50.2%)

* Revised actuarial assumptions.

Source: Kent County Comprehensive Annual Financial Report

The information presented in the required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	December 31, 2006
Actuarial Cost Method:	Individual entry age
Amortization Method:	Level percent, open over 15 years
Asset Valuation Method:	Four-year smoothed market
Actuarial Assumptions:	
Investment rate of return(1)	7.0%
Projected salary increases(1)	4.0% - 9.0%

(1) Includes inflation of 4.0%

Other Postemployment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") issued its Statement 45 – "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". Other post employment benefits ("OPEB") include post employment healthcare insurance as well as other forms of post employment benefits (for example, life insurance) when provided separately from a pension plan. GASB Statement 45 ("GASB") establishes standards for the measurement, recognition and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

The County currently provides a post employment healthcare insurance subsidy for the life of the retiree. The monthly subsidy ranges from a low of $200 to a high of $350 per month based on the respective employee bargaining unit contract. In order to receive the full benefit, the employee must have attained 25 years of service. The subsidy is prorated if the retiree has less than twenty-five years of service at the time of retirement. Similar to other governmental units, the County previously funded its OPEB program on a pay-as-you-go basis, but began funding OPEB on an actuarial basis in its Fiscal Year beginning January 1, 2007.

The County completed its second actuarial valuation of Other Post Employment Benefits as of December 31, 2006. The unfunded actuarial accrued liability attributable to service accrued by plan members as of December 31, 2006 was $40,650,129. As of December 31, 2006, there were no valuation assets available to offset the liabilities of the plan. Based on the 2005 actuarial study, the County began contributing an amount equal to 3.1% of payroll to a newly established VEBA Trust during calendar year 2007. The study had established a 2007 "Annual Required Contribution" of $2,919,519. During 2007 the County contributed $3,091,114.

The December 31, 2006 actuarial study resulted in the determination of a Fiscal Year 2008 (Year beginning January 1, 2008) employer contribution requirement of $2,793,300 to the VEBA Trust in order to meet the Annual Required Contribution and avoid any net OPEB obligation. The required County contribution equates to 2.83% of active employee payroll costs.

Cash Activity Summary and Analysis

	December 31, 2006	December 31, 2007
Cash Equity		
Cash balance - January 1	$ 302,565,445	$ 284,755,644
Receipts	737,811,591	988,594,753
Less: Disbursements	755,621,390	798,900,015
Cash balance - December 31	**$ 284,755,646**	**$ 474,450,383**

	December 31, 2006	December 31, 2007
Analysis of Cash Balances		
Pooled investments	$ 280,137,948	$ 467,991,513
Demand deposits (1)	725,539	1,352,421
Imprest cash	87,575	87,575
Accrued interest on pooled investments	6,651,027	8,576,569
Less: Outstanding disbursement checks	2,846,442	3,557,695
Cash balance - December 31	**$ 284,755,646**	**$ 474,450,383**

(1) Includes unreconciled system checks.

Cash Balances and Net Change in Balances

Fund		December 31, 2006	2007	Net Change Inc/(Dec)
101	County General	$ 66,768,701	$ 68,383,230	$ 1,614,530
201	County Roads	7,767,562	12,033,657	4,266,095
208	County Parks	-	-	-
215	Friend of the Court	(976,533)	(715,682)	260,851
221	Public Health	(2,672,835)	(2,592,846)	79,990
229	Hotel/Motel Tax (229)	310,145	(1,109,148)	(1,419,293)
245	Public Improvement	15,418,568	7,725,563	(7,693,005)
250	Correction and Detention Facility	5,040,217	9,776,721	4,736,503
251	Senior Millage	1,312,909	1,410,401	97,492
285	State Revenue Sharing Reserve	26,186,093	38,408,609	12,222,516
292	Child Care	937,647	937,647	-
450	Building Authority Construction	-	26,310,606	26,310,606
513	DPW Administration	2,553,976	2,536,711	(17,265)
514	DPW Operation and Maintenance	996,749	1,162,815	166,066
517	DPW Solid Waste	18,040,127	20,233,632	2,193,505
581	Airport	22,033,031	129,281,893	107,248,862
597	DPW Waste-to-Energy	13,678,629	13,744,931	66,302
616	100% Tax Payment Fund	42,081,898	69,118,497	27,036,599
677	Risk Management	5,040,756	6,500,655	1,459,899
701	Trust and Agency	53,475,618	55,763,976	2,288,359
721	Library Penal Fines	720,265	690,471	(29,794)
800	Drains and Lake Level	3,727,322	3,817,952	90,630
	Various Other Funds	2,314,800	11,030,090	8,715,290
Total		**$ 284,755,644**	**$ 474,450,382**	**$ 189,694,738**

Pooled Investment Fund[1]

Investments By Type	Par Value	Book Value	Percent
	December 31, 2007		
Certificates of Deposit	$ 264,443,236	$ 264,443,236	56.5%
U.S. Treasury Strips	6,447,000	5,250,887	1.1%
U.S. Govt. Agency Disc. Note	5,000,000	4,905,200	1.0%
Federal Farm Credit Bank	4,000,000	4,026,726	0.9%
Federal Home Loan Banks	34,000,000	34,461,786	7.4%
Federal National Mortgage Assoc.	4,000,000	4,110,530	0.9%
Federal Home Loan Mortgage Cor.	2,000,000	2,009,863	0.4%
Repo	117,016,811	117,016,811	25.0%
Passbook & Money Market	31,766,473	31,766,473	6.8%
Total	**$ 468,673,520**	**$ 467,991,513**	**100.0%**

Investment Yield	Book Value	Percent
	December 31, 2007	
3.00% to 3.50%	$ 8,946,600	1.9%
3.50% to 4.00%	5,866,879	1.3%
4.00% to 4.50%	132,391,769	28.3%
4.50% to 5.00%	106,768,577	22.8%
5.00% to 5.50%	214,017,687	45.7%
Total	**$ 467,991,513**	**100.0%**

Investment Maturity	Date Range	Book Value	Percent
		December 31, 2007	
0 to 3 Months	01/02/08 - 03/31/08	$ 253,914,443	54.3%
3 to 6 Months	04/01/08 - 06/30/08	106,369,473	22.7%
6 to 12 Months	07/01/08 - 12/23/08	81,679,278	17.5%
12 to 24 Months	01/12/09 - 11/15/09	13,923,476	3.0%
24 to 36 Months	01/11/10 - 06/30/10	7,017,241	1.5%
36 to 60 Months	09/19/11 - 03/09/12	5,087,602	1.1%
Total		**$ 467,991,513**	**100.0%**

(1) The Investment Pool has an open-ended maturity date.

Pooled Investments Earnings Performance

December 31,

	2006			2007		
Month	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield	Average Daily Balance	Interest Earned Accrual Basis	Earned Interest Yield
Jan	$ 306,478,399	$ 1,017,321	3.983	$ 297,376,810	$ 1,290,415	5.207
Feb	314,593,603	977,093	3.727	302,490,693	1,202,834	4.772
Mar	338,194,021	1,218,089	4.322	323,990,723	1,432,475	5.306
Apr	341,705,121	1,230,720	4.322	331,556,618	1,418,697	5.135
May	335,140,282	1,284,091	4.598	353,751,069	1,565,637	5.311
Jun	309,055,025	1,173,497	4.556	345,231,530	1,475,798	5.130
Jul	295,833,745	1,191,782	4.834	342,940,027	1,510,266	5.285
Aug	318,344,755	1,328,563	5.008	376,109,590	1,654,993	5.280
Sep	340,404,797	1,405,203	4.954	427,201,851	1,816,835	5.103
Oct	348,263,061	1,498,731	5.164	540,393,453	2,286,813	5.078
Nov	302,955,977	1,267,698	5.021	492,990,436	1,990,527	4.845
Dec	288,815,086	1,264,664	5.255	473,146,692	1,956,117	4.961
Annual	**$ 319,981,989**	**$ 14,857,452**	**4.643**	**$ 383,931,624**	**$ 19,601,406**	**5.105**

Investment Fund Balance - 1/1/07	$	280,137,948
Investment Fund Balance - 12/31/07	$	467,991,513

Pooled Investments - Local Government Units

	December 31,			
	2006		2007	
Local Government Units	**Invested Balance**	**Interest Earned**	**Invested Balance**	**Interest Earned**
Townships:				
Ada	$ 522,857	$ 23,532	$ 606,593	$ 28,735
Algoma	193,299	14,155	170,519	13,720
Alpine	-	3,737		
Byron	7,915,660	356,260	8,323,791	408,132
Caledonia	510,670	22,984	537,001	26,330
Cannon	1,300,674	73,337	600,808	63,474
Cascade	5,843,262	322,632	8,084,622	424,696
Courtland	702,960	63,734	-	5,571
Gaines	4,164,783	187,444	1,760,465	161,338
Grand Rapids	64,670	4,340	68,005	3,334
Grattan	-	-	-	
Lowell	-	2,063	-	
Nelson	306,517	22,929	196,525	15,008
Oakfield	406,965	18,116	635,811	23,131
Plainfield	2,226,219	135,983	323,114	89,457
Sparta	200,729	9,034	211,078	10,350
Tyrone	71,499	6,574	88,696	5,584
Vergennes	159,510	8,555	167,734	8,224
Townships Subtotal	**24,590,276**	**1,275,408**	**21,774,762**	**1,287,084**
Cities:				
East Grand Rapids	1,945,883	87,578	2,046,213	100,330
Grandville	1,316	59	1,384	68
Lowell	616,136	27,730	647,904	31,768
Wyoming (Debt Funds Only)	46,788	2,106	-	992
Caledonia (Village)	629,600	29,258	662,062	32,462
Cities Subtotal	**3,239,722**	**146,732**	**3,357,562**	**165,620**
Other Local Authorities:				
Network 180	3,995,009	309,097	4,200,992	205,983
Convention & Arena Authority	19,558,737	871,253	20,878,043	1,019,307
Interurban Partnership	468,776	37,674	624,732	32,517
Kent District Library	2,423,250	108,580	3,701,435	288,919
Other Local Authorities Subtotal	**26,445,773**	**1,326,604**	**29,405,202**	**1,546,726**
Total Local Government Units	**$ 54,275,771**	**$ 2,748,744**	**$ 54,537,525**	**$ 2,999,429**

Summary of Investments

December 31, 2007

	Book Value					
Broker Name	**U.S. Treasury Strips**	**Money Market / GIC**	**Government Agency**	**Govt Agency Disc Notes**	**Certificates of Deposit**	**Total**
Brokered Securities:						
AG Edwards & Sons, Inc	$ 1,972,776	$ -	$ -	$ -	$ -	$ 1,972,776
Bayerische	-	117,016,811	-		-	117,016,811
National City Bank	1,616,020	-	15,121,193	-	-	16,737,213
UBS Paine Webber	-	-	9,274,199	4,905,200	-	14,179,399
CitiGroup	1,662,091	-	20,213,513	-	-	21,875,605
U.S. Treasury Strips Subtotal	**5,250,887**	**117,016,811**	**44,608,905**	**4,905,200**	**-**	**171,781,804**
Certificates of Deposit (CD)						
Ambassador Funds	-	3,162,134	-	-	-	3,162,134
American Freedom Funds (FIT F	-	642,996	-	-	-	642,996
Fifth Third Max Saver	-	2,985,557	-	-	-	2,985,557
Huntington Bank MM	-	23,703,174	-	-	-	23,703,174
MBIA Class Investment Pool	-	1,272,613	-	-	-	1,272,613
Bank of Holland	-	-	-	-	2,214,548	2,214,548
Byron Center State Bank	-	-	-	-	5,537,785	5,537,785
Charter One	-	-	-	-	500,000	500,000
Chemical Bank West	-	-	-	-	10,488,000	10,488,000
Choice One Bank	-	-	-	-	1,731,892	1,731,892
Citizens Bank	-	-	-	-	24,752,544	24,752,544
Comerica	-	-	-		8,264,129	8,264,129
Community Shores Bank	-	-	-	-	1,063,492	1,063,492
Fifth Third Bank	-	-	-	-	23,882,899	23,882,899
Flagstar Bank	-	-	-	-	42,041,886	42,041,886
Founders Trust	-	-	-	-	2,960,949	2,960,949
Huntington Banks	-	-	-	-	36,770,682	36,770,682
Independent Bank	-	-	-	-	809,149	809,149
Irwin Union Bank	-	-	-		29,401,981	29,401,981
Kent Commerce Bank	-	-	-	-	6,249,747	6,249,747
Lasalle Bank	-	-	-	-	19,176,601	19,176,601
Macatawa Bank	-	-	-	-	10,018,277	10,018,277
Mercantile Bank of W MI	-	-	-		13,703,137	13,703,137
National City Bank	-	-	-	-	13,149,035	13,149,035
Northpointe Bank	-	-	-	-	525,829	525,829
Private Bank	-	-	-	-	4,775,678	4,775,678
Select Bank	-	-	-		1,359,837	1,359,837
United Bank of Michigan	-	-	-		2,878,854	2,878,854
West Michigan Comm Bank	-	-	-		2,186,308	2,186,308
CD Subtotal	**-**	**31,766,473**	**-**	**-**	**264,443,236**	**296,209,709**
Total	**$ 5,250,887**	**$ 148,783,284**	**$ 44,608,905**	**$ 4,905,200**	**$ 264,443,236**	**$ 467,991,513**

Of the County's 1,849 employees, 82.2% are represented by labor organizations. The following table illustrates the various labor organizations that represent County employees, the number of members and non-members and the expiration dates of the present contracts.

