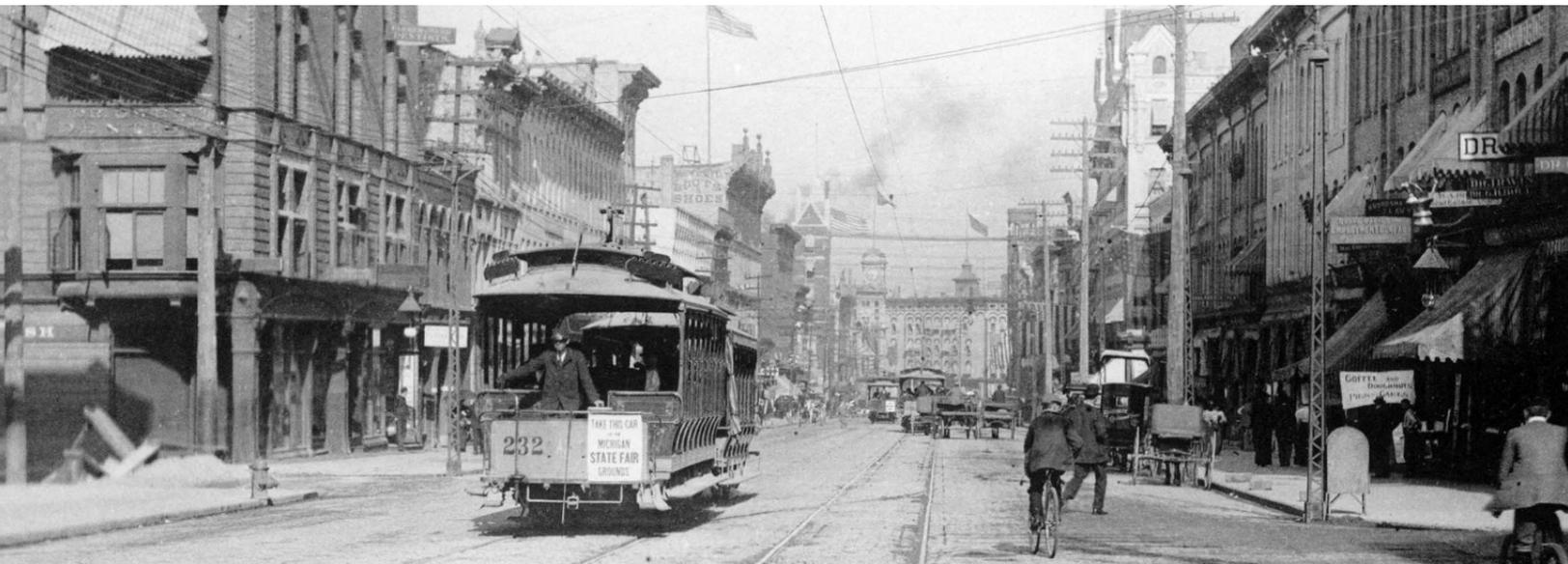


Comprehensive Annual Financial Report

Year Ended December 31, 2019

County of
Kent



County of Kent,
Michigan



Year Ended
December 31,
2019

Comprehensive
Annual Financial
Report

Prepared by: Fiscal Services Department

Fiscal Services Director
Stephen W. Duarte

County Administrator/Controller
Wayman Britt

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COUNTY OF KENT, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF KENT, MICHIGAN

ELECTED OFFICERS

For the Year Ended December 31, 2019

BOARD OF COMMISSIONERS

Mandy Bolter
Chair

Stan Stek
Vice Chair

Jim Talen
Minority Party Vice-Chair

Tom Antor
David Bulkowski
Diane Jones
Betsy Melton
Stan Ponstein
Phil Skaggs
Ted Vonk
Robert Womack

Emily Brieve
Carol Hennessy
Matt Kallman
Roger Morgan
Jim Saalfeld
Monica Sparks
Harold Voorhees
Stephen Wooden

Lisa Posthumus Lyons
Clerk-Register of Deeds

Ken Yonker
Drain Commissioner

Christopher Becker
Prosecuting Attorney

Michelle LaJoye-Young
Sheriff

Kenneth Parrish
Treasurer



OFFICE OF THE ADMINISTRATOR

Wayman Britt, County Administrator/Controller

Kent County Administration Building • 300 Monroe Avenue, N.W. Grand Rapids, Michigan 49503-2206
Phone: (616) 632 - 7577 • Fax: (616) 632 - 7565 • e-mail: wayman.britt@kentcountymi.gov

June 8, 2020

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

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report for the County of Kent for the fiscal year ended December 31, 2019.

