KENT COUNTY DEPARTMENT OF AERONAUTICS

(An Enterprise Fund of the County of Kent, Michigan)

For the Years Ended December 31, 2013 and 2012

Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

Prepared by: Kent County Department of Aeronautics

Executive Director
Brian D. Ryks, A.A.E

Finance & Administration Director
Brian Picardat, A.A.E.

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

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INTRODUCTORY SECTION

KENT COUNTY DEPARTMENT OF AERONAUTICS

ELECTED OFFICERS AND KEY STAFF MEMBERS

For the Year Ended December 31, 2013

AIRPORT BOARD

Roger Morgan*
Chair

Richard A. Vandermolen*
Vice Chair

Steven Heacock

Birgit Klohs

Theodore J. Vonk*

Floyd Wilson Jr.

David Slikkers

Kent County Department of Aeronautics

(An Enterprise Fund of the County of Kent, Michigan)

Brian D. Ryks, A.A.E.	Executive Director
Phillip E. Johnson, A.A.E.	Deputy Executive Director
Brian Picardat, A.A.E.	Finance & Administration Director
Robert W. Benstein, A.A.E.	Public & Safety Operations Director
Thomas R. Ecklund, P.E.	Facilities Management Director
Tara M. Hernandez	Marketing & Communications Manager

* Kent County Commissioner

Gerald R. Ford International Airport

June 9, 2014

Gerald R. Ford International Airport Board
Kent County, Michigan

We are pleased to submit the Kent County, Michigan, Department of Aeronautics (Department) Financial Report for the year ended December 31, 2013. This report was prepared by the Department's Finance and Administration Division, and the financial statements were audited by Rehmann Robson, LLP, an independent firm of Certified Public Accountants. This report is prepared for the purpose of disclosing the Department's financial condition and to provide the reader additional information about the Department's mission, goals and operating trends. The auditors' unqualified opinion has been included in this report. The Department's Management Discussion and Analysis provides an introduction to the Financial Statements and can be found starting on page 15.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Department. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Department; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Department's financial activity have been included.

The Department comprises a single enterprise fund of Kent County, Michigan (County) and operates as a self sustaining department of the County. The Kent County Airport Board of Control was created by resolution of the Board of Supervisors (now County Board of Commissioners) on June 26, 1956. The name was changed to the Kent County Aeronautics Board (Board) in 1959. In 1959, the Department was created by resolution of the Kent County Board of Supervisors. On November 3, 2011 the County Commission changed the Board name to the Gerald R. Ford International Airport Board. This Board is made up of three County Commissioners and four citizens at-large, all appointed by the County Commission. One Citizen member has to be from outside Kent County. The Board is responsible for governing the affairs of the Department and sets all policies. There were no significant changes to the Airport Board Policies or any significant impacts on the Financial Statements due to the Boards Policies.

As an enterprise fund, users of the Department facilities provide the revenues to operate, maintain and provide necessary services and facilities. The Department is not supported by general tax revenues of the County. The Department is responsible for operating the Gerald R. Ford International Airport (Airport).

5500 44TH STREET SE • GRAND RAPIDS, MI 49512-4055
• PH. 616-233-6000 • FAX 616-233-6025 • www.FlyFord.org

The Department maintains a 5 year Capital Improvement Program (CIP) as required by the Federal Aviation Administration. The CIP is funded through a combination of Federal and State Grants, Passenger Facility Charges, Customer Facility Charges and Airport Reserves. The CIP is revised annually by the Gerald R. Ford International Airport Board and the current CIP has been approved in the amount of $97,516,638.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the twentieth consecutive year the Department received the award.

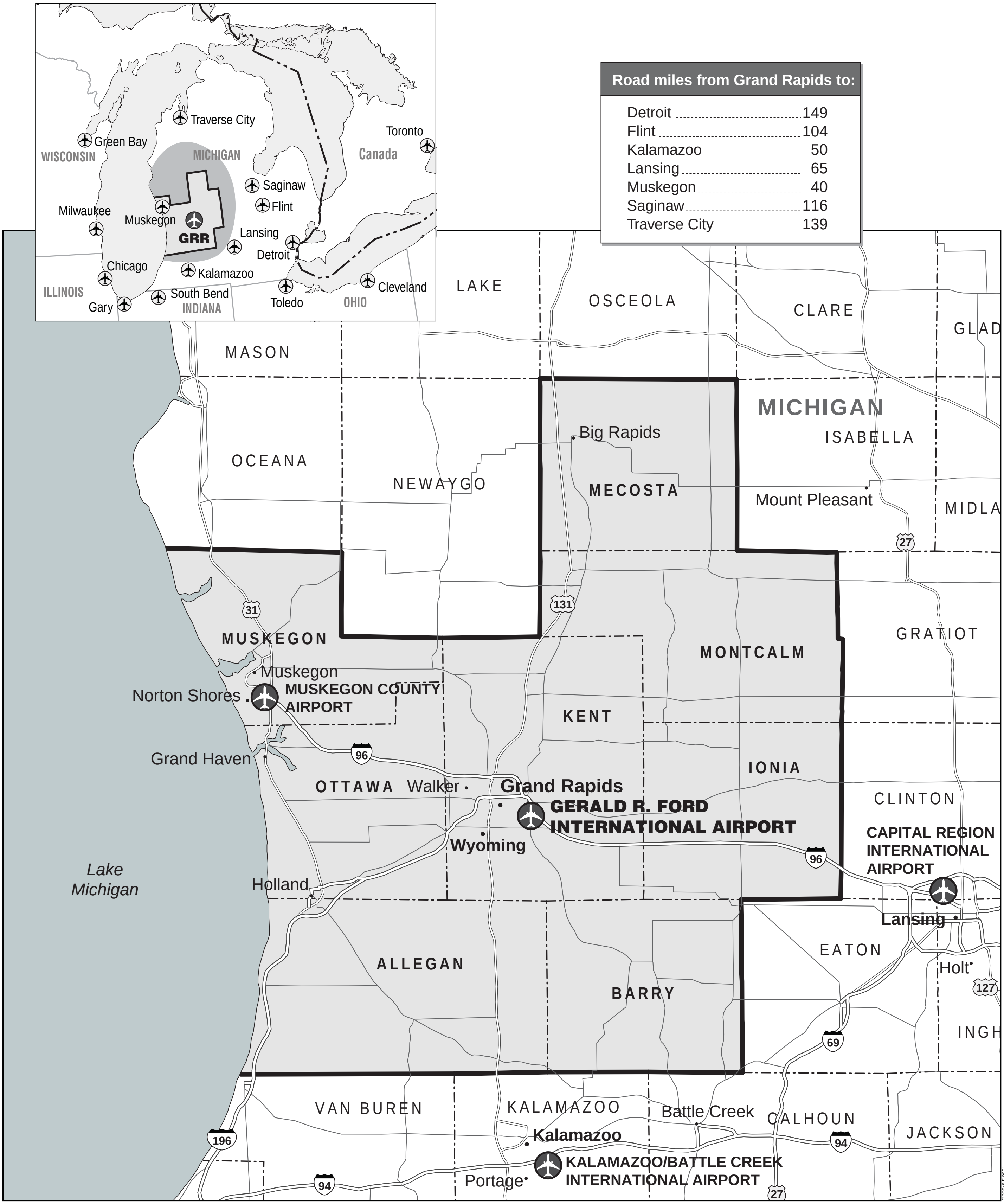
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance & Administration Division. Each member of our finance division has our sincere appreciation for the contributions made in preparation of this report.

Respectfully submitted,

Brian D. Ryks, A.A.E.	Brian Picardat, A.A.E.
Executive Director	Finance & Administration Director

BP/ld



LEGEND

- Primary area
- Approximate secondary area (shown on small inset map only)
- Passenger air carrier service airport
- International boundary
- State boundary
- County boundary

N

7 0 7 14

Graphic Scale in Miles

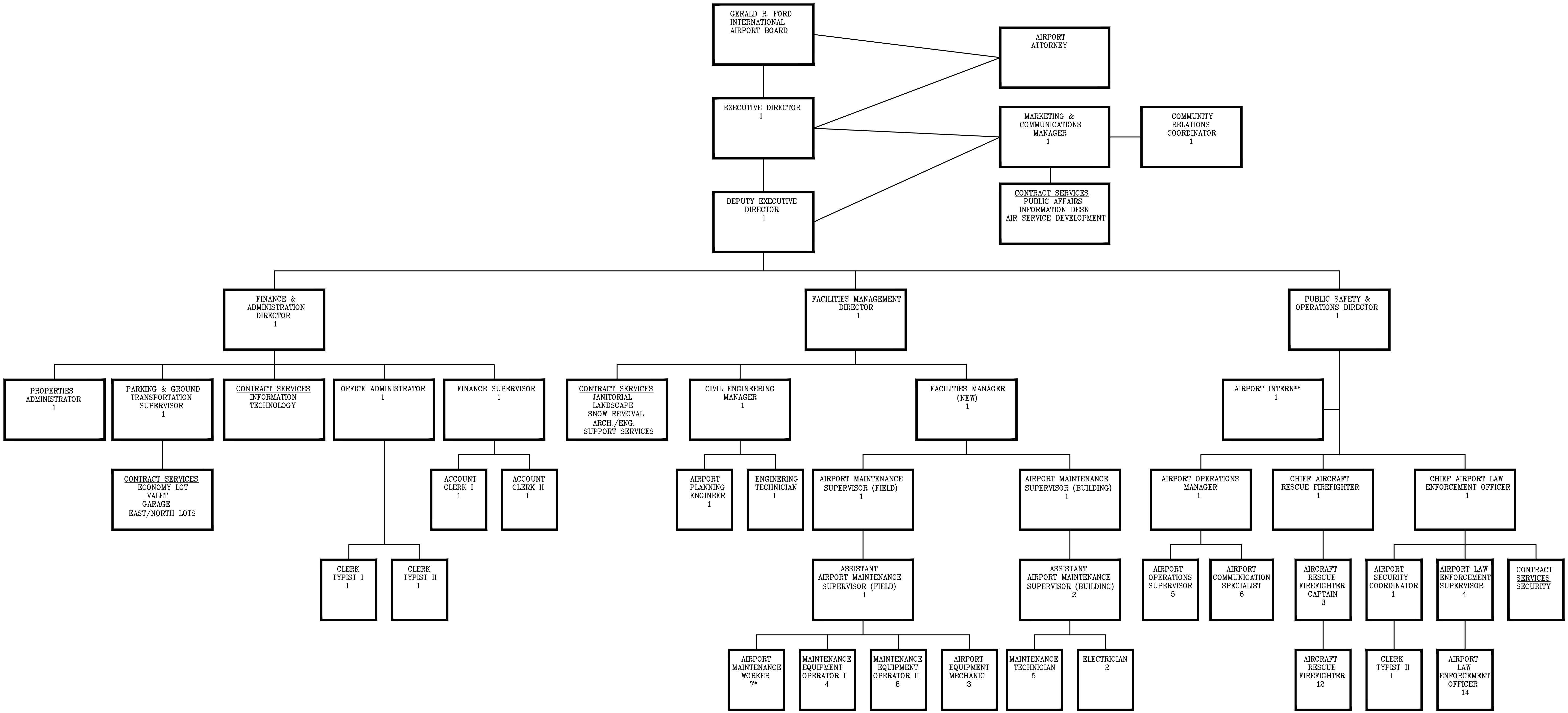
AIRPORT SERVICE REGION

Gerald R. Ford International Airport

May 2014

Leigh|Fisher

KENT COUNTY DEPARTMENT OF AERONAUTICS
ORGANIZATIONAL CHART
FEBRUARY 2014



* Positions are Seasonal
** Position is Temporary

95 Full Time Permanent
8 Seasonal/Temporary
102 Total Positions
97.7 FTE

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kent County

Department of Aeronautics

Michigan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

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FINANCIAL SECTION

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Rehmann

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INDEPENDENT AUDITORS' REPORT