Bargaining Unit	Number of [1] Employees December 31, 2007	Contract Expiration Date
United Auto Workers - General Members	586	12/31/2007 [2]
United Auto Workers - Court Members	355	12/31/2007 [2]
Kent County Deputy Sheriff's Association	244	12/31/2008
Kent County Law Enforcement Association - Police Officers Association of Michigan	178	12/31/2009
International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America - Park Employees	16	12/31/2008
International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America - Public Health Nurses	68	12/31/2008
Prosecuting Attorneys	37	12/31/2007 [2]
Police Officers Labor Council - Lieutenants/Captains	21	12/31/2007 [2]
Police Officers Labor Council - Court Reporters	7	12/31/2008
Circuit Court Referee Association	7	12/31/2007 [2]
Management Pay Plan (non-union)	330	NA
Total	1,849	

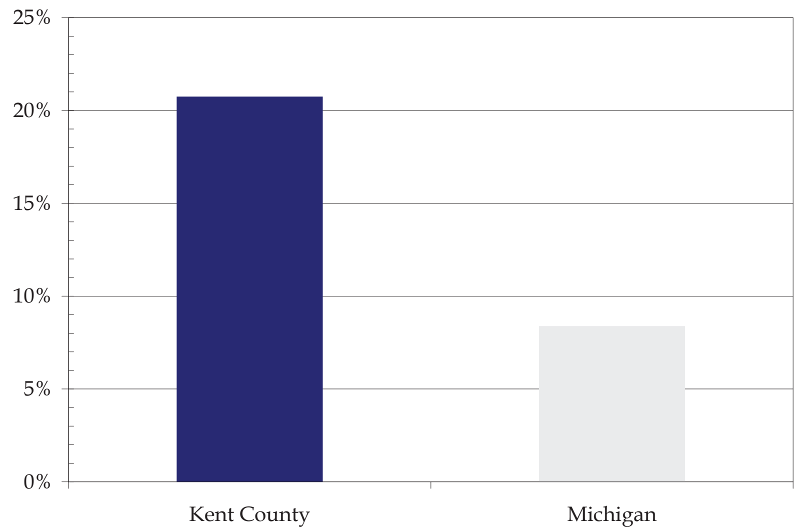
(1) Does not include sheriffs cadets, courthouse part-time security, seasonal employees or 37 elected and appointed officials of the County.
(2) In Negotiations. Affected employees are continuing to work under contract extension.

Source: County of Kent

The County continues to maintain an excellent working relationship with its employees.

Population Growth: 1990-2007

Kent County population estimate grew 20.7 percent from 1990 to 2007 to 604,330. The growth for the State of Michigan over the same period was 8.4 percent. According to the US Census Bureau, Kent County's population will grow to an estimated 619,775 by 2010.

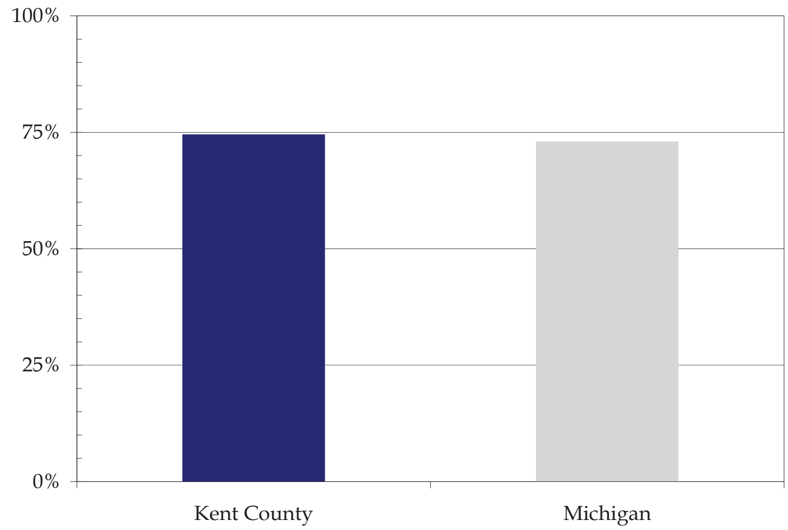


POPULATION GROWTH: 1990-2007					
Region	**1990**	**2000**	**2006**	**2007**	**Change 1990-2007**
Kent County	500,631	574,335	599,524	604,330	20.7%
Michigan	9,295,277	9,938,444	10,095,643	10,071,822	8.4%

Source: US Census Bureau, Michigan Department of Management and Budget

Per Capita Income Growth: 1990-2005

Kent County's Per Capita Income grew 74.4 percent from 1990 to 2005 to $33,627. The growth for the State of Michigan over the same period was 72.9 percent to $32,719.



PER CAPITA INCOME GROWTH

Region	1990	2000	2003	2004	2005	Change 1990-2005
Kent County	$ 19,278	$ 29,390	$ 31,083	$ 32,553	$ 33,627	74.4%
Michigan	18,922	29,551	31,138	31,581	32,719	72.9%

Source: Bureau of Economic Analysis

Commercial/Industrial Base

The Grand Rapids metropolitan area, of which the County is the hub, is one of the fastest growing regions of the United States. Numerous expansions, renovations, constructions, modernizations and developments have either been completed, are in the process of being completed or are in the planning stages. Among the factors which have encouraged major projects and have attracted numerous firms from outside the area are: a strong but highly diversified base of industries, an excellent work force, educational opportunities, excellent employer/employee relations, good location and transportation facilities, utilities and possibly the most important, quality of life.

Within the County, the State Equalized Value (SEV) for commercial property increased in value from $3.32 billion (tax year 2002) to $4.42 billion (tax year 2007), for an average annual increase of 6.6%. Industrial property SEV increased in value from $1.60 billion (tax year 2002) to $1.96 billion (tax year 2007), for an average annual increase of 4.5%.

Convention Facilities

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

Regional Government Coordination

The Grand Valley Metropolitan Council ("The 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 which 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.

Transportation

The County is well serviced by all forms of transportation. Interstate highways 96 and 196 and US 131 all traverse the County and connect to the national highway system. There are three airfields in the County. The Gerald R. Ford International Airport, a major commercial airport, is located 13 miles southeast of Grand Rapids. Smaller non-commercial airfields are located north of Grand Rapids near the City of Sparta and east of Grand Rapids near the City of Lowell.

The Interurban Transit Partnership (ITP) provides public transportation service to residents of Grand Rapids and its near suburbs. Greyhound Bus Lines and Indian Trails provide coach service to residents of the County.

Amtrak provides rail passenger service between Chicago and the County. The Norfolk and Southern, CSX, Grand Rapids Eastern, and Mid-Michigan Railroad provide freight service to the many industries in the County.

Medical Services

The residents of the County are served by a number of hospitals. The public and non-profit hospitals in the County, with the approximate number of licensed beds are shown below.

Hospital	Beds
Spectrum Health Hospitals	1,860
St. Mary's Medical Center	324
Metropolitan Hospital	238
Pine Rest Christian Mental Health Services	150
Mary Free Bed Hospital and Rehabilitation Center	80
	2,652

Source: Business Review West Michigan Survey - January, 2008

In 2000, the Van Andel Institute (VAI) opened, with the mission ". . . to become one of the world's preeminent private medical researches institutions within the next decade." 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 bio-science 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 just commenced a $170 million expansion of its facilities scheduled to be completed in 2010.

Utilities

In the County, electricity is furnished by Consumers Energy, telephone service by AT & T and gas by DTE Energy. Local municipalities provide water and sewer facilities. Solid waste from six major contracting cities (Grand Rapids, Kentwood, Walker, Wyoming, Grandville and East Grand Rapids) is hauled to an incinerator located in Grand Rapids operated by the County's Department of Public Works where the trash is burned. Non-contracting communities send their solid waste to landfills.

Banking Services

Banking facilities in the County are provided by the following banking institutions and their branches: Chemical Bank West, Byron Bank, Comerica Bank - Grand Rapids, Macatawa Bank, National City Bank, Huntington National Bank, Mercantile Bank, Bank of America, Kent Commerce Bank, JP Morgan Chase Bank, Fifth Third Bank - Michigan, State Bank of Caledonia, Flagstar Bank, Northern Trust, Northpointe Bank, Founders Trust Personal Bank, Irwin Union Bank, Select Bank, United Bank, Crestmark Bank, Provident Bank and Republic Bank.

Education

Twenty-six school districts and five intermediate school districts are located, in whole or in part, in the County. There are numerous non-public schools serving diversified religious denominations and 17 charter schools in the County. Aquinas College, Calvin College, Cooley Law School, Cornerstone University, Grand Valley State University, Grand Rapids Baptist College, Ferris State University, Davenport University, Kendall College of Art and Design of Ferris State University, the University of Phoenix and Western Michigan University have campuses located within the County. The main campuses of Grand Valley State University, Western Michigan University and Michigan State University are located within commuting distance of the County.

GENERAL HOUSING CHARACTERISTICS

Category	Number of Units
Owner Occupied	149,679
Renter Occupied	63,211
Occupied Housing Units	212,890
Vacant Housing Units	11,110 (1)
Total Housing Units	224,000

(1) Includes seasonal, recreational or occasional use housing units.

Source: 2000 US Census

Largest Employers

The following table reflects the diversity of the twenty largest employers in the area by the products manufactured or services performed and the approximate number of employees.

Company	Product or Service	Approximate Number of Employees
Spectrum Health	Hospital	13,000
Meijer, Inc.	Retailer	7,000
Herman Miller Inc.	Office Systems	5,920
Steelcase, Inc.	Office Equipment & Furniture	5,000
Alticor, Inc. (formerly Amway Corp.)	Home Care, Nutritional Houseware Products	3,900
Axios, Inc.	Human Resources/Employment Services	3,886
Walmart	Retailer	3,432
Johnson Controls Inc.	Automotive Accessories	3,250
Spartan Stores	Food Distributor & Retailer	2,989
Grand Rapids Public Schools	Education	2,885
St. Mary's Health Care	Hospital	2,700
General Motors Corporation	Automotive	2,500
Perrigo Company	Pharmaceuticals	2,500
United States Postal Servie	Postal Delivery	2,500
City of Grand Rapids	Government	2,491
Metropolitan Hospital	Hospital	2,200
Gentex Corporation	Automotive Accessories	2,186
County of Kent	Government	2,128
Lacks Enterprises	Automotive Accessories	2,100
Grand Valley State University	Education	2,023

Source: The Right Place Inc-May 2007

Largest Businesses Based On Tax Roll Valuation

Taxpayer	Product or Service	2007 Taxable (1) Value	% of 2007 Taxable (1) Value
Consumers Energy	Utility	$ 196,475,856	0.90%
Alticor, Inc. (formerly Amway)	Home Care, Nutritional & Houseware Products	187,472,959	0.86%
Steelcase, Inc.	Office Equipment & Furniture	158,429,930	0.72%
Meijer	Retail Sales	108,165,698	0.49%
PR Woodland	Retail Shopping Center	74,047,500	0.34%
Fifth Third Bank	Banking Services	48,805,068	0.22%
General Motors	Automotive	44,758,439	0.20%
Metropolitan Hospital	Healtcare Services	42,674,822	0.19%
GGP Grandville	Retail Shopping Center	41,897,545	0.19%
Holland Home	Senior Citizens Residence	41,327,966	0.19%
Michcon Gas	Utility	33,696,109	0.15%
Delphi	Automotive	31,782,600	0.14%
Total		$ 1,009,534,492	4.60%

(1) 2007 Taxable Value includes IFT value, which is taxed at 50% of the actual taxable value.

Retail Sales

The following table reflects the retail sales for residents of the County of Kent, the State of Michigan and the United States for the calendar year 2006. Dollar amounts are in thousands.

	County of Kent		State of Michigan	
Category	Retail Sales	% of Total	Retail Sales	% of Total
Food	$ 743,257	8.0%	$ 15,414,915	11.4%
Restaurants	848,094	9.1%	12,776,530	9.5%
General Merchandise	2,197,317	23.7%	26,414,265	19.6%
Furniture/Appliances	678,169	7.3%	7,060,508	5.2%
Automotive	1,940,009	20.9%	29,443,076	21.8%
Other	2,864,605	30.9%	43,733,874	32.4%
Total	$ 9,271,451	100.0%	$134,843,168	100.0%

Source: Trade *Dimensions* 2007 Demographics USA - County Edition

Estimated Effective Household Buying Income

The following table reflects the estimated effective household buying income ("E.H.B.I.") of the County of Kent, the State of Michigan and the United States for the calendar year 2006.

E.H.B.I. Range	County of Kent (1)	State of Michigan (1)
Under $15,000	11.2%	13.3%
$15,000 - $50,000	49.0%	47.2%
$50,000 - $100,000	32.7%	31.9%
$100,000 and Over	7.1%	7.6%
Median E.H.B.I.	$42,440	$41,620
Average E.H.B.I.	$52,810	$52,434

(1) Percentages of households in each range.

Source: Trade Dimensions 2007 Demographics USA - County Edition

Employment Rates

Reflected below are the unadjusted employment data for the calendar years 2004 through 2007 and the monthly data for January 2007 and 2008 for the County and the State.

County of Kent

Category	2004	2005	2006	2007	Jan 2007	Jan 2008
Employed	297,575	304,983	307,024	305,074	303,024	305,174
Unemployed	21,135	18,568	18,326	19,169	19,619	19,507
Labor Force	318,710	323,551	325,350	324,243	322,643	324,681
Unemployed as % of Labor Force	6.6%	5.7%	5.6%	5.9%	6.1%	6.0%

State of Michigan (1)

Category	2004	2005	2006	2007	Jan 2007	Jan 2008
Employed	4,690	4,722	4,722	4,660	4,625	4,564
Unemployed	356	348	351	360	393	388
Labor Force	5,046	5,070	5,073	5,020	5,018	4,952
Unemployed as % of Labor Force	7.1%	6.9%	6.9%	7.2%	7.8%	7.8%

(1) Numbers may not compute due to rounding. State numbers in thousands.

Source: Michigan Department of Career Development/Employment Service Agency, Labor Market Analysis Section

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Labor Force Distribution - By Industry

The following table provides a comparative analysis of the Grand Rapids-Wyoming MSA workforce distribution based on average employment in calendar years 2004-2007.

Examination of the statistics disclose a continuing though moderate decline in manufacturing jobs over the course of the last three years. Kent County has previously recognized the over concentration of employment in manufacturing industry jobs. More recently, the area has begun to experience significant employment increases in the educational, health and professional business services industries. Kent County in particular will be especially benefited by employment increases in these fields.

Several projects which 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 project is estimated to cost $78 million and is scheduled to open in late 2008. The new, 200,000 square foot, facility will provide a comprehensive cancer treatment program.

- Spectrum Hospital – DeVos Children's Hospital - The hospital began construction of a new 400,000 square foot facility in early 2007. This new $250 million facility is scheduled to open in December 2010.

- Metro Hospital – The hospital has moved into a new 208-bed facility located in southwest Kent County. This $190 million facility opened in September, 2007.

- VanAndel Institute – This medical research facility broke ground, in 2007, on construction of a 240,000 square foot addition to its existing research complex. This $170 million project is scheduled for opening in 2009. When fully built out, the facility will have space to accommodate 800 researchers and administrative staff.

- Michigan State University Medical School – Construction of a new $90 million, 180,000 square foot, medical school will begin in the spring of 2008. The MSU college of Human Medicine will begin to transition its programming to temporary facilities in the fall of 2008. The new medical facility will be opened in 2010 and is expected to reach capacity of 400 students in 2013.

- 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.

LABOR FORCE BY INDUSTRY

Grand Rapids, Wyoming MSA[1]
December Employment

Industry	2004	2005	2006	2007	Three-Year Change
Manufacturing					
Durable Goods	51,900	52,000	51,200	50,200	(1,700)
Nondurable Goods	22,600	22,700	22,600	22,600	-
Trade, Transportation & Utilities					
Retail Trade	44,800	44,300	43,100	43,700	(1,100)
Wholesale Trade	22,200	22,400	22,200	22,300	100
Warehousing & Utilities	10,400	10,700	10,500	10,500	100
Professional & Business Services	53,600	56,100	55,300	56,700	3,100
Educational & Health Services					
Health Care & Social Assistance	43,600	45,800	46,100	48,000	4,400
Educational Services	11,300	10,800	11,400	11,300	-
Government					
Federal, State, Local	17,400	17,300	17,100	16,800	(600)
Education	22,000	21,400	20,800	20,900	(1,100)
Leisure & Hospitality	31,900	33,300	33,100	33,000	1,100
Financial Activities	21,500	22,200	22,600	22,900	1,400
Natural Resources & Mining	18,700	18,000	18,000	17,300	(1,400)
Other Services	17,000	16,300	16,300	16,300	(700)
Information	5,400	5,900	5,700	5,600	200
Total Nonfarm Employment	394,300	399,200	396,000	398,100	3,800

Sources: DLEG/Bureau of Labor Market Information & Strategic Initiatives.

(1) Includes Kent, Barry, Ionia & Newaygo Counties.

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Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,			
	2006	2007		2008
	Actual	Budget	Actual[1]	Budget
Revenues:				
Taxes	$ 80,230,390	$ 87,425,000	$ 89,747,164	$ 89,313,322
Intergovernmental	11,983,317	9,815,126	9,689,213	13,417,664
Charges for Services	18,559,243	19,920,745	19,858,795	19,265,496
Investment Earnings	4,368,903	3,790,000	4,332,887	3,898,650
Contributions/Reimbursements	8,705,986	8,675,001	8,416,692	8,363,451
Transfers In	24,872,940	28,741,736	28,741,736	30,500,296
Other	3,090,107	2,979,900	2,750,648	2,928,957
Total Revenues	**151,810,885**	**161,347,508**	**163,537,135**	**167,687,836**
Expenditures:				
Sheriff	54,687,530	60,456,739	57,901,253	60,894,305
Circuit Court	16,299,351	18,147,231	18,023,098	18,269,764
Facilities Management	12,679,177	13,100,764	12,467,986	12,909,806
Information Technology	5,372,206	6,263,748	5,690,760	5,961,307
Prosecuting Attorney	5,388,664	6,226,618	5,966,893	6,150,578
Parks	3,988,307	4,744,756	4,193,454	4,265,923
John Ball Zoo	3,581,865	4,195,979	4,187,165	4,427,855
Policy/Admin	4,608,011	5,119,552	4,937,804	4,405,242
Fiscal Services	3,505,540	3,838,101	3,685,300	3,883,690
District Court	2,575,469	2,932,613	2,790,036	2,906,826
Human Resources	1,953,436	2,232,350	1,934,850	2,193,454
County Clerk	1,929,344	2,065,391	2,061,502	2,224,975
Bureau of Equalization	1,610,618	1,916,553	1,805,764	1,738,776
Other	9,173,243	8,275,143	7,924,875	11,036,985
Transfers Out - Child Care	14,977,048	17,236,593	16,856,398	17,256,904
Transfers Out - Health	7,694,404	9,922,466	8,382,072	9,434,385
Transfers Out - Debt Service	981,817	986,984	986,984	963,288
Transfers Out - FOC	1,742,548	2,164,256	2,133,388	2,220,512
Transfers Out - Other	662,109	958,701	684,776	667,738
Appropriation Lapse	-	(6,300,000)	-	(6,130,000)
Total Expenditures	**153,410,686**	**164,484,537**	**162,614,359**	**165,682,314**
Revenue over (under) Expenses	**(1,599,801)**	**(3,137,029)**	**922,776**	**2,005,522**
Capital Transfers	(152,840)	(245,193)	(245,193)	(4,074)
Fund Balance, Beginning of Year	**73,968,528**	**72,215,887**	**72,215,887**	**72,893,470**
Fund Balance, End of Year	**$ 72,215,887**	**$ 68,833,665**	**$ 72,893,470**	**$ 74,894,919**

(1) Pending adjustments to audit

Components of Fund Balance

	December 31,		
	2006 Actual	**2007[1] Actual**	**2008[2] Budget**
Reserved Fund Balance			
Encumbrances	$ 431,486	$ 431,486	$ 431,486
Inventories	333,272	333,272	333,272
Advance to Aeronautics Fund	5,901,508	-	-
Total Reserved Fund Balance	**6,666,266**	**764,758**	**764,758**
Designated Fund Balance			
Emergency Operating	21,162,544[3]	20,874,850[3]	21,501,096[4]
Cash Flow	34,970,000	35,725,329[5]	36,797,089[6]
Subsequent Year's Appropriation	122,512	-	-
Total Designated Fund Balance	**56,255,056**	**56,600,179**	**58,298,185**
Unreserved/Undesignated Fund Balance	**9,294,565**	**15,528,533**	**15,831,976**
Total Fund Balance	**$ 72,215,887**	**$ 72,893,470**	**$ 74,894,919**

(1) Preliminary, subject to audit.

(2) Based on FY2008 budget, as amended.

(3) Board of Commissioner resolution no. 1-25-07-12, Sec. II-3.1, which states "…equal to 10 percent of the subsequent year's General Fund and subsidized Governmental Fund budgets for emergency operating purposes".

(4) Equal to: FY2008 Operating Budget of $208,748,500 X 10% X 1.03 (inflation factor).

(5) "An amount equal to 40% of the subsequent years budget estimate for property tax revenue…"

(6) $89,313,322 X 1.03 (Estimated 2009 increase in Taxable Value) X 40%.

History of Revenues, Expenditures and Operating Margin (Deficit)

Year Ended December 31,

Fiscal Year	Revenues	Expenditures	Margin (Deficit)	Capital Transfers (3)	Fund Balance
2008 (1)	$ 167,687,836	(165,682,314)	$ 2,005,522	$ (4,074)	$ 74,894,919
2007 (2)	163,537,135	(162,614,359)	922,776	(245,193)	72,893,470
2006	151,810,885	(153,410,686)	(1,599,801)	(152,840)	72,215,887
2005	142,987,572	(146,358,471)	(3,370,899)	(310,800)	73,968,528
2004	142,547,486	(147,330,078)	(4,782,592)	(3,082,958)	77,650,227
2003	135,575,931	(137,191,219)	(1,615,288)	(11,047,001)	85,515,776
2002	128,637,226	(130,375,896)	(1,738,670)	(20,863,224)	98,178,065
2001	134,073,000	(111,276,779)	22,796,221	(10,505,456)	120,779,959 (4)
2000	125,366,249	(100,463,746)	24,902,503	(14,180,532)	103,292,012
1999	112,363,862	(91,409,469)	20,954,393	(20,547,030)	92,570,041

(1) FY2008 Amended Budget

(2) Preliminary, Subject to Audit

(3) Transfer to the Capital Improvement and Parks Funds to finance capital improvement, acquistion or replacement projects

(4) Prior period adjustment, recognition of additional revenues in 2001, increased 2002 beginning fund balance by $5,197,182

Debt Service As a Percentage of General Fund Expenditures

	2006 Actual	2007 Actual (1)	2008 Budget
			Year Ended December 31,
Debt Outstanding			
Series 1998 - Courthouse	$ 3,600,000	$ 1,840,000	$ -
Series 2001 - Sheriff Administration	8,525,000	8,120,000	7,700,000
Series 2004 - CIP	9,295,000	8,705,000	8,100,000
Series 2005 - Courthouse	49,990,000	49,990,000	49,990,000
Total Debt Outstanding	**$ 71,410,000**	**$ 68,655,000**	**$ 65,790,000**
Debt Service			
Series 1998	$ 1,880,300	$ 1,883,320	$ 1,881,860
Series 2001	788,303	792,503	791,003
Series 2004	961,869	961,775	961,288
Series 2005	2,772,159	2,565,494	2,565,494
Total Debt Service	**$ 6,402,631**	**$ 6,203,092**	**$ 6,199,645**
General Fund Expenditures/Transfers	**$ 153,563,526**	**$ 162,859,552**	**$ 165,686,388**
Debt Service as a Percentage of General Fund Expenditures	**4.2%**	**3.8%**	**3.7%**

(1) Preliminary, subject to audit.