June 9, 2014

Gerald R. Ford International Airport Board
Kent County Department of Aeronautics
County of Kent, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the *Kent County Department of Aeronautics*, (the "Department"), an enterprise fund of the County of Kent, Michigan, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Kent County Department of Aeronautics as of December 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above present only the Kent County Department of Aeronautics enterprise fund and do not purport to, and do not, present fairly the financial position of the County of Kent, Michigan as of December 31, 2013 and 2012, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 9, 2014 on our consideration of the Kent County Department of Aeronautics' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Rehmann Robson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The following Management Discussion and Analysis (MD&A) of the Gerald R. Ford International Airport's activities and financial performance provide an introduction to the financial statements of the Kent County Department of Aeronautics (the "Department"), an enterprise fund of the County of Kent, Michigan for the fiscal year ended December 31, 2013 and December 31, 2012. The information contained in this MD&A should be considered in conjunction with the information contained in the Letter of Transmittal included in the Introductory Section and various historic summaries of activities and financial performance included in the Statistical Section of this report.

Following this MD&A are the basic financial statements of the Department together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

FINANCIAL POSITION SUMMARY

Total net position can serve, over time, as a useful indicator of the Department's financial position. The Department's assets and deferred outflows of resources exceed liabilities by $190.1 million at December 31, 2013, a $1.2 million increase from December 31, 2012, compared to a $5.6 million increase in 2012.

A condensed summary of the Department's net position at December 31 is provided below:

	2013	2012	2011
Assets			
Current	$ 53,794,130	$ 49,712,242	$ 38,768,276
Capital assets, net	319,819,509	326,346,165	335,734,412
Other non-current	3,550,164	3,549,808	3,549,373
Total assets	377,163,803	379,608,215	378,052,061
Deferred outflows of resources			
Deferred charges on refunding, net	2,721,185	2,954,676	3,188,169
Liabilities			
Long-term liabilities	181,614,311	187,206,566	192,223,821
Other liabilities	8,178,297	6,506,531	5,729,038
Total liabilities	189,792,608	193,713,097	197,952,859
Net position			
Net investment in capital assets	140,926,383	142,094,275	146,698,760
Restricted	22,662,138	18,177,331	14,474,459
Unrestricted	26,503,859	28,578,188	22,114,152
Total net position	$190,092,380	$188,849,794	$183,287,371

The largest portion of the Department's net position each year (74.1% and 75.2% at December 31, 2013 and 2012, respectively) represents its investment in capital assets (e.g., land, buildings, improvements and equipment), less the related debt outstanding used to acquire those capital assets. The Department uses these capital assets to provide facilities to its tenants, users and customers. Consequently, these assets are not available for future spending. Although the Department's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

Management's Discussion and Analysis

An additional portion of the Department's net position (11.9% and 9.6% at December 31, 2013 and 2012, respectively) represents resources that are subject to external restrictions on how they can be used under Bond resolutions and Federal regulations. The remaining unrestricted net position (14.0% and 15.2% at December 31, 2013 and 2012, respectively) may be used to meet any of the Department's ongoing obligations.

SUMMARY OF CHANGES IN NET POSITION

A condensed summary of the Department's changes in net position for the years ended December 31 is provided below:

	2013	2012	2011
Operating revenues	$ 33,189,919	$ 31,873,145	$ 31,629,680
Operating expenses	(34,666,050)	(33,624,049)	(34,330,711)
Operating loss	(1,476,131)	(1,750,904)	(2,701,031)
Nonoperating revenues (expenses)			
Interest earnings	121,789	159,398	154,245
Interest expense	(8,164,418)	(8,321,170)	(8,187,205)
Gain on sale of capital assets	50,622	22,793	49,731
Total nonoperating revenues (expenses)	(7,992,007)	(8,138,979)	(7,983,229)
Loss before capital contributions	(9,468,138)	(9,889,883)	(10,684,260)
Capital contributions	10,710,724	15,452,306	7,618,724
Change in net position	1,242,586	5,562,423	(3,065,536)
Net position, beginning of year	188,849,794	183,287,371	186,352,907
Net position, end of year	$190,092,380	$188,849,794	$183,287,371

FINANCIAL OPERATIONS HIGHLIGHTS

- Operating revenues increased 4.1% from $31.9 million in 2012 to $33.2 million in 2013 principally due to an increase in parking revenues. In 2012, operating revenues increased from 2011 principally due to a increase in rates and charges for passenger airlines.

- Operating expenses increased by 3.1% from $33.6 million in 2012 to $34.7 million in 2013 principally due to a increase in contractual services costs. In 2012, operating expenses decreased from 2011 due to a decrease in contractual services costs.

- As a result of the above, operating loss decreased by 15.7% from $1.8 million in 2012 to $1.5 million in 2013. This was after a 35.2% operating loss decrease from 2011 to 2012.

Management's Discussion and Analysis

- Net nonoperating revenues (expenses) decreased 1.8% from ($8.1) million in 2012 to ($8.0) million in 2013. This follows a 1.9% increase in net nonoperating revenues (expenses) from 2011 to 2012.

- Capital contributions received in the form of grants from federal and state governments decreased from $15.5 million in 2012 to $10.7 million in 2013. In 2012 capital contributions increased from 2011. The amount of capital contributions will vary year to year based on close out of federally funded projects.

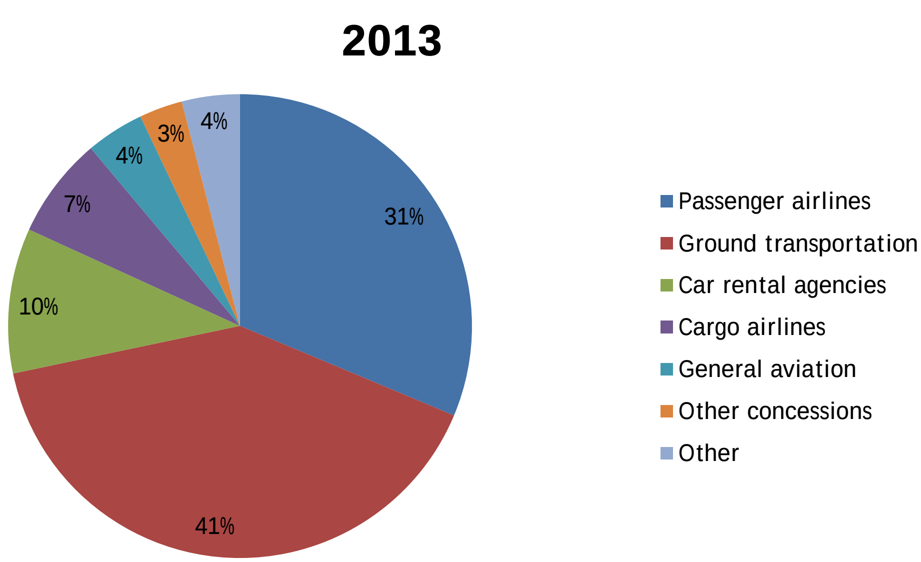
AIRLINE RATES AND CHARGES

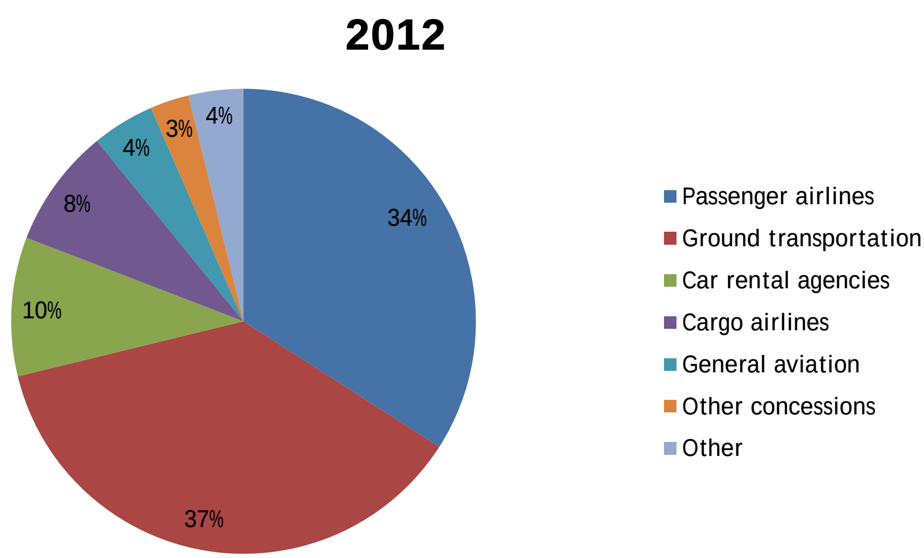
The Gerald R. Ford International Airport Board sets cost recovery rates and charges annually by adoption of a resolution based on a compensatory (cost of services) rates and charges methodology. This methodology utilizes the Department's annual operating and capital budgets which have been approved by the Gerald R. Ford International Airport Board, as well as the Kent County Board of Commissioners. The rates include the terminal rental rates, landing fees and airline apron fees. These rates for the past three years were:

	2013	2012	2011
Landing fees (per 1,000 lbs)	$ 2.64	$ 2.61	$ 2.42
Terminal rental rates (per square foot)	50.95	52.19	51.34
Airline apron fee (per 1,000 lbs)	1.57	1.46	1.43

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the year ended December 31:





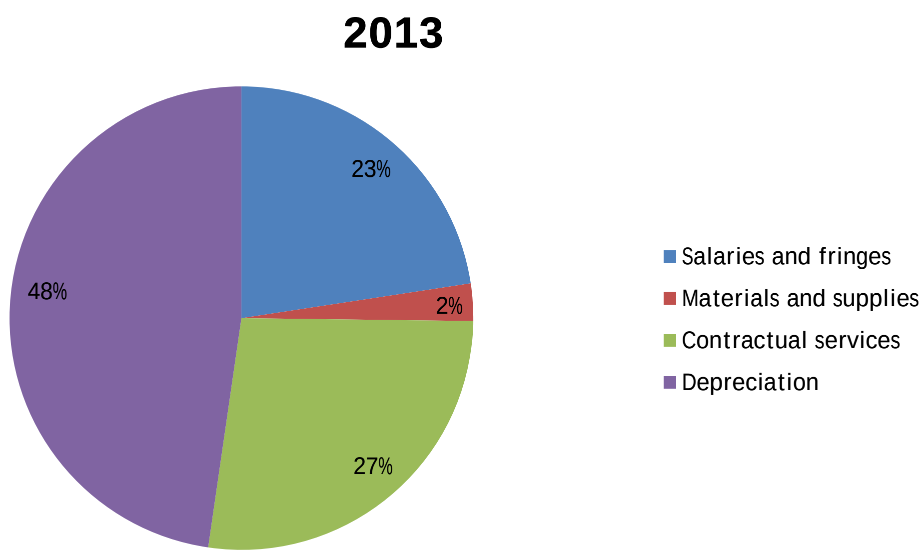
A summary of operating revenues for the year ended December 31, 2013 and 2012, and the amount and percentage of change in relation to prior year amounts is as follows:

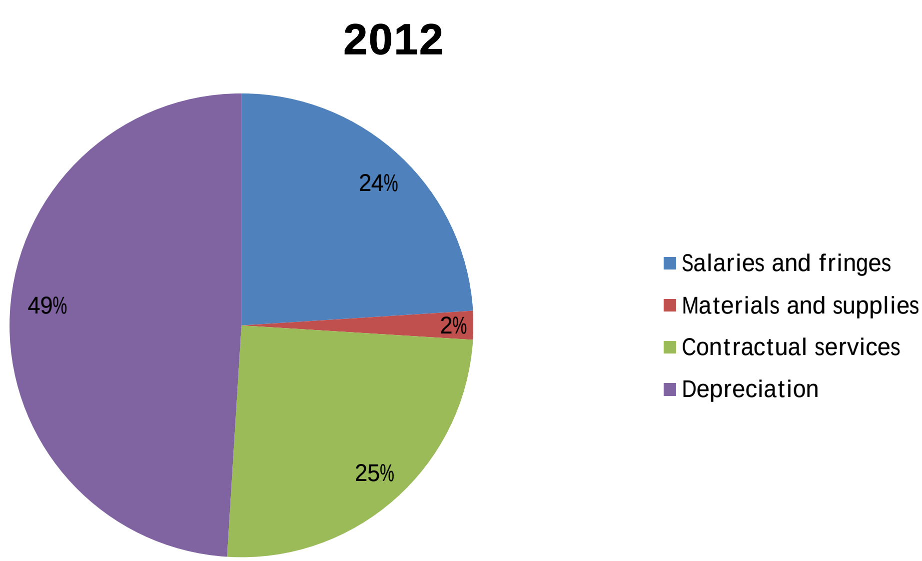
	2013 Amount	Percent of Total	Increase/ (Decrease) From 2012	Percent Increase/ (Decrease)
Operating revenues				
Charges for services:				
Passenger airlines	$ 10,267,491	30.9 %	$ (632,229)	(5.8) %
Ground transportation	13,305,649	40.1	1,498,779	12.7
Car rental agencies	3,474,840	10.5	403,298	13.1
Cargo airlines	2,459,388	7.4	(178,796)	(6.8)
General aviation	1,421,181	4.3	39,143	2.8
Other concessions	1,005,550	3.0	142,504	16.5
Other	1,255,820	3.8	44,075	3.6
Total operating revenues	$ 33,189,919	100.0 %	$ 1,316,774	4.1 %

	2012 Amount	Percent of Total	Increase/ (Decrease) From 2011	Percent Increase/ (Decrease)
Operating revenues				
Charges for services:				
Passenger airlines	$ 10,899,720	34.3 %	$ 603,293	5.9 %
Ground transportation	11,806,870	37.0	(524,950)	(4.3)
Car rental agencies	3,071,542	9.6	(107,921)	(3.4)
Cargo airlines	2,638,184	8.3	217,740	9.0
General aviation	1,382,038	4.3	(12,910)	(0.9)
Other concessions	863,046	2.7	8,082	0.9
Other	1,211,745	3.8	60,131	5.2
Total operating revenues	$ 31,873,145	100.0 %	$ 243,465	0.8 %

EXPENSES

The following chart shows the major operating categories and the percentage of operating expenses for the year ended December 31:





Management's Discussion and Analysis

A summary of operating expenses for the year ended December 31, 2013 and 2012, and the amount and percentage of change in relation to prior year amounts is as follows:

	2013 Amount	Percent of Total	Increase/ (Decrease) From 2012	Percent Increase/ (Decrease)
Operating expenses				
Salaries and fringes	$ 7,824,883	22.6 %	$ (92,959)	(1.2) %
Materials and supplies	898,520	2.6	170,187	23.4
Contractual services	9,402,739	27.1	947,990	11.2
Depreciation	16,539,908	47.7	16,783	0.1
Total operating expenses	$ 34,666,050	100.0 %	$ 1,042,001	3.1 %

	2012 Amount	Percent of Total	Increase/ (Decrease) From 2011	Percent Increase/ (Decrease)
Operating expenses				
Salaries and fringes	$ 7,917,842	23.6 %	$ (344,667)	(4.2) %
Materials and supplies	728,333	2.2	(21,926)	(2.9)
Contractual services	8,454,749	25.1	(580,113)	(6.4)
Bad debts	-	-	(8,378)	100.0
Depreciation	16,523,125	49.1	248,422	1.5
Total operating expenses	$ 33,624,049	100.0 %	$ (706,662)	(2.1) %

The following provides a summary of the major sources and uses of cash and cash equivalents for the past three years. Cash equivalents are considered highly liquid investments with an original maturity of three months or less.

SUMMARY OF CASH FLOW ACTIVITIES

	2013	2012	2011
Net cash provided by operating activities	$ 15,590,214	$ 15,378,570	$ 12,922,155
Net cash used in capital and related financing activities	(14,526,808)	(6,599,008)	(13,744,336)
Net cash provided by investing activities	129,355	159,524	205,323
Net increase (decrease) in cash and cash equivalents	1,192,761	8,939,086	(616,858)
Cash and cash equivalents, beginning of year	48,776,230	39,837,144	40,454,002
Cash and cash equivalents, end of year	$ 49,968,991	$ 48,776,230	$ 39,837,144

The Department's available cash and cash equivalents increased from $48.8 million at the end of 2012 to $50.0 million at the end of 2013 due principally to an decrease in net cash used in capital and related financing activities. This compares to a increase from $39.8 million at the end of 2011 to $48.8 million at the end of 2012 due principally to a decrease in net cash used in capital and related financing activities.

FINANCIAL STATEMENTS

The Department's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles promulgated by the Government Accounting Standards Board. The Department is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated (except land and construction in progress) over their useful lives. Amounts are restricted for debt service and, where applicable, for construction purposes. See Note 1 to the financial statements for a summary of the Department's significant accounting policies.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During 2013 and 2012, the Department had capital additions totaling $10,013,252 and $7,162,622, respectively. The major construction projects were:

2013:		
Storm Water Project	$	3,061,278
Concourse B Expansion		4,795,710
Other		2,156,264
2012:		
Security Checkpoint Expansion	$	1,153,655
Concourse B Apron Expansion		3,760,094
Other		2,248,873

Capital asset acquisitions are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including federal and state grants, Department funds, private investment, debt issuance and Department revenues. See Note 4 to the financial statements for more detailed information on the Department's capital assets.

LONG-TERM DEBT ADMINISTRATION

As a department of the County of Kent, Michigan, the Department cannot sell bonds without the authorization of the County Board of Commissioners.

On November 1, 2011, the Department issued $38.7 million of Revenue Refunding Bonds to pay the cost of the outstanding Airport Bonds, Series 1998. This bond issue, unlike the 1998 Bonds but like the 2009 Refunding Bonds, was sold with the limited tax general obligation of the County and utilized the County's bond rating. Their rating for this issue was AAA from Standard & Poor's and Aaa from Moody's.

On April 30, 2009, the Department issued $30.1 million of Revenue Refunding Bonds to pay the cost of refunding the outstanding Airport Revenue Refunding Bonds, Series 1999. This bond issue, like the 1999 Refunding Bonds, was sold with the limited tax general obligation of the County and utilized the County's bond rating. Their rating for this issue was AAA from Standard & Poor's and Aaa from Moody's.

Management's Discussion and Analysis

In September 2007, the Department issued $117.4 million of Airport Revenue Bonds to finance the construction of the Terminal Area Parking and Improvement Program. This bond issue, like the 1999 Refunding Bonds, was sold with the limited tax general obligation of the County and utilizes the County's bond rating. Their rating for this issue was AAA from Standard & Poor's and Aaa from Moody's.

On February 2009, Standard & Poor's downgraded the Airport's rating to BBB+ with a stable outlook from A- with a stable outlook. Standard & Poor's indicated the key credit concerns were the amount of additional debt taken on with the Series 2007 Bonds and the declining traffic. On March 30, 2011 Standard & Poor's affirmed the Airport's BBB+ rating with a stable outlook. With the issue of the Series 2011 Refunding Bonds noted above, all of the outstanding Bond issues have the limited tax general obligation of the County and therefore carry the County's AAA rating from Standard & Poor's and Aaa from Moody's which ratings were affirmed by each rating agency in May 2013.

See Note 5 to the financial statements for more detailed information on the Department's revenue bonds payable.

Requests for Information

This financial report is designed to provide general overview of the Department's finances for all those with an interest in the Department's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, may be addressed to the Finance & Administration Director, Gerald R. Ford International Airport, 5500 44th Street SE, Grand Rapids, Michigan 49512-4055.