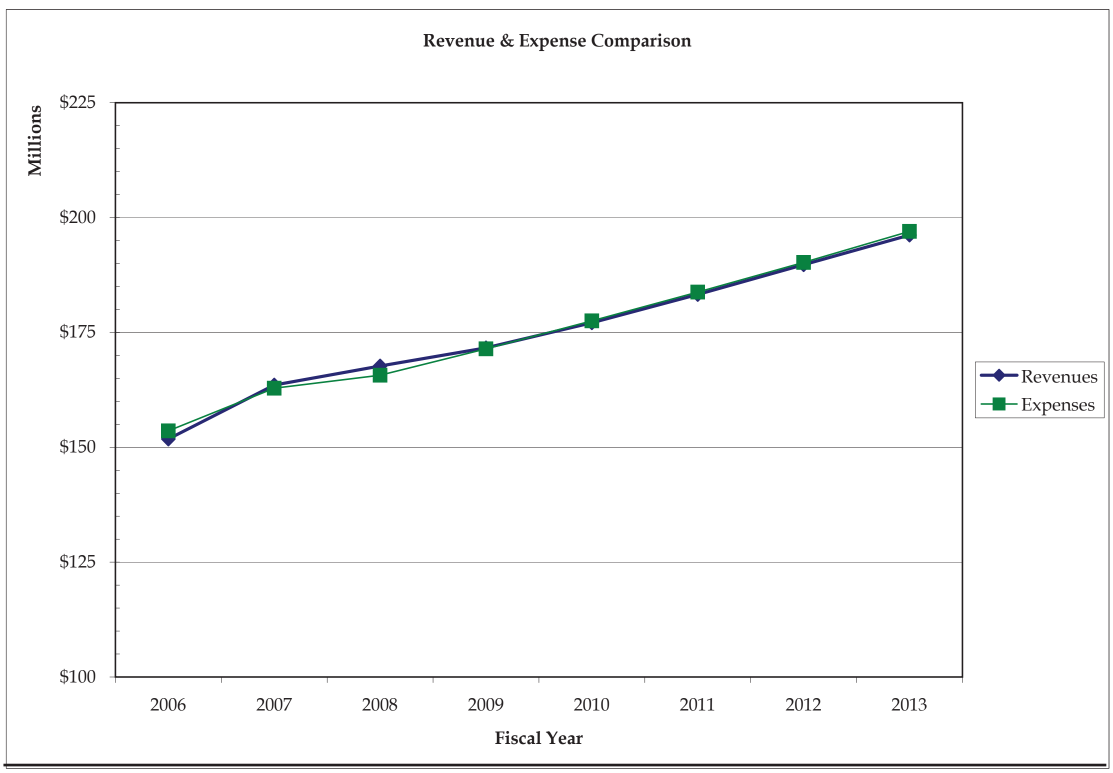
Five-Year Forecast of General Fund Spending Capacity

This section is intended to provide an overview of forecasted General Fund Revenues, Expenses and Fund Balances for the period including the current budget (FY2008) and FY2009 through FY2013 inclusive. The revenue forecast projects annual revenue increases ranging from 2.4% to 3.5% per annum. In order to maintain adequate financial reserves this projection establishes spending limitations during the period of fiscal years 2009-2013 inclusive at annual increases ranging from 3.5% to 3.6%.

County of Kent, Michigan
General Fund Projection of Revenues, Expenditures and Fund Balance
March 1, 2008

	Revenues	Expenses	Margin/ (Deficit)	Capital Transfers	Fund Balance
Projection:					
2013	$ 196,188,259	$ (196,994,413)	$ (806,154)	$ -	$ 72,869,407
2012	189,735,318	(190,238,707)	(503,389)	-	73,675,561
2011	183,269,299	(183,778,210)	(508,911)	-	74,178,950
2010	177,100,525	(177,516,508)	(415,983)	-	74,687,860
2009	171,637,806	(171,428,881)	208,924	-	75,103,843
Budget:					
2008	167,687,836	(165,682,314)	2,005,522	(4,074)	74,894,919
Actual:					
2007 (1)	163,537,135	(162,614,359)	922,776	(245,193)	72,893,470
2006	151,810,885	(153,410,686)	(1,599,801)	(152,840)	72,215,887

(1) Preliminary year-end actuals, subject to audit.



General Fund By Category

Revenue Forecast

	Audited			Estimated	Amended	Forecast				
Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxes	$ 68,879,588	$ 73,134,574	$ 80,230,390	$ 89,747,164	$ 89,313,322	$ 91,992,722	$ 96,132,394	$100,939,014	$105,985,965	$111,285,263
License & Permits	161,844	81,252	73,072	66,306	75,050	76,551	78,082	79,644	81,237	82,861
State Grants	1,503,674	1,581,913	1,445,872	1,505,768	1,567,525	1,606,713	1,646,881	1,688,053	1,730,254	1,773,510.66
State Grants-Court Equity	3,594,746	3,472,493	3,428,062	3,421,449	3,363,198	3,363,198	3,363,198	3,363,198	3,363,198	3,363,198
State Grants-Liquor Tax	2,792,678	2,960,118	3,193,611	-	3,585,636	3,657,349	3,803,643	3,955,788	4,114,020	4,278,581
Sales Tax	2,084,428	-	-	-	-	-	-	7,300,000 [a]	12,600,000 [a]	12,600,000 [a]
Cont From Local Units	3,102,288	3,309,182	3,536,024	4,432,913	4,520,305	4,645,614	4,737,323	4,855,756	4,977,150	5,101,578
Other	1,683,988	399,478	379,748	329,084	381,000	390,525	400,288	410,295	420,553	431,067
Intergovernmental	14,761,802	11,723,184	11,983,317	9,689,213	13,417,664	13,663,399	13,951,332	21,573,090	27,205,175	27,547,934
Court Fees	2,739,172	2,457,417	2,485,567	2,464,520	2,657,600	2,710,752	2,764,967	2,820,266	2,876,672	2,934,205
Real Estate Transfer Tax	3,246,274	3,200,429	3,208,173	2,798,762	2,777,000	2,832,540	2,889,191	2,946,975	3,005,914	3,066,032
Recording Fee	2,855,899	2,604,283	2,174,483	2,044,127	2,133,000	2,175,660	2,219,173	2,263,557	2,308,828	2,355,004
Board & Care	3,665,577	3,336,314	2,772,047	3,534,158	3,188,600	3,252,372	3,317,419	3,383,768	3,451,443	3,520,472
Other	4,847,990	5,231,737	7,918,973	9,017,226	8,509,296	8,679,482	8,853,072	9,030,133	9,210,736	9,394,950
Charges for Services	17,354,912	16,830,179	18,559,243	19,858,795	19,265,496	19,650,806	20,043,822	20,444,698	20,853,592	21,270,664
Fines & Forfeitures	182,289	342,112	295,071	210,802	244,500	249,390	254,378	259,465	264,655	269,948
Interest	2,042,970	3,017,636	4,368,903	4,332,887	3,898,650	3,976,623	4,056,155	4,137,279	4,220,024	4,304,425
Reimbursements	8,548,407	8,638,413	8,337,843	8,139,584	8,043,901	8,204,779	8,368,875	8,536,252	8,706,977	8,881,117
Other	3,040,019	2,853,636	3,090,107	2,750,648	2,928,957	2,987,536	3,047,287	3,108,233	3,170,397	3,233,805
Trans In-Corrections & Det	13,185,500	12,200,000	11,000,000	15,000,000	16,000,000	16,000,000	16,000,000	16,000,000 [b]	16,000,000 [b]	16,000,000 [b]
Trans In-RSRF	6,845,403	10,494,321	10,840,632	11,241,736	11,500,296	11,776,000	12,047,000	5,008,000	-	-
Trans In-Delinquent Tax	3,059,980	3,000,000	2,828,795	2,500,000	3,000,000	3,060,000	3,121,200	3,183,624	3,247,296	3,312,242
Trans In-Other	4,484,773	672,265	203,513	-	-	-	-	-	-	-
Transfers In	27,575,656	26,366,586	24,872,940	28,741,736	30,500,296	30,836,000	31,168,200	24,191,624	19,247,296	19,312,242
Total	$142,547,486	$142,987,572	$151,810,885	$163,537,135	$167,687,836	$171,637,806	$177,100,525	$183,269,299 [c]	$189,735,318	$196,188,259

(a) It is anticipated that during FY 2011 the County will have fully expended balances available in its Revenue Sharing Reserve Fund and the State of Michigan will reinstate statutory state appropriations returning Kent County to its historical funding levels based on trends established in FY 2004.

(b) The currently authorized Corrections and Detentions millage will expire after production of tax billings in December 2009. The tax levy is expected to provide $16 million of revenue in FY 2010. The FY 2011 revenue forecast includes $16 million to be derived from the voter approved renewal of the current (.7893 mills) tax levy.

(c) If the State does not renew statutory revenue sharing appropriations and voters do not approve renewal of the Corrections and Detention millage, the FY 2011 revenue forecast would be reduced by $23.3 million. This would require a reduction in General Fund spending (personnel/programs/services) which, expressed as a percentage of forecasted expenditures, would require a spending reduction of 12.7%.

General Fund By Category
Revenue Forecast

	Audited			Estimated	Amended	Forecast				
Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxes	-0.7%	6.2%	9.7%	11.9%	-0.5%	3.0%	4.5%	5.0%	5.0%	5.0%
License & Permits	23.5%	-49.8%	-10.1%	-9.3%	13.2%	2.0%	2.0%	2.0%	2.0%	2.0%
State Grants	6.4%	5.2%	-8.6%	4.1%	4.1%	2.5%	2.5%	2.5%	2.5%	2.5%
State Grants-Court Equity	38.2%	-3.4%	-1.3%	-0.2%	-1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
State Grants-Liquor Tax	8.1%	6.0%	7.9%	-100.0%	NA	2.0%	4.0%	4.0%	4.0%	4.0%
Sales Tax	-77.4%	-100.0%	NA	NA	NA	NA	NA	NA	72.6%	0.0%
Cont From Local Units	-2.4%	6.7%	6.9%	25.4%	2.0%	2.8%	2.0%	2.5%	2.5%	2.5%
Other	-8.5%	-76.3%	-4.9%	-13.3%	15.8%	2.5%	2.5%	2.5%	2.5%	2.5%
Intergovernmental	-29.2%	-20.6%	2.2%	-19.1%	38.5%	1.8%	2.1%	54.6%	26.1%	1.3%
Court Fees	16.7%	-10.3%	1.1%	-0.8%	7.8%	2.0%	2.0%	2.0%	2.0%	2.0%
Real Estate Transfer Tax	3.4%	-1.4%	0.2%	-12.8%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
Recording Fee	-33.5%	-8.8%	-16.5%	-6.0%	4.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Board & Care	-8.9%	-9.0%	-16.9%	27.5%	-9.8%	2.0%	2.0%	2.0%	2.0%	2.0%
Other	-0.8%	7.9%	51.4%	13.9%	-5.6%	2.0%	2.0%	2.0%	2.0%	2.0%
Charges for Services	-7.2%	-3.0%	10.3%	7.0%	-3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fines & Forfeitures	2.2%	87.7%	-13.8%	-28.6%	16.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	14.6%	47.7%	44.8%	-0.8%	-10.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Reimbursements	14.1%	1.1%	-3.5%	-2.4%	-1.2%	2.0%	2.0%	2.0%	2.0%	2.0%
Other	5.5%	-6.1%	8.3%	-11.0%	6.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Trans In-Corrections & Det	21.0%	-7.5%	-9.8%	36.4%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Trans In-RSRF	NA	53.3%	3.3%	3.7%	2.3%	2.4%	2.3%	-58.4%	-100.0%	NA
Trans In-Delinquent Tax	0.5%	-2.0%	-5.7%	-11.6%	20.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Trans In-Other	1600.7%	-85.0%	-69.7%	-100.0%	NA	NA	NA	NA	NA	NA
Transfers In	94.1%	-4.4%	-5.7%	15.6%	6.1%	1.1%	1.1%	-22.4%	-20.4%	0.3%
Total	5.1%	0.3%	6.2%	7.7%	2.5%	2.4%	3.2%	3.5%	3.5%	3.4%