Respectfully submitted,

Brian Picardat, A.A.E.
Finance & Administration Director

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BASIC FINANCIAL STATEMENTS

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Statements of Net Position
December 31

	2013	2012
Assets		
Current assets:		
Cash, investments, and accrued interest	$ 23,702,711	$ 27,006,221
Accounts receivable, less allowance for uncollectible of $246,558	1,236,294	1,263,658
Due from other governments, less allowance for uncollectible of $0 and $261,262	5,174,574	2,241,092
Inventories	202,477	160,058
Prepaid expenses	214,509	183,724
Restricted assets:		
Cash, investments, and accrued interest	22,716,116	18,220,201
Accounts receivable	547,449	637,288
Total current assets	53,794,130	49,712,242
Noncurrent assets:		
Restricted cash, investments and accrued interest, net of current portion	3,550,164	3,549,808
Capital assets not being depreciated	29,991,803	22,839,820
Capital assets being depreciated, net	289,827,706	303,506,345
Total noncurrent assets	323,369,673	329,895,973
Total assets	377,163,803	379,608,215
Deferred outflows of resources		
Deferred charges on refunding, net	2,721,185	2,954,676
Liabilities		
Current liabilities:		
Accounts payable	1,486,259	845,346
Construction contracts payable	1,663,929	493,618
Accrued liabilities	807,032	820,183
Unearned revenue	69,486	117,418
Payable from restricted assets - accrued interest	4,151,591	4,229,966
Current maturities of revenue bonds payable and bond premium	6,087,256	5,592,256
Total current liabilities	14,265,553	12,098,787
Noncurrent liabilities - revenue bonds payable and bond premium	175,527,055	181,614,310
Total liabilities	189,792,608	193,713,097
Net position		
Net investment in capital assets	140,926,383	142,094,275
Restricted for:		
Debt service	13,355,429	12,386,718
Capital improvements	9,306,709	5,790,613
Unrestricted	26,503,859	28,578,188
Total net position	$ 190,092,380	$ 188,849,794

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

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31

	2013	2012
Operating revenues		
Charges for services:		
Passenger airlines	$ 10,267,491	$ 10,899,720
Ground transportation	13,305,649	11,806,870
Car rental agencies	3,474,840	3,071,542
Cargo airlines	2,459,388	2,638,184
General aviation	1,421,181	1,382,038
Concessions	1,005,550	863,046
Other	1,255,820	1,211,745
Total operating revenues	33,189,919	31,873,145
Operating expenses		
Salaries and fringes	7,824,883	7,917,842
Materials and supplies	898,520	728,333
Contractual services	9,402,739	8,454,749
Depreciation	16,539,908	16,523,125
Total operating expenses	34,666,050	33,624,049
Operating loss	(1,476,131)	(1,750,904)
Nonoperating revenues (expenses)		
Investment earnings	121,789	159,398
Interest expense	(8,164,418)	(8,321,170)
Gain on sale of capital assets	50,622	22,793
Total nonoperating revenues (expenses)	(7,992,007)	(8,138,979)
Loss before capital contributions	(9,468,138)	(9,889,883)
Capital contributions		
Passenger facility charges	4,598,620	4,338,702
Customer facility charges	1,699,053	1,472,651
Other capital contributions	4,413,051	9,640,953
Total capital contributions	10,710,724	15,452,306
Change in net position	1,242,586	5,562,423
Net position, beginning of year	188,849,794	183,287,371
Net position, end of year	$ 190,092,380	$ 188,849,794

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

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Statements of Cash Flows

For the Year Ended December 31

	2013	2012
Cash flows from operating activities		
Receipts from customers and users	$ 33,941,530	$ 33,058,078
Payments to suppliers	(10,021,947)	(10,258,502)
Payments to employees	(7,842,852)	(6,993,663)
Internal activity - cash payments to other funds of County of Kent, Michigan	(486,517)	(427,343)
Net cash provided by operating activities	15,590,214	15,378,570
Cash flows from capital and related financing activities		
Passenger facility charges collected	4,705,309	4,318,528
Customer facility charges collected	1,682,190	1,460,237
Other capital contributions received	1,479,569	7,105,294
Proceeds from sale of capital assets	50,622	27,735
Purchase of capital assets	(8,842,941)	(6,878,794)
Principal paid on revenue bonds	(5,220,000)	(4,645,000)
Interest paid on revenue bonds	(8,381,557)	(7,987,008)
Net cash used in capital and related financing activities	(14,526,808)	(6,599,008)
Cash flows from investing activities		
Interest received on investments	129,355	159,524
Net increase in cash and cash equivalents	1,192,761	8,939,086
Cash and cash equivalents, beginning of year	48,776,230	39,837,144
Cash and cash equivalents, end of year	$ 49,968,991	$ 48,776,230
Classified on the statement of net position as		
Cash, investments, and accrued interest	$ 23,702,711	$ 27,006,221
Current restricted cash, investments, and accrued interest	22,716,116	18,220,201
Noncurrent restricted cash, investments, and accrued interest	3,550,164	3,549,808
	$ 49,968,991	$ 48,776,230

continued...

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Statements of Cash Flows

For the Year Ended December 31

	2013	2012
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$ (1,476,131)	$ (1,750,904)
Adjustments to reconcile operating loss		
to net cash provided by operating activities:		
Depreciation	16,539,908	16,523,125
Change in:		
Accounts receivable	27,364	303,020
Inventories	(42,419)	(11,141)
Prepaid expenses	(30,785)	(23,512)
Accounts payable	633,360	382,784
Accrued liabilities	(13,151)	11,265
Due to other funds of the County of Kent, Michigan	-	(77,664)
Unearned revenue	(47,932)	21,597
Net cash provided by operating activities	$ 15,590,214	$ 15,378,570

concluded

Non-cash transactions

Other capital contributions received is net of the change in amounts due from government of $2,933,482 and $2,535,659 for the years ended December 31, 2013 and December 31, 2012, respectively.

Purchase of capital assets in net of the change in contracts payable of $1,170,311 and $283,828 for the years ended December 31, 2013 and December 31, 2012, respectively.

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

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NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Kent County Department of Aeronautics (the “Department”) conform to generally accepted accounting principles as applied to enterprise funds of governmental units. The following is a summary of the significant policies.

Reporting Entity

The Department is an enterprise fund of the County of Kent, Michigan (the “County”) and is governed by the seven-member Gerald R. Ford International Airport Board whose members are appointed by the County Board of Commissioners. The Department is responsible for operating the Gerald R. Ford International Airport (the “Airport”).

These financial statements represent the financial condition and the results of operations of an enterprise fund of the County and are an integral part of that reporting entity. The Department is not a component unit of the County or any other reporting entity, "as defined by generally accepted accounting principles."

Basis of Presentation

All operations of the Department are accounted for in a single enterprise fund (a type of proprietary fund). Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Department are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The economic resources measurement focus and the accrual basis of accounting are used in preparing the financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Assets, deferred outflows of resources, liabilities and equity

Deposits and investments

Cash, cash equivalents, investments and accrued interest are combined in the County’s pooled cash and investment system (Money Max) which is managed by the County Treasurer. Investments of the system are reported at fair value or amortized cost, as appropriate. For the purpose of the statement of cash flows, the Department considers all highly liquid investments with an original maturity of three months or less and short-term accrued interest to be cash equivalents.

Investments

Investments underlying the County Investment Pool consist primarily of short-term certificates of deposit, which are carried at cost plus accrued interest, and U.S. treasuries and agencies, which are carried at fair value. Investment income earned as a result of cash pooling is allocated to the appropriate funds, including the Department.

State statutes and County policies allow the Department to invest in:

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

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

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

- Bankers' acceptances of United States banks.

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

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

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

Accounts receivable

Accounts receivable are customer obligations generally due under normal trade terms. The allowance for possible losses is determined by reviewing known customer exposures and applying historical credit loss experience to the current receivable accounts with consideration given to the current condition of the economy, assessment of the financial position of the customer, and overall trends in receivables aged beyond their contractual terms. After all attempts to collect a receivable have failed, the receivable is written off against the allowance for possible losses.

Due from other governments

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time eligible project costs are incurred and reimbursement is requested. Revenues received in advance of project costs being incurred are reported as unearned revenue.

Notes to Financial Statements

Inventories

Inventories, which consist of fuel and runway de-icer, are valued at cost. Cost is determined by the first-in, first-out (FIFO) method and is accounted for under the consumption method.

Prepaid expenses

The Department incurred expenses prior to year-end for services that will be performed in the next fiscal year. In these situations, the Department records an asset to reflect the investment in future services.

Restricted assets

Assets that are restricted for specific uses by bond requirements or other legal requirements are classified as restricted assets.

Bond discounts and premiums

Premiums and discounts associated with various bond issues are being amortized by the straight-line methods over the repayment periods of the related bonds. Amortization of these items is charged to interest expense.

Capital assets

Capital assets are defined by the government as assets having a useful life in excess of three years and whose costs exceed $10,000. Capital assets are stated at historical cost, net of accumulated depreciation. Donated capital assets are recorded at their market value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

Construction in progress, consisting primarily of expenditures for land improvements, is capitalized as incurred.

Depreciation is charged as an expense against operations and is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Asset Type	Years
Land improvements	20-30
Buildings and improvements	30-50
Equipment	3-12
Office furniture	5-15
Vehicles	3-7

The Department reviews long-lived assets, including land, buildings and other capital assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair market value. If it is determined that an impairment loss has occurred based on expected future undiscounted cash flows, the asset is written down to its net value and a current charge to income is recognized.

Deferred outflows of resources

The Department refunded certain bonds payable in a previous year in order to secure lower interest rates and reduce future expenditures. The difference between the carrying amount of the refunded debt and the amount placed in escrow for purposes of paying the remaining balance of refunded debt is reported as deferred charges on refunding. This amount is being amortized using the straight-line method over the life of the related bonds. Amortization expense for the years ending December 31, 2013 and 2012 were $233,491 and $233,493, respectively.

Compensated absences

Department employees are granted vacation leave in varying amounts based on their length of service. Employees may accumulate up to a predetermined amount of vacation leave in any one calendar year. Upon termination, employees are paid for unused vacation at the current rates. It is the Department's policy to recognize the cost of vacation pay at the time the liability is incurred.

Passenger airline charges

The Department sets rates and charges for landing fees, terminal rental rates and apron fees that are charged to the airlines annually based on the adopted operating and capital budgets. These rates and charges are adopted by the Gerald R. Ford International Airport Board in October and are effective January 1. At the end of the year, the Department does a recalculation of the rates based on actual activity and audited information. The difference of the rates and charges is then either credited to the airlines if they have overpaid during the year or billed to the airlines if they underpaid during the year. As a result of year end calculations, the Department billed the airlines an additional $197,186 and $383,249 for the years ended December 31, 2013 and December 31, 2012, respectively.

Capital contributions

Passenger facilities charges (PFC) are collected from airlines that service the airport for each enplaned passenger and such charges must be used to fund capital projects. The Department received approval from the Federal Aviation Administration (FAA) on September 9, 1992 to start collecting a $3 PFC. The Department received approval to "use" PFC revenue previously collected as well as future charges on February 2, 1996. The PFC revenue is being used to pay debt service on the Airport Revenue Refunding Bonds, Series 2009. On September 8, 2005, the FAA approved a $1.50 increase of the PFC to $4.50. The additional PFC revenue will be used for terminal improvements. Revenue is recognized when earned and is classified as capital contributions.

Customer facility charges (CFC) are collected for rental car related capital projects. The CFC of $3 per transaction day on rental car transactions was approved by the Gerald R. Ford International Airport Board on August 31, 2005. The CFC revenue was used to develop new rental car service facilities and rental vehicle ready/return spaces in the parking structure. Consequently, revenue is recognized when earned and is classified as capital contributions.

The Department received a significant amount of funding through the Airport Improvement Program of the Federal Aviation Administration, with certain matching funds provided by the Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred and reimbursement has been requested. Grants for capital asset acquisitions, facilities development and rehabilitation are reported in the statement of revenues, expenses and changes in net position, after nonoperating revenues and expenses as other capital contributions.

Use of estimates

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

Budgets

The County legally adopts an annual budget for the Department, including all funds that are accounted for on an accrual basis.

2. DEPOSITS AND INVESTMENTS

The Department's deposits and investments are included in the statement of net position under the following classifications:

	2013	2012
Statement of Net Position		
Current assets:		
Cash, investments, and accrued interest	$ 23,702,711	$ 27,006,221
Restricted cash, investments, and accrued interest	22,716,116	18,220,201
Noncurrent assets:		
Restricted cash, investments, and accrued interest	3,550,164	3,549,808
Total	$ 49,968,991	$ 48,776,230

These amounts are further classified as follows:

	Fair Value 2013	Fair Value 2012	Credit Ratings
Cash, investments, and accrued interest			
Money market mutual funds	$ 17,507,020	$ 16,616,684	S&P AAA
County investment pool	32,460,371	32,157,946	Various
Total cash, investments, and accrued interest	49,967,391	48,774,630	
Cash on hand	1,600	1,600	
Total investments and cash on hand	$ 49,968,991	$ 48,776,230	

The Department participates in the County's Investment Pool. Investments underlying the County Investment Pool consist primarily of short-term certificates of deposit, which are carried at cost plus accrued interest, and U.S. treasuries and agencies, which are carried at fair value. The value of the Department's shares in the investment pool is equal to the fair value of its position in the pool.

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified above in Note 1. The Department's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Department investments do not have identifiable maturity dates. Additional information regarding interest rate risk can be found in the notes to the financial statements of the County's Comprehensive Annual Financial Report.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1. The Department's investment policy does not have specific limits in excess of state law pertaining to investment credit risk. The ratings for each class of investments are identified above for significant classifications of investments held at year-end. Additional information regarding credit risk can be found in the notes to the financial statements of the County's Comprehensive Annual Financial Report.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State law does not require and the Department does not have a specific policy pertaining to investment custodial credit risk which is more restrictive than state law. Additional information regarding custodial credit risk can be found in the notes to the financial statements of the County's Comprehensive Annual Financial Report.

Notes to Financial Statements

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

3. RESTRICTED ASSETS

Restricted assets are maintained as part of the Department's equity in the County Investment Pool and restricted bond accounts and are reported as follows:

	2013	2012
Current restricted cash, investments and accrued interest:		
Debt service	$ 13,956,856	$ 13,066,876
Capital improvements	8,759,260	5,153,325
Total current restricted cash, investments and accrued interest	$ 22,716,116	$ 18,220,201
Current restricted accounts receivable:		
Capital improvements:		
Passenger facility charges	$ 430,713	$ 537,415
Customer facility charges	116,736	99,873
Total current restricted accounts receivable	$ 547,449	$ 637,288
Noncurrent restricted cash, investments and accrued interest:		
Debt service	$ 3,550,164	$ 3,549,808

Notes to Financial Statements

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 21,184,076	$ -	$ -	$ -	$ 21,184,076
Construction in progress	1,655,744	9,934,193	-	(2,782,210)	8,807,727
	22,839,820	9,934,193	-	(2,782,210)	29,991,803
Capital assets, being depreciated:					
Land improvements	216,518,111	-	-	1,289,580	217,807,691
Buildings and improvements	245,116,601	-	-	593,377	245,709,978
Equipment	20,847,150	-	(98,029)	700,528	21,449,649
Equipment-systems	4,793,381	-	-	104,512	4,897,893
Office furniture	2,177,222	39,143	(129,138)	-	2,087,227
Vehicles	477,720	39,916	(65,046)	94,213	546,803
	489,930,185	79,059	(292,213)	2,782,210	492,499,241
Less accumulated depreciation for:					
Land improvements	(108,728,112)	(6,989,545)	-	-	(115,717,657)
Buildings and improvements	(64,543,979)	(8,077,814)	-	-	(72,621,793)
Equipment	(8,665,999)	(863,986)	98,029	-	(9,431,956)
Equipment-systems	(2,786,497)	(440,000)	-	-	(3,226,497)
Office furniture	(1,378,219)	(89,247)	129,138	-	(1,338,328)
Vehicles	(321,034)	(79,316)	65,046	-	(335,304)
	(186,423,840)	(16,539,908)	292,213	-	(202,671,535)
Total capital assets being depreciated, net	303,506,345	(16,460,849)	-	2,782,210	289,827,706
Capital assets, net	$ 326,346,165	$ (6,526,656)	$ -	$ -	$ 319,819,509

Notes to Financial Statements

Capital asset activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 21,184,076	$ -	$ -	$ -	$ 21,184,076
Construction in progress	1,641,848	7,162,622	(27,744)	(7,120,982)	1,655,744
	22,825,924	7,162,622	(27,744)	(7,120,982)	22,839,820
Capital assets, being depreciated:					
Land improvements	212,597,221	-	-	3,920,890	216,518,111
Buildings and improvements	243,067,874	-	-	2,048,727	245,116,601
Equipment	19,695,785	-	-	1,151,365	20,847,150
Equipment-systems	4,793,381	-	-	-	4,793,381
Office furniture	2,177,222	-	-	-	2,177,222
Vehicles	477,720	-	-	-	477,720
	482,809,203	-	-	7,120,982	489,930,185
Less accumulated depreciation for:					
Land improvements	(101,751,958)	(6,976,154)	-	-	(108,728,112)
Buildings and improvements	(56,463,114)	(8,080,865)	-	-	(64,543,979)
Equipment	(7,787,601)	(878,398)	-	-	(8,665,999)
Equipment-systems	(2,351,722)	(434,775)	-	-	(2,786,497)
Office furniture	(1,282,584)	(95,635)	-	-	(1,378,219)
Vehicles	(263,736)	(57,298)	-	-	(321,034)
	(169,900,715)	(16,523,125)	-	-	(186,423,840)
Total capital assets being depreciated, net	312,908,488	(16,523,125)	-	7,120,982	303,506,345
Capital assets, net	$ 335,734,412	$ (9,360,503)	$ (27,744)	$ -	$ 326,346,165

As of December 31, 2013 and 2012, estimated costs to complete the construction in progress were approximately $39,550,000 and $3,712,000, respectively.

5. REVENUE BONDS PAYABLE

Long-term debt activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Revenue bonds	$ 179,800,000	$ -	$ (5,220,000)	$ 174,580,000	$ 5,715,000
Premium on revenue bonds	7,406,566	-	(372,255)	7,034,311	372,256
	$ 187,206,566	$ -	$ (5,592,255)	$ 181,614,311	$ 6,087,256

Long-term debt activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Revenue bonds	$ 184,445,000	$ -	$ (4,645,000)	$ 179,800,000	$ 5,220,000
Premium on revenue bonds	7,778,821	-	(372,255)	7,406,566	372,256
	$ 192,223,821	$ -	$ (5,017,255)	$ 187,206,566	$ 5,592,256

	2013	2012
Revenue bonds		
$117,360,000 2007 Airport Revenue Bonds, due in annual installments of $600,000 to $7,785,000 plus interest ranging from 4.00% to 5.00%, payable semi-annually, through January 1, 2037.	$ 112,510,000	$ 114,310,000
$30,110,000 2009 Airport Revenue Refunding Bonds, due in annual installments of $130,000 to $2,645,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through January 1, 2025.	25,180,000	26,815,000
$38,675,000 2011 Airport Revenue Refunding Bonds, due in annual installments of $1,785,000 to $3,290,000 plus interest ranging from 2.00% to 5.00%, payable semi-annually, through January 1, 2028.	36,890,000	38,675,000
Total revenue bonds	$ 174,580,000	$ 179,800,000

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

Year Ended December 31,	Principal	Interest
2014	$ 5,715,000	$ 8,206,456
2015	6,290,000	7,995,281
2016	6,525,000	7,758,456
2017	6,770,000	7,486,006
2018	7,070,000	7,159,181
2019-2023	40,945,000	30,098,409
2024-2028	43,155,000	19,509,300
2029-2033	29,120,000	11,029,250
2034-2037	28,990,000	2,987,250
	$ 174,580,000	$ 102,229,589

There are a number of limitations and restrictions contained in the various bond indentures. The Department is in compliance with all significant limitations and restrictions. All revenue bonds outstanding and interest thereon are secured by a statutory first lien, subject only to prior liens, on the net revenues of the Department. In compliance with the Series 2007 and 2009 Bond agreements, the Department has available a letter of credit totaling $10,862,500, which has not been drawn upon. The Series 2011 Refunding Bond reserve requirement is funded with cash and accrued interest in the amount of $3,550,164 and $3,549,808 for the years ended December 31, 2013 and 2012, respectively. In addition, all the bonds bear the limited tax pledge of the full faith and credit of the County to advance necessary amounts to meet principal and interest payments in the event that revenues of the Department are insufficient to meet requirements.

6. LEASES

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

Year Ended December 31,	Amount
2014	$ 6,619,531
2015	5,370,838
2016	5,010,096
2017	4,725,729
2018	2,178,388
2019-2023	3,198,556
2024-2028	1,006,960
2029-2033	690,794
2034-2035	108,609
	$ 28,909,501

7. RISK MANAGEMENT

The Department of Aeronautics is exposed to various risk of loss during the normal course of operation. The Department participates in the County's self-insurance program. The cost of coverage is recognized as an operating expense in the year incurred. The Department also purchases commercial insurance for coverage of catastrophic loss. Claims have not exceeded available coverage for any of the last three years.