General Fund By Category
Expense Forecast

	Audited			Estimated	Amended	Forecast				
Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Wages	$ 52,216,868	$ 53,337,153	$ 58,294,773	$ 61,034,054	$ 63,075,271	$ 64,967,529	$ 66,916,555	$ 68,924,052	$ 70,991,773	$ 73,121,526
Temporary	133,610	35,352	102,131	14,713	35,500	36,565	37,662	38,792	39,956	41,154
Overtime	2,182,068	1,938,448	2,087,922	2,174,546	2,409,300	2,481,579	2,556,026	2,632,707	2,711,688	2,793,039
Group Ins	7,678,379	9,231,097	10,111,178	11,734,120	13,366,748	14,770,257	16,247,282	17,790,774	19,391,944	21,137,219
FICA	4,073,603	4,115,152	4,536,100	4,699,977	4,948,356	5,096,807	5,249,711	5,407,202	5,569,418	5,736,501
Pension	2,595,399	4,206,395	4,777,649	5,554,227	3,645,578	3,718,490	3,867,229	3,983,246	4,102,743	4,225,826
OPEB	-	-	-	1,953,347	1,858,830	1,914,595	1,972,033	2,031,194	2,092,130	2,154,893
Workers Comp	441,831	432,696	470,364	523,511	496,188	511,074	526,406	542,198	558,464	575,218
Other	69,927	61,198	72,663	67,226	104,640	104,640	104,640	104,640	104,640	104,640
Personnel	69,391,686	73,357,491	80,452,780	87,755,722	89,940,411	93,601,534	97,477,544	101,454,805	105,562,756	109,890,016
Commodities	3,466,840	3,395,045	4,008,831	4,046,422	4,611,209	4,749,546	4,892,032	5,038,793	5,189,957	5,345,655
Building Rent	6,078,792	5,717,916	5,734,741	5,563,824	5,533,517	5,561,185	5,588,991	5,616,935	5,645,020	5,673,245
Contributions - network180	4,099,322	3,642,445	3,759,192	2,162,386	3,955,204	4,034,308	4,114,994	4,197,294	4,281,240	4,366,865
Contributions - Social Welfare	-	-	751,177	729,774	650,000	650,000	650,000	650,000	650,000	650,000
Consultants	1,216,706	461,339	483,651	500,041	593,018	604,878	616,976	629,315	641,902	654,740
H/S Maint	1,172,858	1,270,204	1,187,127	1,102,567	1,275,251	1,300,756	1,326,771	1,353,307	1,380,373	1,407,980
Inmate Health	5,324,286	4,279,939	5,520,454	5,578,222	6,006,427	6,246,684	6,496,551	6,756,414	7,026,670	7,307,737
Legal	5,364,523	5,151,335	5,128,338	5,648,557	5,817,400	5,933,748	6,052,423	6,173,471	6,296,941	6,422,880
Other Contractual Services	3,212,829	3,204,931	3,986,733	4,401,904	4,577,120	4,714,434	4,855,867	5,001,543	5,151,589	5,306,137
Other	8,737,479	7,671,936	8,728,372	8,788,160	9,907,342	10,204,562	10,510,699	10,826,020	11,150,801	11,485,325
Travel	328,327	338,972	374,366	343,369	526,608	542,406	558,678	575,439	592,702	610,483
Utilities	3,757,552	4,046,540	4,574,149	4,681,861	5,035,637	5,186,706	5,342,307	5,502,577	5,667,654	5,837,683
Contractuals	39,292,674	35,785,556	40,228,300	39,500,665	43,877,524	44,979,667	46,114,257	47,282,314	48,484,891	49,723,074
Capital Outlay	1,340,945	1,214,904	2,365,203	2,049,836	2,372,923	2,420,382	2,468,790	2,518,165	2,568,529	2,619,899
Other	105,008	215,755	297,646	218,096	467,419	481,442	495,885	510,761	526,084	541,867
Childcare	13,505,082	11,264,692	11,276,608	11,877,856	12,216,567	12,705,230	13,213,439	13,741,976	14,291,655	14,863,322
Capital Imp Bond Debt Svc	-	966,960	962,112	961,776	963,288	959,700	961,100	962,600	957,700	955,000
CIP	2,398,433	310,800	152,840	245,193	4,074	-	-	-	-	-
Component Unit	-	-	-	-	-	-	-	-	-	-
Debt Svc Fund	27,680	24,055	19,705	25,208	-	-	-	-	-	-
DHS Childcare	4,795,064	4,747,462	3,700,440	4,978,542	5,040,337	5,241,950	5,451,628	5,669,694	5,896,481	6,132,341
DHS Social Welfare	782,070	770,000	-	-	-	-	-	-	-	-
Fire Commission	100,000	100,000	135,000	186,000	195,000	199,875	204,872	209,994	215,244	220,625
FOC	1,406,461	1,873,000	1,607,548	1,947,388	2,025,512	2,086,277	2,148,866	2,213,332	2,279,732	2,348,124
Health	9,309,503	8,105,031	7,694,404	8,382,072	9,434,385	9,717,417	10,008,939	10,309,207	10,618,483	10,937,038
Parks	3,270,475	3,245,223	-	-	-	-	-	-	-	-
Special Projects	536,590	1,293,297	662,109	684,776	667,738	687,770	708,403	729,655	751,545	774,091
Other	684,525	-	-	-	-	-	-	-	-	-
Transfers Out	36,815,883	32,700,520	26,210,766	29,288,811	30,546,901	31,598,219	32,697,247	33,836,458	35,010,840	36,230,540
Total before Lapse	150,413,036	146,669,271	153,563,526	162,859,552	171,816,387	177,830,790	184,145,755	190,641,296	197,343,057	204,351,051
Appropriation Lapse	-	-	-	-	(6,130,000)	(6,401,908)	(6,629,247)	(6,863,087)	(7,104,350)	(7,356,638)
Total	150,413,036	146,669,271	153,563,526	162,859,552	165,686,387	171,428,881	177,516,508	183,778,210	190,238,707	196,994,413
Net Fund Balance Inc (Dec)	(7,865,550)	(3,681,699)	(1,752,641)	677,583	2,001,449	208,924	(415,983)	(508,911)	(503,389)	(806,154)
Fund Balance, Beg	85,515,776	77,650,227	73,968,528	72,215,887	72,893,470	74,894,919	75,103,843	74,687,860	74,178,950	73,675,561
Fund Balance, End	$ 77,650,227	$ 73,968,528	$ 72,215,887	$ 72,893,470	$ 74,894,919	$ 75,103,843	$ 74,687,860	$ 74,178,950	$ 73,675,561	$ 72,869,407

General Fund By Category

Expense Forecast

	Audited			Estimated	Amended	Forecast				
Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Wages	3.2%	2.1%	9.3%	4.7%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Temporary	-35.9%	-73.5%	188.9%	-85.6%	141.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Overtime	-15.7%	-11.2%	7.7%	4.1%	10.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Group Ins	-3.3%	20.2%	9.5%	16.1%	13.9%	10.5%	10.0%	9.5%	9.0%	9.0%
FICA	2.1%	1.0%	10.2%	3.6%	5.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Pension	137.6%	62.1%	13.6%	16.3%	-34.4%	2.0%	4.0%	3.0%	3.0%	3.0%
OPEB	NA	NA	NA	NA	-4.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Workers Comp	26.9%	-2.1%	8.7%	11.3%	-5.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Other	-4.2%	-12.5%	18.7%	-7.5%	55.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel	3.8%	5.7%	9.7%	9.1%	2.5%	4.1%	4.1%	4.1%	4.0%	4.1%
Commodities	-7.4%	-2.1%	18.1%	0.9%	14.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Building Rent	3.2%	-5.9%	0.3%	-3.0%	-0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Contributions - network180	18.7%	-11.1%	3.2%	-42.5%	82.9%	2.0%	2.0%	2.0%	2.0%	2.0%
Contributions - Social Welfare	NA	NA	NA	-2.8%	-10.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Consultants	-20.6%	-62.1%	4.8%	3.4%	18.6%	2.0%	2.0%	2.0%	2.0%	2.0%
H/S Maint	-18.0%	8.3%	-6.5%	-7.1%	15.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Inmate Health	15.8%	-19.6%	29.0%	1.0%	7.7%	4.0%	4.0%	4.0%	4.0%	4.0%
Legal	-2.3%	-4.0%	-0.4%	10.1%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Contractual Services	25.5%	-0.2%	24.4%	10.4%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other	2.1%	-12.2%	13.8%	0.7%	12.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Travel	-18.0%	3.2%	10.4%	-8.3%	53.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Utilities	4.0%	7.7%	13.0%	2.4%	7.6%	3.0%	3.0%	3.0%	3.0%	3.0%
Contractuals	4.7%	-8.9%	12.4%	-1.8%	11.1%	2.5%	2.5%	2.5%	2.5%	2.6%
Capital Outlay	-25.7%	-9.4%	94.7%	-13.3%	15.8%	2.0%	2.0%	2.0%	2.0%	2.0%
Other	169.9%	105.5%	38.0%	-26.7%	114.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Childcare	24.1%	-16.6%	0.1%	5.3%	2.9%	4.0%	4.0%	4.0%	4.0%	4.0%
Capital Imp Bond Debt Svc	NA	NA	-0.5%	0.0%	0.2%	-0.4%	0.1%	0.2%	-0.5%	-0.3%
CIP	-74.1%	-87.0%	-50.8%	60.4%	-98.3%	-100.0%	NA	NA	NA	NA
Component Unit	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Debt Svc Fund	NA	-13.1%	-18.1%	27.9%	-100.0%	NA	NA	NA	NA	NA
DHS Childcare	54.2%	-1.0%	-22.1%	34.5%	1.2%	4.0%	4.0%	4.0%	4.0%	4.0%
DHS Social Welfare	-1.7%	-1.5%	-100.0%	NA	NA	NA	NA	NA	NA	NA
Fire Commission	-37.8%	0.0%	35.0%	37.8%	4.8%	2.5%	2.5%	2.5%	2.5%	2.5%
FOC	NA	33.2%	-14.2%	21.1%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Health	22.7%	-12.9%	-5.1%	8.9%	12.6%	3.0%	3.0%	3.0%	3.0%	3.0%
Parks	25.8%	-0.8%	-100.0%	NA	NA	NA	NA	NA	NA	NA
Special Projects	-9.2%	141.0%	-48.8%	3.4%	-2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Other	-79.4%	-100.0%	NA	NA	NA	NA	NA	NA	NA	NA
Transfers Out	-3.9%	-11.2%	-19.8%	11.7%	4.3%	3.4%	3.5%	3.5%	3.5%	3.5%
Total before Lapse	1.5%	-2.5%	4.7%	6.1%	5.5%	3.5%	3.6%	3.5%	3.5%	3.6%
Appropriation Lapse	NA	NA	NA	NA	NA	4.4%	3.6%	3.5%	3.5%	3.6%
Total	1.5%	-2.5%	4.7%	6.1%	1.7%	3.5%	3.6%	3.5%	3.5%	3.6%
Net Fund Balance Inc (Dec)	-37.9%	-53.2%	-52.4%	-138.7%	195.4%	-89.6%	-299.1%	22.3%	-1.1%	60.1%
Fund Balance, Beg	-12.9%	-9.2%	-4.7%	-2.4%	0.9%	2.7%	0.3%	-0.6%	-0.7%	-0.7%
Fund Balance, End	-9.2%	-4.7%	-2.4%	0.9%	2.7%	0.3%	-0.6%	-0.7%	-0.7%	-1.1%

FINANCIAL POSITION - DELINQUENT TAX ANTICIPATION NOTES

Statement of Revenues, Expenditures and Changes in Fund Net Assets

	Year Ended December 31,	
	2006	**2007**[(1)]
Operating Revenues:		
Charges for services	$ 2,081,244	$ 955,567
Interest and penalties	1,191,398	2,917,455
Collection fees	849,385	1,051,200
Auction proceeds	189,899	279,724
Total Operating Revenues	**4,311,926**	**5,203,946**
Operating Expenses:		
Contractual services	400,992	348,396
Material and supplies	705	3,591
Other	83,403	96,901
Total Operating Expenses	**485,100**	**448,888**
Operating Income (Loss)	**3,826,826**	**4,755,058**
Non-Operating Revenues (Expenses)		
Investment earnings	1,971,871	2,904,175
Interest expense and charges	(2,166,125)	(3,386,181)
Total Non-Operating Revenues (Expenses)	**(194,254)**	**(482,006)**
Income (Loss) Before Contributions and Transfers	3,632,572	4,273,052
Transfers out	(2,828,795)	(2,500,000)
Change in Net Assets	**803,777**	**1,773,052**
Net Assets, Beginning of Year	9,619,489	10,423,267
Net Assets, End of Year	**$ 10,423,267**	**$ 12,196,319**

(1) Pending audit adjustments

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Statement of Revenues, Expenditures and Changes in Fund Net Assets