8. NET POSITION

Net position was comprised of the following at December 31:

	2013	2012
Capital assets:		
Capital assets not being depreciated	$ 29,991,803	$ 22,839,820
Capital assets being depreciated, net	289,827,706	303,506,345
	319,819,509	326,346,165
Related debt:		
Current maturities of revenue bonds payable and bond premium	(6,087,256)	(5,592,256)
Revenue bonds payable and bond premium, net of current portion	(175,527,055)	(181,614,310)
Deferred charges on refunding, net	2,721,185	2,954,676
	(178,893,126)	(184,251,890)
Net investment in capital assets	$ 140,926,383	$ 142,094,275

9. BENEFIT PLANS

The Department's employees participate in to the Kent County Employees' Retirement Plan (the "Plan"), which is the administrator of a single-employer defined benefit pension plan that covers all employees of the County. The financial report for the Plan, containing all applicable disclosures, can be obtained by contacting the County of Kent, Michigan at 300 Monroe Avenue NW, Grand Rapids, MI.

In addition, Department's employees participate in the County's single-employer defined benefit healthcare plan, which is accounted for in the County's VEBA Trust Fund. Applicable disclosures for this plan can be found in the Comprehensive Annual Financial Report for the County.

10. MAJOR CUSTOMERS

Rentals and fees earned from passenger air carriers accounted for approximately 30.9% and 34.3% of operating revenues in 2013 and 2012, respectively.

11. CONCENTRATED CREDIT RISK

The Department provides gate access to sixteen passenger airlines and access to two all-cargo airlines. Additional revenues are earned through parking lot fees, lease arrangements with various rental car agencies and concessionaires and leasing of airport land and buildings. The Department's primary exposure to credit risk is in trade receivables, and management performs ongoing credit evaluations of the major tenants.

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STATISTICAL SECTION

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Statistical Section Table of Contents

The objective of the statistical section is to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess a governmental unit's economic condition.

The statistical section information is presented in the following categories:

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Financial Trends **Schedules A and B**	Financial trends information is intended to show how the governmental unit's financial position has changed over time.	48
Revenue Capacity **Schedules C and D**	Revenue capacity information is intended to show the factors affecting a governmental unit's ability to generate its own-source revenue.	52
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Operating Information **Schedules H and I**	Operating information is intended to show contextual information about operations and resources to provide understanding and assessing the governmental unit's economic condition.	62

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Net Assets / Net Position and Changes in Net Assets / Net Position

Last Ten Fiscal Years
(dollars in thousands)

	December 31,		
	2004	2005	2006
Operating revenues			
Airfield	$ 8,271	$ 8,182	$ 8,596
Terminal	6,790	6,839	6,549
Ground transportation	9,475	10,658	11,326
Other	344	401	360
Total operating revenues	24,880	26,080	26,831
Operating expenses			
Salaries and fringes	7,018	7,579	7,802
Services and supplies	6,571	8,279	7,547
Depreciation	9,716	9,957	10,553
Total operating expenses	23,305	25,815	25,902
Operating income (loss)	1,575	265	929
Nonoperating revenue (expenses)			
Interest income	423	1,034	1,801
Interest expense	(4,888)	(4,680)	(4,539)
Other	25	4	13
Total nonoperating revenue (expenses)	(4,440)	(3,642)	(2,725)
Loss before capital contributions	(2,865)	(3,377)	(1,796)
Capital contributions			
Passenger facility charges	2,881	2,890	4,059
Customer facility charges	-	256	1,263
Other capital contributions	4,976	2,315	2,180
Total capital contributions	7,857	5,461	7,502
Change in net assets / net position	$ 4,992	$ 2,084	$ 5,706
Net assets / net position			
Invested in capital assets, net of related debt / net investment in capital assets	$ 136,940	$ 134,899	$ 139,941
Restricted for:			
Debt service	6,945	7,594	8,989
Capital improvements	-	-	495
Unrestricted	17,412	20,888	19,662
Total net assets / net position	$ 161,297	$ 163,381	$ 169,087

GASBs 63 and 65 were implemented for the year ended December 31, 2012. This resulted in a change renaming net assets to net position and invested in capital assets, net of related debt to net investment in capital assets. As a result of implementation, bond issuance costs have been eliminated. Comparative information for the year ended December 31, 2011 was restated. Date for years 2010 and prior were not restated retroactively.

December 31,						
2007	2008	2009	2010	2011	2012	2013
$ 8,502	$ 9,023	$ 8,729	$ 9,372	$ 9,811	$ 9,608	$ 8,878
6,582	7,425	6,960	7,321	5,715	6,746	6,832
11,417	10,886	9,818	14,745	15,511	14,878	16,780
333	405	516	544	593	641	700
26,834	27,739	26,023	31,982	31,630	31,873	33,190
8,804	8,840	8,588	8,925	8,263	7,918	7,825
8,659	9,125	9,050	9,148	9,793	9,183	10,301
10,781	10,948	11,555	16,009	16,275	16,523	16,540
28,244	28,913	29,193	34,082	34,331	33,624	34,666
(1,410)	(1,174)	(3,170)	(2,100)	(2,701)	(1,751)	(1,476)
1,447	898	429	148	154	159	122
(4,159)	(4,053)	(3,684)	(9,147)	(8,187)	(8,321)	(8,165)
95	15	66	22	50	22	51
(2,617)	(3,140)	(3,189)	(8,977)	(7,983)	(8,140)	(7,992)
(4,027)	(4,314)	(6,359)	(11,077)	(10,684)	(9,891)	(9,468)
3,949	3,448	3,466	4,505	4,636	4,339	4,599
1,291	1,384	1,188	1,374	1,543	1,473	1,699
8,711	7,076	2,164	5,727	1,440	9,641	4,413
13,951	11,908	6,818	11,606	7,619	15,453	10,711
$ 9,924	$ 7,594	$ 459	$ 529	$ (3,065)	$ 5,562	$ 1,243
$ 147,818	$ 147,665	$ 155,704	$ 150,727	$ 146,699	$ 142,094	$ 140,926
15,527	9,390	10,643	11,294	11,790	12,387	13,355
4,401	11,769	2,923	3,418	2,684	5,791	9,307
11,265	17,781	17,794	22,154	22,114	28,578	26,504
$ 179,011	$ 186,605	$ 187,064	$ 187,593	$ 183,287	$ 188,850	$ 190,092

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Changes in Cash and Cash Equivalents

Last Ten Fiscal Years
(dollars in thousands)

	December 31,		
	2004	2005	2006
Cash flows from operating activities			
Receipts from customers and users	$ 25,028	$ 27,528	$ 27,369
Cash paid to suppliers	(7,192)	(8,056)	(7,906)
Cash paid to employees	(7,201)	(7,472)	(7,837)
Net cash provided by operating activities	10,635	12,000	11,626
Capital and related financing activities			
Passenger facility charges collected	2,855	2,765	4,086
Customer facility charges collected	-	173	1,264
Capital contributions received	1,740	2,055	2,180
Proceeds from sale of capital assets	24	43	146
Proceeds from sale of bonds	-	-	-
Cash transferred to escrow for defeased bonds	-	-	-
Purchase of capital assets	(7,435)	(5,496)	(13,515)
Principal paid on revenue bonds	(4,260)	(3,199)	(3,344)
Interest paid on revenue bonds	(4,773)	(4,605)	(4,461)
Net cash provided by (used in) capital and related financing activities	(11,849)	(8,264)	(13,644)
Cash flow from investing activities			
Interest received on investments	422	1,012	1,869
Net increase (decrease) in cash and cash equivalents	(792)	4,748	(149)
Cash and cash equivalents, beginning of year	33,797	33,005	37,753
Cash and cash equivalents, end of year	$ 33,005	$ 37,753	$ 37,604

December 31,						
2007	2008	2009	2010	2011	2012	2013
$ 27,801	$ 27,825	$ 26,721	$ 31,964	$ 32,652	$ 33,058	$ 33,942
(8,473)	(9,604)	(9,628)	(9,370)	(11,428)	(10,686)	(10,509)
(8,680)	(8,709)	(8,565)	(8,807)	(8,302)	(6,994)	(7,843)
10,648	9,512	8,528	13,787	12,922	15,378	15,590
3,996	3,559	3,364	4,303	4,689	4,319	4,705
1,286	1,388	1,200	1,358	1,544	1,460	1,682
8,711	3,221	1,103	3,900	1,154	7,105	1,480
95	15	66	22	30	28	51
122,210	-	30,619	-	41,049	-	-
-	-	(31,112)	-	(41,555)	-	-
(26,750)	(80,745)	(47,245)	(5,476)	(7,416)	(6,879)	(8,843)
(8,416)	(2,625)	(2,740)	(3,595)	(4,180)	(4,645)	(5,220)
(4,144)	(8,390)	(9,035)	(9,220)	(9,059)	(7,987)	(8,382)
96,988	(83,577)	(53,780)	(8,708)	(13,744)	(6,599)	(14,527)
3,094	4,664	1,546	148	205	160	130
110,730	(69,401)	(43,706)	5,227	(617)	8,939	1,193
37,604	148,334	78,933	35,227	40,454	39,837	48,776
$ 148,334	$ 78,933	$ 35,227	$ 40,454	$ 39,837	$ 48,776	$ 49,969

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Passenger Activity

Enplaned Passengers

Last Ten Fiscal Years

	December 31,				
	2004	2005	2006	2007	2008
Airline					
American Eagle	104,529	130,640	126,225	118,146	100,075
Delta Connection (Atlantic Southeast)	14,907	80,153	63,926	61,087	63,375
Delta Connection (Endeavor)	-	-	-	-	-
Delta Connection (Comair)	110,479	66,730	61,873	62,996	46,508
Delta Connection (Chautauqua)	-	-	-	-	-
Delta Connection (Freedom)	-	-	-	-	-
Delta Connection (Skywest)	-	-	-	-	-
Delta Connection (GoJet)	-	-	-	-	-
Continental Connection	92	624	678	2,922	6,490
Continental Express (Express Jet)	73,362	75,601	97,811	96,081	87,745
United Express (Go Jet)	-	-	875	23,040	29,358
United Express (Mesa)	-	1,939	13,009	1,977	8,340
United Express (Commutair)	-	-	-	-	-
United Express (Trans States)	-	-	-	-	-
Delta Connection (Mesaba)	27,669	17,791	9,649	7,065	23,101
Delta Airlines Inc.	450,665	439,010	414,513	356,506	302,849
Delta Connection (Pinnacle)	13,397	14,643	39,621	74,034	68,889
Delta Connection (Compass)	-	-	-	-	3,378
Delta Connection (Express Jet)	-	-	-	-	-
United Express (Shuttle America)	-	8,036	13,033	23,714	8,763
Midwest Connect (Skyway)	31,732	36,073	35,893	41,047	10,850
Frontier Airlines (Chautauqua)	-	-	-	-	-
Midwest Connect (Skywest)	-	-	-	-	35,276
United Express (Skywest Airlines)	7,083	6,816	25,641	45,243	24,837
United Airlines Inc.	107,607	80,265	108,665	84,215	83,609
Allegiant Air	-	-	-	-	271
AirTran	-	-	-	-	-
Southwest	-	-	-	-	-
American Connection (Chautauqua)	-	-	-	-	-
Air Canada (Air Georgian)	-	-	-	-	2,630
Delta Connection (Shuttle America)	-	-	-	-	-
Frontier Airlines (Republic)	-	-	-	-	-
United Express (Express Jet)	-	-	-	-	-
United Express (Air Wisconsin)	25,191	38,049	-	-	-
US Airways Express (Air Wisconsin)	-	770	-	-	-
United Express (Chautauqua)	-	12,705	-	-	-
Chicago Express (ATA Connection)	53,872	8,055	-	-	-
US Airways Express (Mesa)	8,867	29,033	-	-	-
Delta Connection (Atlantic Coast)	649	-	-	-	-
United Express (Atlantic Coast)	15,906	-	-	-	-
US Airways Express (Trans States)	31,236	-	-	-	-
American Eagle (Trans States)	-	-	-	-	-
Charters	337	290	865	846	816
Total	1,077,580	1,047,223	1,012,277	998,919	907,160