	Year Ended December 31,	
	2006	**2007[1]**
Operating Revenues:		
Charges for Services	$ 26,831,253	$ 26,834,255
Total Operating Revenues	**26,831,253**	**26,834,255**
Operating Expenses:		
Personnel Service	7,801,658	8,803,760
Materials and Supplies	726,946	1,017,717
Depreciation	10,553,432	10,780,845
Other	6,823,513	7,641,186
Total Operating Expenses	**25,905,549**	**28,243,508**
Operating Income (Loss)	**925,704**	**(1,409,253)**
Non-Operating Revenues (Expenses)		
Investment Earnings	1,801,318	3,181,657
Passenger Facilities Charges	4,058,959	3,949,108
Gain (Loss) on Sale of Fixed Assets	12,471	95,254
Customer Facility Charges	1,263,045	1,291,203
Interest Expense and Charges	(4,535,376)	(5,715,859)
Total Non-Operating Revenues (Expenses)	**2,600,417**	**2,801,363**
Income (Loss) Before Contributions and Transfers	**3,526,121**	**1,392,110**
Capital Contributions	2,179,920	8,710,661
Change in Net Assets	**5,706,041**	**10,102,771**
Net Assets, Beginning of Year	163,380,691	169,086,732
Net Assets, End of Year	**$ 169,086,732**	**$ 179,189,503**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2006	2007 [1]
Operating Revenues	**$ 26,831,253**	**$ 26,834,255**
Investment Earnings	1,801,318	3,181,657
Customer Facility Charges	1,263,045	1,291,203
Passenger Facility Charges	4,058,959	3,949,108
Gain (Loss) on Sale of Fixed Assets	12,471	95,254
Operating Expenses Before Depreciation	**(15,352,117)**	**(17,462,663)**
Net Revenues (as defined in the resolution)	**$ 18,614,929**	**$ 17,888,814**
Debt Service Requirements	**$ 7,804,625**	**$ 8,185,296**
Debt Service Coverage	**2.39x**	**2.19x**

(1) Pending audit adjustments

HISTORICAL ENPLANED PASSENGERS/AIRLINE SERVICE 2003-2007					
Year	Major/National Airlines	Regional/Communter Airlines	Charter Airlines	Total	Average Annual Inc (Dec)
2003	509,481	485,137	1,101	995,718	2.8%
2004	558,272	518,971	337	1,077,580	8.2%
2005	519,275	527,658	290	1,047,223	-2.8%
2006	523,178	488,234	865	1,012,277	-3.3%
2007	440,721	557,352	846	998,919	-1.3%

Airline Market Shares

Comparative market share information for airlines based on enplaned passengers for 2000, 2005 and 2007 is shown in the following table:

	2000		**2005**		**2007**	
Airline	Enplaned Passengers	Percent of Total	Enplaned Passengers	Percent of Total	Enplaned Passengers	Percent of Total
Northwest Airlines	384,889	39.7%	431,470	41.2%	356,506	35.7%
United Airlines	124,002	12.8%	80,265	7.7%	84,215	8.4%
Delta Airlines	30,001	3.1%	7,540	0.7%	-	0.0%
US Airways	53,934	5.6%	-	-	-	-
Midwest Express Airlines	-	-	-	-	-	-
American Airlines	-	-	-	-	-	-
Trans World Airlines	-	-	-	-	-	-
Major/National	592,826	61.2%	519,275	49.6%	440,721	44.1%
American Eagle	113,451	11.7%	130,640	11.7%	118,146	11.8%
US Airways Express (1)	35,568	3.7%	29,803	3.7%	-	0.0%
Continental Express	32,962	3.4%	76,225	3.4%	99,003	9.9%
Delta Connection (2)	104,627	10.8%	146,883	10.8%	124,083	12.4%
Trans World Express	15,574	1.6%	-	1.6%	-	-
Midwest Express Connect	37,711	3.9%	36,073	3.9%	41,047	4.1%
American Trans/Air Connect	25,672	2.7%	8,055	2.7%	-	0.0%
America West Express	-	-	32,434	-	-	-
Northwest Airlink (3)	-	-	67,545	-	81,099	8.1%
United Express (4)	-	-	-	-	93,974	9.4%
Air Georgian	4,484	0.4%	-	0.4%	-	-
Regional Commuter	370,049	38.2%	527,658	50.4%	557,352	55.8%
Charter	5,390	0.6%	290	0.0%	846	0.1%
Total	968,265	100.0%	1,047,223	100.0%	998,919	100.0%

(1) Includes Mesa Airlines, Trans State Airlines, and Air Wisconsin

(2) Includes Comair and Atlantic Southeast Airlines

(3) Includes Mesaba Airlines and Pinnacle Airlines

(4) Includes GoJet, Mesa, Shuttle America, Chautauqua, and SkyWest Airline

Airline Service

As of January, 2008, 53 daily scheduled non-stop departures were provided from Grand Rapids to 14 cities in the United States. Major and national airlines provided 12 daily scheduled non-stop departures to five cities and regional and commuter airlines provide 41 non-stop departures to 14 cities as shown below.

DAILY DEPARTURES

	Scheduled Non-stop Departures	
Destination City	Major/National Airlines	Regional Commuter Airlines
Atlanta	-	3
Chicago	3	9
Cincinnati	-	4
Cleveland	-	4
Dallas	-	2
Denver	-	2
Detroit	5	3
Houston	-	2
Las Vegas	-	-
Milwaukee	-	5
Minneapolis	3	2
New York (La Guardia)	-	1
New York (Newark)	-	2
Orlando	1	-
Washington, DC	-	1
	12	41

HISTORICAL AIR CARGO (pounds in thousands)[(1)]

Year	Freight	Mail	Total	Inc (Dec)
2003*	69,943	3,872	73,815	-1.2%
2004*	78,182	1,355	79,537	7.80%
2005*	85,585	921	86,506	8.76%
2006*	86,814	468	87,282	0.90%
2007**	91,891	-	91,891	5.85%

(1) Enplaned and deplaned.

* On August 28, 2001, the Post Office switched carriers, from Emery to FedEx, to handle their mail. FedEx does not break out their mail numbers from their freight numbers. The numbers above are from the belly hold of the passenger airlines.

** Mail no longer carried on passenger carriers.

AIRLINES AND TYPES OF AIRCRAFTS PROVIDING SERVICES TO HUB DESTINATIONS

Hub	Airline	Aircraft	Seats
Atlanta	Atlantic Southeast	CRJ 100/200	50
Chicago	American Eagle	CRJ-700	70
		ERJ-145	50
	GoJet Airlines LLC	CRJ-700	70
	Shuttle America	ERJ-170	70
	United Airlines	B 737-300	128
		B 737-500	108
Cincinnati	Comair	CRJ 100/200	50
Cleveland	Express Jet	ERJ-135	37
		ERJ-145	50
Dallas	American Eagle	ERJ-145	50
Denver		CRJ-700	70
Detroit	Northwest Airlines	A320	179
		DC-9-50	139
		DC-9	125
	Northwest Air Link	CRJ 100/200	50
	Mesaba	CRJ 900	76
Houston	Express Jet	CRJ 100/200	50
Memphis	Northwest Air Link	CRJ 100/200	50
Milwaukee	Sky West Airlines	CRJ 100/200	50
Minneapolis-St. Paul	Northwest Air Link	CRJ 100/200	50
	Northwest Airlines	A320	179
		DC-9-50	139
		DC-9	125
	Mesaba	CRJ 900	76
New York (LaGuardia)	Northwest Air Link	CRJ 100/200	50
New York (Newark)	Express Jet	ERJ-135	37
		ERJ-145	50
Orlando	Northwest Airlines	DC-9	125
Washington, DC	Northwest Airlink	CRJ 100/200	50

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2006	**2007** (1)
Operating Revenues:		
Charges for Services	$ 38,092,332	$ 38,956,938
Other	192,975	201,553
Total Operating Revenues	**38,285,307**	**39,158,491**
Operating Expenses:		
Personnel, Materials, Contractual, Other	27,746,359	28,495,079
Depreciation and Amortization	3,480,107	3,343,846
Total Operating Expenses	**31,226,466**	**31,838,925**
Operating Income (Loss)	**7,058,841**	**7,319,566**
Non-Operating Revenues (Expenses)		
Investment Earnings	832,996	884,800
Miscellaneous	-	3,041
Interest Expense and Charges	(2,309,550)	(1,944,772)
Total Non-Operating Revenues (Expenses)	**(1,476,554)**	**(1,056,931)**
Change in Net Assets	**5,582,287**	**6,262,635**
Net Assets, Beginning of Year	17,997,806	23,580,093
Net Assets, End of Year	**$ 23,580,093**	**$ 29,842,728**

(1) Pending audit adjustments

Debt Service Coverage

	Year Ended December 31,	
	2006	2007 [1]
Operating Revenues	$ 38,285,307	$ 39,158,491
Non-Operating Revenues	832,996	887,841
Operating Expenses Before Depreciation	(27,746,359)	(28,495,079)
Net Revenues	**$ 11,371,944**	**$ 11,551,253**
Debt Service Requirements	**$ 11,115,449**	**$ 11,453,105**
Debt Service Coverage	**1.02x**	**1.01x**

(1) Pending audit adjustments

Kent County Waste-to-Energy Facility Operating Statistics

The Facility is an integral component of the Kent County Solid Waste Management Plan in compliance with Act 451, Part 115, Public Acts of Michigan, 1978. Such Plan advocates a balanced approach to solid waste management in the County including the recovery of energy from the burnable portion of the solid waste generated within the County.

Current Waste Disposal System

At present, all major solid waste disposal facilities within the County are owned by the County and operated by the County Department of Public Works.

The System is comprised of the Facility, the DHCO providing steam to various steam users in the City of Grand Rapids, the South Kent Landfill which also acts as the ash disposal site for the County, the North Kent Transfer Station, the recycling center, and three closed landfills (in the Townships of Sparta and Plainfield, and the City of Kentwood).

The Facility

The Facility uses mass burn technology to incinerate waste and cogenerate steam and electricity. The Facility is intended to process a minimum of 625 tons per day of waste at 85 percent on-line availability, for an average daily processing capacity of 530 tons per day, or approximately 190,000 tons per year. Facility construction began in October 1987, and commercial operation commenced in February 1990.

The County markets the steam generated by the Facility through the DHCO, which presently serves approximately 125 customers in downtown Grand Rapids. Electricity produced by the Facility is sold to Consumers Energy Company.

The Facility site is located at the southeast corner of Market and Freeman Avenues in the City of Grand Rapids. The Site consists of an area of approximately 9.10 acres. The Facility site is centrally located within the service area of the six Participating Municipalities and is accessible by all-weather roads. Expressways traverse the Participating Municipalities in both north-south (U.S. 131) and east-west (I-96 and I-196) direction and interchanges on the expressways allow for convenient access to the Facility site.

Historic Plant Performance

Solid Waste Processed

The Facility has been in continuous operation, except for maintenance periods, since commercial operation began in February 1990. The Facility is rated to process 625 tons per day of waste with the initial Capacity Guarantee being 194,000 tons per year ("TPY") at 4,800 Btu/lb. In 1996, the County and the Company agreed to restate the initial Capacity Guarantee in terms of steam produced. The restated Capacity/Steam Production Guarantee of 1.0864 billion pounds is equal to the amount of steam generated by burning 194,000 TPY of waste.

The County, the Facility has processed, over the last five calendar years, the amount of solid waste indicated in the table below. The following table also shows the conversion from actual tons to reference tons and throttle steam produced for each of the last five years.

HISTORICAL WASTE PROCESSED/THROTTLE STEAM PRODUCED(1)

Calendar Year Ended December 31	Waste Processed Actual Tons	Reference Tons Processed (2)	Throttle Steam Produced (Billion Pounds)
2003	169,079	197,047	1.1455
2004	176,368	210,050	1.1806
2005	175,975	211,517	1.2078
2006	180,726	214,460	1.2060
2007	178,429	211,587	1.1852

(1) Source: County of Kent
(2) Corrected to 4,800 Btu per pound

Electricity Produced

The Facility has generated, for sale to Consumers, the quantities of electricity noted in the table below. Quantities of electricity sold are also affected by the quantities of steam exported to the District Heating and Cooling Operation, also shown below.

Steam Energy Market

NET ELECTRICAL AND STEAM GENERATION(1)

Calendar Year	Net Electricity Generation(2)	Net Generation Rate KWh(3)/Actual Ton	Million Pounds of Steam Exported
2003	86,421	511	34,855
2004	92,125	522	43,423
2005	86,665	492	113,119
2006	95,509	528	40,522
2007	98,739	551	-

(1) Source: County of Kent
(2) Megawatt hours
(3) Kilowatt hours

The DHCO serves mainly a space-heating load that is weather sensitive. The County purchased the DHCO from Consumers in May, 1986.

While the DHCO was owned by Consumers the business was regulated by the MPSC. Under the ownership of the County, the business is no longer regulated. This deregulation gives the County more flexibility with regard to rate structure. The County realizes that increasing sales for the DHCO will benefit all customers, and the DHCO has sufficient capacity to handle a greatly increased sales volume. The incremental cost to the County for serving additional loads is relatively low.

DHCO steam sales for the years 2003 through 2007 were as follows:

Year	Sales (Mlbs)	Sales ($000)
2003	593,524	8,352
2004	566,657	9,236
2005	573,800	11,215
2006	476,184	11,255
2007	505,231	11,922

FINANCIAL POSITION - LODGING EXCISE TAX FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2006	**2007** [1]
Revenues:		
Hotel/Motel Taxes	$ 4,774,496	$ 5,040,279
Investment Earnings	232,339	179,842
Other	11,221	6,985
Total Revenues	**5,018,056**	**5,227,106**
Expenditures:		
Administration	180,428	178,296
Convention and Visitors Bureau - Promotion	853,383	939,650
John Ball Zoo / Arts Festival	410,000	410,000
Sports Commission	-	200,000
Debt Service	4,728,144	4,898,344
Total Expenditures	**6,171,955**	**6,626,290**
Net Change in Fund Balance	**(1,153,899)**	**(1,399,184)**
Fund Balance, Beginning of Year	4,335,843	3,181,944
Fund Balance, End of Year	**$ 3,181,944**	**$ 1,782,760**

(1) Pending adjustments to audit

The "Fund Balance/Fund Equity" policy of the Board of Commissioners requires, section II.4.a, "...will designate, in the Lodging Excise Tax Fund, an amount equal to twenty-five percent (25%) of the following years budgeted debt service requirements." After set-aside of designated funds, in the amount of $1,170,852, the undesignated fund balance is estimated at $611,909 for December 31, 2007.

Debt Service Coverage

	Year Ended December 31,	
	2006	**2007**
Hotel/Motel Tax Revenues	$ 4,774,496	$ 5,040,279
Debt Service Requirements	4,728,144	4,898,344
Debt Service Coverage	**1.01x**	**1.03x**

Statement of Revenues, Expenditures and Changes in Fund Balance

	Year Ended December 31,	
	2006	**2007**[1]
Revenues:		
Taxes	$ 14,641,042	$ 15,267,421
Investment Earnings	444,883	506,828
Total Revenues	**15,085,925**	**15,774,249**
Operating Transfers:		
Consultants	37,000	900
General Fund - Facility Operations	11,000,000	15,000,000
Debt Service - Principal and Interest	318,840	319,340
Total Operating Transfers	**11,355,840**	**15,320,240**
Net Change in Fund Balance	**3,730,085**	**454,009**
Fund Balance, Beginning of Year	399,463	4,129,548
Net Assets, End of Year	**$ 4,129,548**	**$ 4,583,557**

(1) Pending adjustments to audit

Debt Service Coverage

	Year Ended December 31,	
	2006	**2007 (1)**
Property Tax Revenues	$ 14,641,042	$ 15,267,421
Debt Service Requirements	2,328,576	319,340
Debt Service Coverage	**45.9x**	**47.8x**
Debt Outstanding:		
Series 1998	$ 6,955,000	$ 6,955,000

(1) Pending adjustments to audit

APPENDIX

The articles included in this section appeared in recent editions of the New York Times, Grand Rapids Press, Muskegon Chronicle and Grand Rapids Business Journal. The reproduction of these articles is subject to certain copyright protections. Permission was granted for inclusion of these materials in the 2008 Kent County Financial Overview.

THE GRAND RAPIDS PRESS

Outsider's view of Grand Rapids is quite rosy

By Joann Fitzpatrick
Published: June 23, 2007

Special To The Press

QUINCY, Mass. — It's such a big country, America. I don't know it well, haven't traveled from sea to shining sea, except by airplane from East to West several times. Last weekend I was in Michigan, not quite the heartland but close enough.

The combined effect of television programs, chain stores and restaurants and electronic gadgets is that we think we've been homogenized.

But it's not so, thank goodness.

I know that when I visited New Orleans, before and after Hurricane Katrina, this is a place very different from Boston or anywhere else in America.

Texas, too. But what of the vast Midwest? Is it really different from New England or California?

Darned right, it is. I was in Grand Rapids, Mich., for a wedding. What I knew about Grand Rapids before going there was that it was the hometown of President Gerald Ford and site of his presidential library and museum. And also the home of Amway, though I and other out-of-town guests had only a vague idea of what Amway sells.

The small talk that predominates at events like this was punctuated repeatedly by wedding guests proclaiming to one another, ''What a nice town, what a surprise!'' Many if not most of the guests flew in from both coasts and interesting places in between, such as Santa Fe. There was elitism to spare but at the same time a willingness to be charmed by a place that truly seems to represent good old-fashioned American values.

If there are surreptitious litter police, they keep themselves well hidden, but the streets of Grand Rapids are as gleaming as the refurbished buildings throughout the downtown. Community pride is everywhere. I couldn't help but compare what I saw to cities and towns back home.

Don't get me wrong, I love Boston and New England, from the coastline to the old mill towns like the one where I grew up, Manchester, N.H. But there's no disputing that the quality of life in this area continues to deteriorate. We blame government for not investing more in parks and beaches, but who's dropping the garbage? It's not the government; it's us. The mounds of Dunkin' Donuts cups scarring off-ramps on our highways is disgusting. Local streets are no better and because we seem not to care, the habit just grows.

In Grand Rapids, Midwestern friendliness and helpfulness were everywhere. I left my camera in a cab and within minutes of calling the hotel, staff was on the case. They called back 15 minutes later, not having located it yet but to let me know I had not been forgotten. I nearly fainted from the shock of random kindness. (Yes, I got it back.) When was the last time someone actually cared that you lost an item in their store, or even that you were shopping there?

Downtown Grand Rapids, a city of about 200,000, is a laboratory of urban renewal. Formerly a manufacturing city - home of Kelvinator, for example - it faces a huge challenge in reshaping its economy. The state of Michigan is no help, since its automobile-reliant economy has been in the hopper for years, with more bad news sure to come.

So what is Grand Rapids turning to? Health care. And here is where it could be interesting to Massachusetts. Spectrum Health, Grand Rapids' biggest employer, is creating a cancer center and also expanding its medical research, including a new center for molecular medicine. Michigan State University is moving its medical school to the city. You may say, ‘‘So what?’’ But think about all those Boston-area college graduates, our biggest source of human capital, and the cost of living in Massachusetts, and then compare it to Grand Rapids. There you can buy a five-bedroom house in the historic district for $400,000. Yup, $400,000, and you could walk to work, breathe clean air and not worry about litter blowing in your face. And your children could attend a neighborhood school. The historic district, a microcosm of American architectural styles, was rehabilitated decades ago solely because of the efforts of public-spirited citizens.

I am not writing this to encourage young people to leave Massachusetts. I think it’s important to recognize, though, that we don’t necessarily have it all here. We have first-class hospitals and colleges with costs to match and housing prices that make building a future here ever more difficult. We also have a shortage of the kind of community spirit I saw in Grand Rapids.

There, the Amway Corp. and its founders put their names all over downtown, investing in public buildings they hope will rejuvenate the city.

Here, corporations hand out a few dollars to local charities, but there is less to donate as they are bought up by national companies more interested in naming rights on arenas than in philanthropy or rebuilding communities.

Look around your town: Can it be improved? Probably. I am tired of dirty streets and blaring car horns, bad manners and shoddy service. We’re better than that, aren’t we?

--This column first appeared in the Patriot Ledger of Quincy, MA. JoAnn Fitzpatrick, former editorial page editor, can be reached at joannftzptrck@yahoo.com .

The New York Times

Health Hill is expanding rapidly in Grand Rapids along Michigan Street.

SQUARE FEET

Grand Rapids Lays Foundations for a Health Mecca

By Keith Schneider
July 11, 2007

GRAND RAPIDS, Mich. — In the last decade or so, this city has been the beneficiary of investments in new academic campuses, a civic arena, a convention center, new parks, a transit center and more than 1,500 new units of downtown housing.

A view of Michigan State University's $70 million 125,000-square-foot medical school.

Even so, Grand Rapids has never experienced anything near the concentrated magnitude of the medical research, training and patient facility construction now occurring on Health Hill.

From the summit of the hill, on this city's north end, and stretching roughly half a mile in both directions along Michigan Street, a stunning array of buildings is under construction, reflecting a commitment of nearly $1 billion by the area's prominent families and medical institutions. There are a new medical school, a children's hospital, a biomedical research center, a cancer treatment center, and two medical treatment and office buildings. Also under construction is a seven-level underground parking garage; it will hold 2,300 cars and cost $30 million.

All told, construction managers say, the buildings will cover 1.2 million square feet. By 2010, when construction is completed, those buildings, several designed by world-renowned architects, will provide enough space to treat thousands of people a day and employ 5,000 people, 2,500 more jobs than exist now on Health Hill.

The hill, also called Pill Hill here, earned its nicknames a few years ago when a medical research institute opened there.

Construction executives here and in other regions say that just a handful of similar medical development projects rival Health Hill in scope and cost. The University of Kentucky is building a $450 million hospital at its campus in Lexington, part of a $2.5 billion 20-year project to build what the university calls “the medical campus of the future.” Oregon Health and Sciences University just opened the 16-story $160 million Research Clinic Building, the first of three large buildings it is planning for the new South Waterfront district of Portland.

In Grand Rapids, health executives and city officials say, the focused investment involves one neighborhood and two disciplines: cancer research and patient care. This approach essentially forms the next big concept for sustaining the economy and culture of a rebounding city of more than 193,000 residents.

“We’ve been through all kinds of transition,” said Eric DeLong, the deputy manager of the 181-year-old city, Michigan’s second largest after Detroit. “We started here with lumbering and ran out of trees. We developed furniture and then manufacturing. With that came finance, real estate and banking.”

Indeed, during the 20th century, Grand Rapids fostered the development of enormous family fortunes: furniture manufacturing at Steelcase and Herman Miller; Amway home products; oil and gas development; insurance and banking; and Meijer Inc., a major grocer and general merchandise retailer.

Almost all of the venerable families chose to stay in this midsize cosmopolitan city less than a three-hour drive from Chicago and Detroit, and where the fishing in the Grand River and nearby Lake Michigan is excellent.

Led by Rich and Helen DeVos and Jay and Betty Van Andel, who founded Amway; Fred Meijer of Meijer Inc.; and Peter M. Wege, an heir to one of the families that started Steelcase, the city’s wealthy invested more than $1 billion since 1990 in various urban projects, including the $77 million Van Andel sports and entertainment arena in 1996, the $56.5 million downtown DeVos campus for Grand Valley State University in 2000, the $220 million DeVos convention center in 2003, and a $55 million art museum that opened this year.

Grand Rapids was one of just two major Michigan cities (Ann Arbor being the other) to gain population in the 1990s. In the last decade, its income tax revenues more than doubled, to $59 million annually.

“Now we’re claiming our place in the new economy with applied research, medical care, patient treatment,” Mr. DeLong said. “These are new, intellectually driven sectors. Health Hill is a concentration of intellectual capacity, and that is what we need in this era.”

On a recent July afternoon, Bill Rietscha, the vice president of facilities at Spectrum Health, a regional system of hospitals and clinics that specializes in cancer treatment and is involved in financing and building three of the five structures, pointed east and west along Michigan Street. “This,” he said, “is where we are creating the next 50 years of health care infrastructure for west Michigan.”

On the south side of Michigan Street, Spectrum Health is spending $250 million to build the 14-story, 440,000-square-foot Helen DeVos Children’s Hospital, designed by Jonathan Bailey Associates, which is based in London. It is to be finished by December 2010.

A block away on Division Street, the Van Andel Institute, an increasingly prominent biomedical research organization, is adding a $178 million, 240,000-square-foot, five-level addition to the imposing $77 million 140,000-square-foot research building it opened in 2000, designed by Rafael Vinoly. The new wing is to open in December 2009.

On the north side of Michigan Street, the foundation of Michigan State University’s $70 million 125,000-square-foot medical school is taking shape, financed in part with gifts from Spectrum Health and the Van Andel Institute. It will open in August 2010.

Next door, Michigan Street Development — a collaboration between the DeVos family and Christman Construction — is building a $78 million 125,000-square-foot medical office building, hotel and research laboratory. It is to open in April 2008. An existing office building will be torn down next summer and replaced with a second 125,000-square-foot office tower.

And next to that, Michigan Street Development and Spectrum Health are building the Lemmen-Holton Cancer Pavilion, a $100 million 284,000-square-foot patient treatment center that includes an unusual junglelike atrium. It is to open in June 2008.