December 31,					December 31,	
2009	2010	2011	2012	Share of Total 2012	2013	Share of Total 2013
104,240	81,540	68,948	68,008	6.4%	67,708	6.0%
61,335	27,436	41,171	25,838	2.4%	-	0.0%
-	-	-	-	0.0%	80,374	7.1%
22,524	52,317	81,236	35,909	3.4%	-	0.0%
12,256	23,993	13,776	26,165	2.4%	43,827	3.9%
15,227	11,831	-	-	0.0%	-	0.0%
459	2,305	12,547	18,961	1.8%	30,919	2.7%
-	-	-	-	0.0%	3,938	0.4%
2,381	6,341	12,368	-	0.0%	-	0.0%
87,601	86,571	79,578	11,245	1.1%	24,390	2.2%
20,314	34,087	16,370	36,684	3.4%	37,199	3.3%
40,700	10,360	837	11,055	1.0%	-	0.0%
-	-	-	-	0.0%	2,332	0.2%
-	-	-	-	0.0%	44,453	4.0%
21,902	31,978	20,429	125	0.0%	-	0.0%
204,988	236,343	207,147	223,783	20.9%	248,038	22.0%
70,472	77,584	69,247	102,544	9.6%	-	0.0%
43,137	27,481	22,287	11,789	1.1%	6,063	0.5%
-	-	-	-	0.0%	48,550	4.3%
37,810	30,374	29,817	18,939	1.8%	12,499	1.1%
-	-	-	-	0.0%	-	0.0%
9,260	32,842	35,929	6,575	0.6%	-	0.0%
25,118	-	-	-	0.0%	-	0.0%
9,467	23,044	19,033	3,965	0.4%	9,224	0.8%
33,715	39,270	44,916	44,842	4.2%	45,170	4.0%
59,372	117,609	87,193	76,759	7.2%	76,409	6.8%
-	76,644	134,606	123,465	11.5%	81,096	7.2%
-	-	-	-	0.0%	72,603	6.5%
-	21,626	45,874	55,309	5.2%	55,789	5.0%
4,003	3,940	3,764	4,502	0.4%	3,033	0.3%
-	1,599	5,616	451	0.0%	9,010	0.8%
-	23,432	42,148	46,614	4.4%	31,052	2.8%
-	15,330	41,901	99,911	9.3%	89,588	8.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	11,556	1.1%	-	0.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	-	0.0%	-	0.0%
-	-	-	3,678	0.3%	-	0.0%
1,524	1,783	1,710	1,123	0.1%	1,705	0.2%
887,805	1,097,660	1,138,448	1,069,795	100.0%	1,124,969	100.0%

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Principal Revenue Sources and Revenues per Enplaned Passenger

Last Ten Fiscal Years
(dollars in thousands, except amounts per enplaned passenger)

	December 31,			
	2004	2005	2006	2007
Airline revenues				
Landing fees	$ 3,120	$ 2,723	$ 2,576	$ 2,847
Apron fees	1,567	1,640	1,803	2,025
Terminal rents	5,575	5,340	5,513	5,165
Total airline revenues	10,262	9,703	9,892	10,037
Percentage of total revenues	36.4%	32.1%	29.1%	29.9%
Nonairline revenues				
Parking	7,331	8,354	8,937	8,851
Rental car	2,321	2,486	2,626	2,788
Other	4,966	5,537	5,376	5,158
Total nonairline revenues	14,618	16,377	16,939	16,797
Percentage of total revenues	51.8%	54.1%	49.9%	50.0%
Nonoperating revenues				
Passenger facility charges	2,881	2,890	4,059	3,949
Interest	423	1,034	1,801	1,447
Other	25	260	1,276	1,386
Total nonoperating revenues	3,329	4,184	7,136	6,782
Percentage of total revenues	11.8%	13.8%	21.0%	20.2%
Total revenues	$ 28,209	$ 30,264	$ 33,967	$ 33,616
Enplaned passengers	1,077,580	1,047,223	1,012,277	998,919
Total revenue per enplaned passenger	$ 26.18	$ 28.90	$ 33.56	$ 33.65
Airline revenue per enplaned passenger	$ 9.52	$ 9.27	$ 9.77	$ 10.05
Revenue rates				
Landing fee (per 1,000 lbs MGLW)	$ 2.13	$ 2.07	$ 2.04	$ 2.34
Apron fee (per 1,000 lbs MGLW)	$ 1.07	$ 1.20	$ 1.32	$ 1.58
Annual terminal rental rate (per sq. ft.)	$ 52.38	$ 51.35	$ 50.77	$ 49.32

Notes: The Department uses a compensatory (cost of services) methodology to calculate rates and charges.
The revenue bases to which these rates are applied and their principal payers can be found in Schedule C.
Operating agreements with signatory airlines are cancellable within thirty days.
MGLW=maximum gross landed weight.

Schedule D - Unaudited

December 31,					
2008	2009	2010	2011	2012	2013
$ 3,102	$ 2,998	$ 3,198	$ 3,586	$ 3,335	$ 3,135
1,941	1,823	2,220	2,409	2,252	1,863
5,865	5,433	5,908	4,302	5,313	5,270
10,908	10,254	11,326	10,297	10,900	10,268
32.6%	32.9%	29.8%	27.1%	28.8%	25.9%
8,121	7,437	11,492	12,301	11,766	13,275
3,053	2,683	3,521	3,512	3,413	3,821
5,657	5,649	5,643	5,520	5,794	526
16,831	15,769	20,656	21,333	20,973	22,922
50.3%	50.6%	54.3%	56.1%	55.4%	57.8%
3,448	3,466	4,505	4,636	4,339	4,599
898	429	148	154	159	122
1,399	1,254	1,396	1,593	1,495	1,750
5,745	5,149	6,049	6,383	5,993	6,471
17.2%	16.5%	15.9%	16.8%	15.8%	16.3%
$ 33,484	$ 31,172	$ 38,031	$ 38,013	$ 37,866	$ 39,661
907,160	887,805	1,097,660	1,138,448	1,069,795	1,124,969
$ 36.91	$ 35.11	$ 34.65	$ 33.39	$ 35.40	$ 35.26
$ 12.02	$ 11.55	$ 10.32	$ 9.04	$ 10.19	$ 9.13
$ 2.40	$ 2.66	$ 2.85	$ 2.42	$ 2.61	$ 2.64
$ 1.59	$ 1.62	$ 1.83	$ 1.43	$ 1.46	$ 1.57
$ 49.96	$ 50.00	$ 48.98	$ 51.34	$ 52.19	$ 50.95

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Ratios of Outstanding Debt, Debt Service, Debt Limits & Pledged Revenue Coverage

Last Ten Fiscal Years

	December 31,		
	2004	2005	2006
Outstanding debt per enplaned passenger			
Outstanding debt by type (in thousands):			
Revenue bonds (all airport net operating revenues pledged)	$ 87,207	$ 85,011	$ 82,711
Notes payable	7,720	6,831	5,902
Total outstanding debt	$ 94,927	$ 91,842	$ 88,613
Outstanding debt per enplaned passenger	$ 88.09	$ 87.70	$ 87.54
Outstanding debt ratio for service area (total outstanding debt/(per capita income*trade area population))	N/A	N/A	0.28%
Outstanding debt ratio for Kent County (total outstanding debt/(per capita income*county population))	N/A	N/A	0.62%
Net revenues			
Revenues	$ 28,209	$ 30,264	$ 33,967
Less: operating expenses, less depreciation	13,589	15,859	15,348
Net revenues	$ 14,620	$ 14,405	$ 18,619
Debt service			
Principal paid on revenue bonds	$ 2,205	$ 2,310	$ 2,415
Interest expense on revenue bonds	4,485	4,340	4,238
Principal paid on notes payable	2,055	889	929
Interest expense on notes payable	403	341	301
Total debt service	$ 9,148	$ 7,880	$ 7,883
Revenue bonds debt service coverage	2.2	2.2	2.8
Total debt service coverage	1.6	1.8	2.4
Debt service per enplaned passenger	$ 8.49	$ 7.52	$ 7.79

Debt limit information

The Department is an enterprise fund of the County of Kent, Michigan. No debt limit information is available for the Department. Debt limits apply to the County as a whole, see the County of Kent, Michigan Comprehensive Annual Financial Report.

GASBs 63 and 65 were implemented for the year ended December 31, 2012. This resulted in reclassing deferred charges on refunding from revenue bonds to deferred outflows of resources. Comparative information for the year ended December 31, 2011 was restated. Date for years 2010 and prior were not restated retroactively.

(1) Other capital contributions has been included in revenue, prior years have not been restated.