Though the Health Hill construction program is immense, its major financiers and broad scope are familiar to residents. “We’re fortunate to have the kind of people who care about this stuff,” said Rick Chapla, vice president of the Right Place, a nonprofit economic development agency.

Even before the latest burst of construction, Health Hill had been the focus of investment by the city’s families.

Mr. DeVos and Peter Cook, another important financier, helped Grand Valley State University build a $57 million Center for Health Sciences on Michigan Street in 2003. Fred and Lena Meijer helped Spectrum Health build a $137 million nine-story cardiac care center that opened in November 2004. And Jay and Betty Van Andel built the medical research institute that bears their name.

On a recent tour of the laboratory, Arthur S. Alberts, a cell biologist and senior scientific investigator at the Van Andel Institute, said he had been reared and educated in San Diego and remembers when the Salk Institute for Biological Studies and the Burnham Institute for Medical Research there were not nearly as well regarded or as central to the city’s economy and reputation as they are today.

“You can feel that same potential here,” said Dr. Alberts, who oversees the Laboratory of Cell Structure and Signal Integration, one of the institute’s most productive teams. “This city is building world-class research programs and facilities. People come from 19 countries to work here. When I interviewed here in 1999, my familiarity with Grand Rapids was nonexistent. Today, people know. And when they come here, they feel like pioneers.”

Muskegon Chronicle

Michigan State med school gets final OK

By Beth Loechler
Published: October 26, 2007

Courtesy of Ellenzweig Associates

The Michigan State University medical school will occupy seven stories above a five-story parking garage on Michigan Street and Division Avenue.

GRAND RAPIDS -- Construction on Michigan State University's $90 million medical school here will begin in the spring, following approval today from the MSU Board of Trustees.

Trustees meeting in East Lansing viewed the architectural renderings and approved the College of Human Medicine expansion on Michigan Street across from Van Andel Institute.

Dean Marsha Rappley called the seven-story school, to be known as The Secchia Center, a "signature building" because of its design inside and out.

The project cost of $90 million is 28 percent higher than the initial estimate of $70 million. Costs have been trimmed, but no substantial changes in the building's size or its features will result, Rappley said.

Nearly $35.7 million has been raised so far in a joint effort by MSU and the downtown development group Grand Action, "and we're very pleased with that," she said.

No state dollars will be spent on the 180,000-square-foot building. Instead, private donations and partnerships will cover costs. Donors include Spectrum Health, the Van Andel Institute, Saint Mary's Health Care, businessman Peter Secchia and others.

The partnerships with the hospitals and Van Andel likely will give the medical school added clout, said Secchia, an MSU alumnus who contributed the lead gift of $10 million.

Physically, "it's a pretty grand 12-story building," said Michael Lauber, president of design architectural firm Ellenzweig Associates of Cambridge, Mass.

Below the seven floors for the medical school will be a five-story parking garage, but the two will blend nicely, Lauber said, sharing design elements and a stone panel exterior. The parking portion of the project is nearly complete. Medical school construction will begin in the spring.

Chronicle News Service photo

Michigan State University's medical school building will go on top of a parking ramp on Michigan Street NE.

"The building creates a welcoming presence to the community of Grand Rapids in the same way that we as a medical school have been welcomed to the community," Rappley said.

Inside, the building will have an atrium that ties together the first through fourth floors and a mini-atrium on the fifth and sixth levels. The entire first floor will be available for seminars and group activities in the community, Rappley said.

"That's based on our understanding that our students and our residents will benefit from not only mingling with one another and faculty and attending physicians, but also benefit by being a part of the community and meeting the community," Rappley said.

The MSU College of Human Medicine in East Lansing accepted 156 first-year students this year, which is 50 percent more than last year. Fifty of those students will transfer to Grand Rapids in the fall of 2008 and study in a temporary location at 234 N. Division Ave. Fifty more will arrive a year later.

Those 100 students and 100 first-year students will study in The Secchia Center when it opens in 2010. Capacity of 400 students should be reached by 2013.

The medical school will continue to operate in East Lansing, but Rappley has said Grand Rapids will become the school's home base.

GRAND RAPIDS BUSINESS JOURNAL EXPRESS
BECAUSE BUSINESS CAN'T WAIT

BUSINESS JOURNAL PHOTO/JOHNNY QUIRIN

Constructing A Medical Future

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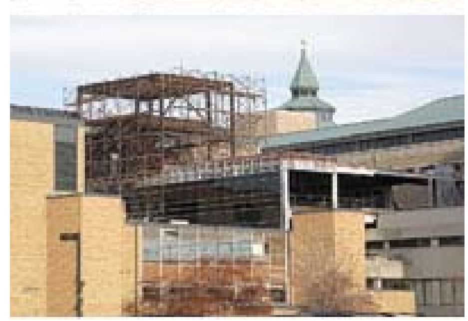

As 2007 draws to a close, construction continues on nearly 600,000 square feet of hospital-related projects in the Grand Rapids area. Above is a bird's-eye view of Spectrum Health's $78 million Lemmen Holton Cancer Pavilion along the north side of Michigan Street is slated to open in 2008. The building will include radiation treatment rooms, chemotherapy, medical oncology, doctors' offices, a library for patients, a genetic evaluation clinic and research laboratories. The 200,000-square-foot building will feature a multi-level garden. Top right, Metro Health Hospital will lease space for cancer services in this 12,000-square-foot building under construction near its new facility at the Metro Health Village development in Wyoming. The hospital's chemotherapy services will move there. Metro also plans to offer radiation treatment and doctors' office in the building, a project jointly undertaken with Cancer and Hematology Centers of West Michigan. The hospital plans to spend about $8 million. Middle right, these beams will support Spectrum Health's $250 million Helen DeVos Children's Hospital, expected to open in 2010. With 14 stories and 440,000 square feet, the hospital will have two stories underground at its sloping location at Michigan Street and Bostwick Avenue. Below right, at Saint Mary's Health Care, the $60 million, 145,000-square-foot Hauenstein Center is expected to be completed in summer 2008. In addition to services for neurological disorders such as Alzheimer's disease, Parkinson's disease, stroke, epilepsy and spine disorders, the Hauenstein Center will host a new emergency department with 45 private rooms; a new critical care unit with 32 private rooms; a parking structure with 400-plus spaces; and a rooftop landing pad for the AeroMed helicopter.

Collaboration Sparks Creation of New Grand Rapids Laboratory

Published: January 30, 2008

Regional leaders in health care and education today announced the creation of a state-of-the-art laboratory, to be housed in Grand Valley State University's Cook-DeVos Center for Health Sciences, that will bring new cutting-edge women's health research to downtown Grand Rapids.

The lab is a joint effort of Grand Valley State University (GVSU), Michigan State University's College of Human Medicine, the West Michigan Science & Technology Initiative (WMSTI) and Spectrum Health. Work is expected to commence by mid February.

Leading one of MSU's first Grand Rapids-based research endeavors will be Richard E. Leach, MD, MSU College of Human Medicine department chair for obstetrics, gynecology and reproductive biology. Dr. Leach is nationally recognized for research in the field of women's health and reproductive biology, and his studies include conditions and diseases that affect women and fertility, such as endometriosis and miscarriage.

Dr. Leach is leading the MSU/Spectrum Health recruitment of a team of scientists and physicians who will address a broad range of research issues in women's health in the new lab. "This partnership between Grand Valley, WMSTI, MSU and Spectrum Health provides an extraordinary environment for recruiting accomplished researchers in women's health," Leach said.

The MSU College of Human Medicine lab will be housed on the fifth floor of the Cook-DeVos Center -- which is also home to the WMSTI. MSU researchers will have their own dedicated wet lab space, along with access to existing Grand Valley space on the fifth floor that includes 100 key pieces of laboratory equipment.

"We're pleased to be able to facilitate this exciting opportunity which underscores another example of the incredible collaborative infrastructure under way in this community," said Linda Chamberlain, executive director of WMSTI.

The announcement builds on the January 2007 agreement between the three institutions to collaborate on future research and academic projects by sharing resources and talent. The agreements were signed by Grand Valley President Thomas J. Haas, MSU President Lou Anna K. Simon and Spectrum Health President and CEO Richard C. Breon.

"This is exactly the kind of collaboration that President Simon and I envisioned in our mission to respect, enhance and complement each other's programming strengths," said Haas.

Simon echoed those sentiments, adding: "President Haas, Mr. Breon and I agree that sharing resources and leveraging our collective strengths in health science is an effective way to expand research opportunities in West Michigan for all of our institutions."

"This is an excellent example of how our partnership can improve research," said Breon. "The majority of Spectrum Health's research efforts are focused in other areas. However, this arrangement helps us expand our work in women's health by sharing resources and staff."

Today's announcement marks another milestone for the Michigan State University College of Human Medicine expansion to Grand Rapids. In October, the college unveiled architectural renderings for the new Secchia Center, made possible by the generous support of Spectrum Health and the Grand Rapids community. Construction will begin this spring. The Secchia Center will open fall 2010 with a new class of 100 students. In the meantime, Michigan State University College of Human Medicine is completing renovation of a temporary site at 234 Division

Avenue and will welcome 50 second-year students this fall, 2008**.**

ABOUT GRAND VALLEY STATE UNIVERSITY

Grand Valley State University, established in 1960, is a four-year public university. It attracts more than 23,000 students with its high quality programs and state-of-the-art facilities. Grand Valley provides a fully accredited liberal undergraduate and graduate education and has campuses in Allendale, Grand Rapids, and Holland and centers in Muskegon and Traverse City. Grand Valley is the comprehensive regional university for Michigan's second largest metropolitan area and offers 69 undergraduate and 26 graduate degree programs. The university is dedicated to individual student achievement, going beyond the traditional classroom experience, with research opportunities and business partnerships. Grand Valley employs more than 1,700 people and is committed to providing a fair and equitable environment for the continued success of all.

ABOUT WEST MICHIGAN SCIENCE & TECHNOLOGY INITIATIVE

The West Michigan Science & Technology Initiative is a partnership between the Right Place, Inc., Van Andel Research Institute, Grand Valley State University, the City of Grand Rapids and Grand Rapids Community College, Spectrum Health, Saint Mary's Health Care and Mary Free Bed Rehabilitation Hospital. Its mission is to grow and diversify the community economy by creating an environment that inspires innovation and supports the commercialization of science and technology. Since its inception, the Initiative has assisted more than 70+ clients in commercialization of new products, including funding through receipt of over $7M in federal and state grant awards. The Initiative has also supported projects and the creation of businesses, such as ClinXus™ and Grand River Aseptic Pharmaceutical Packaging that build regional life sciences commercialization infrastructure.

ABOUT MICHIGAN STATE UNIVERSITY

Michigan State University has been advancing knowledge and transforming lives through innovative teaching, research and outreach for more than 150 years. MSU is known internationally as a major public university with global reach and extraordinary impact. Its 17 degree-granting colleges attract scholars worldwide who are interested in combining education with practical problem solving.

ABOUT SPECTRUM HEALTH

Spectrum Health is a not-for-profit health system in West Michigan that offers a full continuum of care through its seven hospitals, more than 140 service sites and 560,000-member health plan, Priority Health. Spectrum Health's 14,000 employees, 1,500 medical staff members and 2,000 volunteers are committed to delivering the highest quality care to those in medical need. The organization provided $98.6 million in community benefit during its 2007 fiscal year. Spectrum Health has earned more than 50 national awards during the past 10 years.

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THE GRAND RAPIDS
PRESS

Bottom line: Three success stories

The Grand Rapids Press
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GRAND RAPIDS — Recession fears are rippling through the economy, but three of West Michigan's largest companies announced strong performances Wednesday.

Rising sales for Alticor, Haworth Inc. and Spartan Stores Inc. run counter to Wall Street's gloom and suggest some American companies are finding ways to sidestep a downturn.

The results are important because the companies employ thousands of people in Grand Rapids and Holland.

Alticor, parent company of Amway, said Wednesday its 2007 sales shot up 12 percent from the previous year to $7.1 billion on strength of sales from Latin American, Asian and European markets.

Haworth announced its 2007 sales reached $1.66 billion, also up 12 percent from last year, marking five years of growth.

The Holland office furniture maker said sales were up in North America, Europe, Latin America and Asia.

Both companies are family-owned and do not release profits.
Spartan Stores Inc., whose stock trades on NASDAQ, announced third quarter profits of $10.6 million, up 33 percent.

Including its latest acquisition of a Hastings grocery chain, Spartan sales reached a five-year high. They rose 15.6 percent from last year to $826.1 million. Comparable store sales were up 3.4 percent.