December 31,						
2007	2008	2009	2010	2011	2012	2013 (1)
$ 202,913	$ 200,410	$ 197,434	$ 193,780	$ 192,224	$ 187,207	$ 181,614
-	-	-	-	-	-	-
$ 202,913	$ 200,410	$ 197,434	$ 193,780	$ 192,224	$ 187,207	$ 181,614
$ 203.13	$ 220.92	$ 222.38	$ 176.54	$ 168.85	$ 174.99	$ 161.44
0.64%	0.66%	0.64%	0.64%	0.64%	0.56%	0.54%
1.42%	1.44%	1.39%	1.40%	1.41%	1.27%	1.22%
$ 33,616	$ 33,484	$ 31,172	$ 38,031	$ 38,013	$ 37,866	$ 44,074
17,463	17,965	17,638	18,073	18,056	17,101	18,126
$ 16,153	$ 15,519	$ 13,534	$ 19,958	$ 19,957	$ 20,765	$ 25,948
$ 2,515	$ 2,625	$ 2,740	$ 3,595	$ 4,180	$ 4,645	$ 5,220
4,056	4,052	3,684	9,147	9,059	7,987	8,382
5,902	-	-	-	-	-	-
88	-	-	-	-	-	-
$ 12,561	$ 6,677	$ 6,424	$ 12,742	$ 13,239	$ 12,632	$ 13,602
2.5	2.3	2.1	1.6	1.5	1.6	1.9
1.3	2.3	2.1	1.6	1.5	1.6	1.9
$ 12.57	$ 7.36	$ 7.24	$ 11.61	$ 11.63	$ 11.81	$ 12.09

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Principal Employers in the Primary Trade Area
Calendar Years 2013 and 2004

Employer	County	Product or Service
Spectrum Health	Kent	Healthcare
Axios Incorporated	Kent	Human resource and employment services
Meijer Inc.	Kent	Retail food and merchandise
Mercy General Health Partners	Muskegon	Healthcare
Amway Corporation	Kent	Personal and household products
Johnson Controls Inc.	Kent	Manufacturing - auto parts
Grand Valley State University	Ottawa	Education
Perrigo Company	Allegan	Manufacturing - pharmaceuticals
Spartan Stores Inc.	Kent	Retail food
Herman Miller Inc.	Ottawa	Office furniture
Steelcase Inc.	Kent	Office furniture
Wal-Mart Stores Inc.	Various	Retail food and merchandise
Grand Rapids Public Schools	Kent	Education
Gentex Corporation	Ottawa	Manufacturing - auto parts
Fifth Third Bank	Kent	Banking and financial services
Farmers Insurance Group	Kent	Insurance
Magna International	Various	Manufacturing - auto parts
Haworth Inc.	Ottawa	Manufacturing - furniture
Metro Health Hospital	Kent	Healthcare
Lacks Enterprises Inc.	Kent	Manufacturing - auto parts
Grand Rapids Community College	Kent	Education
City of Grand Rapids	Kent	Government
Holland Community Hospital	Ottawa	Healthcare
Howmet Corporation/Alcoa	Muskegon	Manufacturing - castings
Hope Network Industries	Kent	Packaging
GE Aviation Systems	Kent	Manufacturing - avionics systems
Pine Rest Christian Hospital	Kent	Healthcare
Gordon Food Services	Kent	Food services wholesaler
Kent County	Kent	Government
Wolverine World Wide	Kent	Manufacturing - footwear
U. S. Postal Service	Kent	Postal delivery
Shape Corporation	Ottawa	Manufacturing - fabricated metal
Consumers Energy	Various	Public utility
Forest Hills Public Schools	Kent	Education
Total employment		

Source: The Right Place Inc.

Schedule F - Unaudited

Number of Employees 2013	Percentage of Total Employment	Number of Employees 2004	Percentage of Total Employment
19,100	2.94%	14,000	2.22%
8,000	1.23%		0.00%
7,725	1.19%	9,785	1.55%
6,446	0.99%		0.00%
5,233	0.80%	4,000	0.63%
4,050	0.62%	5,000	0.79%
3,991	0.61%		0.00%
3,800	0.58%		0.00%
3,608	0.55%	4,370	0.69%
3,300	0.51%	4,400	0.70%
3,227	0.50%	5,400	0.85%
3,131	0.48%		0.00%
2,907	0.45%	3,490	0.55%
2,730	0.42%		0.00%
2,729	0.42%		0.00%
2,500	0.38%		0.00%
2,500	0.38%		0.00%
2,450	0.38%	3,200	0.51%
2,383	0.37%		0.00%
2,300	0.35%		0.00%
2,254	0.35%		0.00%
2,050	0.32%		0.00%
2,044	0.31%		0.00%
2,000	0.31%		0.00%
2,000	0.31%		0.00%
1,953	0.30%		0.00%
1,694	0.26%		0.00%
1,669	0.26%		0.00%
1,668	0.26%		0.00%
1,640	0.25%		0.00%
1,633	0.25%		0.00%
1,500	0.23%		0.00%
1,493	0.23%		0.00%
1,277	0.20%		0.00%
650,465		631,898	

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Population in the Primary Trade Area
Last Ten Fiscal Years

	2004	2005	2006	2007
Allegan County	110,225	110,865	111,156	111,427
Barry County	59,005	59,621	59,610	59,969
Ionia County	64,562	64,745	65,157	65,189
Kent County	589,554	592,210	595,191	598,077
Mecosta County	-	-	-	-
Montcalm County	-	-	-	-
Muskegon County	172,771	173,608	173,710	173,738
Newaygo County	49,272	49,452	49,287	49,328
Ottawa County	253,048	255,261	258,003	260,037
	1,298,437	1,305,762	1,312,114	1,317,765
Per capita income	Not Available	Not Available	$ 23,916	$ 23,900
Total personal income (*dollars in thousands*)	Not Available	Not Available	$31,380,518	$31,494,584

	2004	2005	2006	2007
Employment information:				
Civilian labor force	676,599	687,829	697,005	694,247
Employed	631,898	647,319	656,197	652,107
Unemployed	44,701	40,510	40,808	42,140
Unemployment rate	6.6%	5.9%	5.9%	6.1%

(1) Effective 2013, the Office of Management and Budget changed the combined statistical area to include Mecosta and Montcalm and exclude Newaygo counties.

Source: U. S. Department of Labor OMB

2008	2009	2010	2011	2012	2013 (1)
113,625	112,975	111,408	111,845	111,895	112,531
59,501	58,890	59,173	58,937	59,004	59,907
64,269	63,833	63,905	64,156	63,903	64,073
609,235	608,315	602,622	608,077	614,079	621,700
-	-	-	-	43,229	43,108
-	-	-	-	63,081	63,105
174,854	174,344	172,188	172,864	170,112	171,008
49,118	48,897	48,460	48,650	-	-
262,556	260,364	263,801	266,171	269,329	272,701
1,333,158	1,327,618	1,321,557	1,330,700	1,394,632	1,408,133
$ 22,880	$ 23,320	$ 22,908	$ 22,496	$ 24,078	$ 23,982
$30,502,655	$30,960,052	$30,274,228	$29,935,416	$33,579,949	$33,769,550

2008	2009	2010	2011	2012	2013
685,728	657,164	645,390	644,039	684,253	693,742
636,723	579,485	573,505	589,045	631,033	650,465
49,005	77,679	71,885	54,994	53,220	43,277
7.1%	11.8%	11.1%	8.5%	7.8%	6.2%

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Department Employees
Last Ten Fiscal Years

	December 31,			
	2004	2005	2006	2007
Administration	22	22	22	21
Maintenance	31	31	31	31
Parking	29	29	29	31
Firefighting	16	16	16	16
Public safety	36	36	36	33
Total	134	134	134	132
Enplaned passengers per employee	8,042	7,815	7,554	7,568
Operating revenues (in thousands)	$ 24,880	$ 26,080	$ 26,831	$ 26,834
Operating expenses (in thousands)	$ 23,305	$ 25,815	$ 25,902	$ 28,244
Salaries and fringes (in thousands)	$ 7,018	$ 7,579	$ 7,802	$ 8,804
Payroll percentage of operating revenues	28.2%	29.1%	29.1%	32.8%
Payroll percentage of operating expenses	30.1%	29.4%	30.1%	31.2%

December 31,					
2008	2009	2010	2011	2012	2013
20	20	20	20	20	17
31	31	31	31	31	31
29	24	24	1	1	1
16	16	16	16	16	16
33	33	33	33	33	33
129	124	124	101	101	98
7,032	7,160	8,852	11,272	10,592	11,479
$ 27,739	$ 26,023	$ 31,982	$ 31,630	$ 31,873	$ 33,190
$ 28,913	$ 29,193	$ 34,082	$ 34,331	$ 33,624	$ 34,666
$ 8,840	$ 8,588	$ 8,925	$ 8,263	$ 7,918	$ 7,825
31.9%	33.0%	27.9%	26.1%	24.8%	23.6%
30.6%	29.4%	26.2%	24.1%	23.5%	22.6%

KENT COUNTY DEPARTMENT OF AERONAUTICS
(AN ENTERPRISE FUND OF THE COUNTY OF KENT, MICHIGAN)

Capital Asset Information
Last Ten Fiscal Years

	December 31,		
	2004	2005	2006
Runways			
8R/26L - East/West - 10,000 x 150 ft.			
8L/26R - East/West - 5,000 x 100 ft.			
17/35 - North/South - 8,500 x 150 ft.			
Total aircraft movements	116,455	112,314	112,608
Annual capacity	277,500	277,500	277,500
Runway utilization percentage	41.97%	40.47%	40.58%
Terminal building			
Exclusive area leased (sq. ft)	71,729	67,500	63,750
Exclusive area available (sq. ft)	95,325	96,200	95,365
Terminal occupancy percentage	75.25%	70.17%	66.85%
Enplanements	1,077,580	1,047,223	1,012,277
Planned capacity	1,800,000	1,800,000	1,800,000
Terminal utilization percentage	59.87%	58.18%	56.24%
Parking areas			
Number of annual long-term exits (a)	245,024	191,377	185,503
Average long-term stay (days) (b)	4.0	3.4	3.8
Average annual long-term occupancy ((a*b)/365)	2,685	1,783	1,931
Number of long-term spaces available	5,483	5,483	5,483
Average annual long-term occupancy rate	48.97%	32.51%	35.22%

December 31,						
2007	2008	2009	2010	2011	2012	2013
101,378	97,501	87,883	87,073	87,545	85,306	75,998
277,500	277,500	277,500	277,500	277,500	277,500	277,500
36.53%	35.14%	31.67%	31.38%	31.55%	30.74%	27.39%
64,444	68,615	61,338	65,064	65,260	65,260	60,832
95,365	95,365	95,365	100,666	100,666	100,666	97,796
67.58%	71.95%	64.32%	64.63%	64.83%	64.83%	62.20%
998,919	907,160	887,805	1,097,660	1,138,448	1,069,795	1,124,969
1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
55.50%	50.40%	49.32%	60.98%	63.25%	59.43%	62.50%
229,531	207,982	200,106	241,858	257,110	240,871	258,745
4.4	3.8	4.0	3.8	4.0	4.4	4.3
2,767	2,165	2,193	2,518	2,818	2,877	3,048
4,708	4,708	4,708	6,509	6,509	6,509	6,918
58.77%	45.99%	46.58%	38.68%	43.29%	44.20%	44.06%