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

Rehmann Robson LLC, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the County’s financial statements for the year ended December 31, 2019. The independent auditors’ report is located at the front of the financial section of this report.

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

Profile of the Government

The County of Kent encompasses an area of approximately 864 square miles and is located in the central west portion of Michigan’s Lower Peninsula. The County of Kent is the fourth most populous County in the state of Michigan (State) with a 2019 estimated population of 656,955. It is approximately 64 miles west of Lansing, the state capital. The County is empowered by the State to levy a property tax on real and personal properties located within the County.

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

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

The County provides a wide and varied range of services in the following areas: law enforcement, correctional facility, three court systems, fire prevention, social services, community and economic development, both State and County funded public health, and park system. The Department of Public Works manages a waste-to-energy incinerator and landfill. The Kent County Drain Commission, a component unit, is responsible for the construction and maintenance of County drains and the control of lake levels. The Airport Authority, a component unit, is responsible for the operation of the Gerald R. Ford International Airport. In addition, the Road Commission is a component unit providing maintenance to County roads.

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

Local Economy

Commercial/Industrial Base

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

Convention Facilities

The City of Grand Rapids and the County have jointly created the Grand Rapids-Kent County Convention/Arena Authority. The function of this independent authority is to own and operate the DeVos Place Convention Center and the Van Andel Arena. The Van Andel Arena was completed in 1996, has a capacity of 12,000 and is used for professional hockey games, concerts, family shows and other entertainment events. The DeVos Place Convention Center encompasses one million square feet of total gross floor area including a 40,000 square foot ballroom that is used for conventions and expos and a performing theater that hosts cultural entertainment events. DeVos Place is part of a vibrant downtown entertainment district featuring over 50 dining establishments, nightclubs, and museums, all within walking distance.

Regional Government Coordination

The Grand Valley Metropolitan Council is a Council of Governments dedicated to the advancing the current and future well-being of our metropolitan area by bringing together public and private sectors to cooperatively advocate, plan for, and coordinate the provision of services and investments which have environmental, economic and social impact. It is understood that the well-being of the metropolitan community relies on good government and springs from a shared vision that encompasses many elements, including, but not limited to, the following: preparing now for the challenges of the future; planning for orderly growth and development; preserving and enhancing the natural, social, and physical environments; promoting economic vitality and employment opportunities; equitably sharing responsibility for community needs; recognizing the strengths and benefits of diversity; promoting quality lifelong educational opportunities; promoting quality cultural and recreational institutions and facilities; effectively utilizing and enhancing existing infrastructure; eliminating unnecessary duplication of services; and promoting a high quality of life now and for future generations.

Medical Services

Clinical care is a top priority in West Michigan with one of the nation's top-ranked medical centers of excellence. With three fast-growing major hospitals and hundreds of physicians in every specialty imaginable, employers and employees alike can count on accessible, high-quality patient care and wellness programs. The public and nonprofit hospitals in the County have approximately 2,200 licensed beds. In 2000, the Van Andel Institute (VAI) opened, with the stated mission ". . . to become one of the world's preeminent private medical research institutions within the next decade" which has become a reality. The Van Andel Institute has three component parts: the Van Andel Research Institute (VARI), the Van Andel Education Institute (VAEI) and the Van Andel Institute (VAI). The VARI is an independent medical research organization dedicated to preserving, enhancing and expanding the frontiers of medical science. The VAEI is an independent education institute whose mission is to conduct the Van Andel Educational Technology School, and to achieve excellence by embracing and strengthening the fundamental issues of education. The research being conducted at the VARI is has served as a growth pole, anchoring and propelling growth of a newly developing bioscience industry cluster. This has and will continue to draw outside business and related sectors into the region to take advantage of economic opportunities created by the Institute. VARI has constructed a 240,000 square foot eight-story building expansion that opened in December 2009. This expansion nearly triples the Institute's laboratory space, allowing for growth of current laboratories and expanded research into neurological diseases.

The VAI supports the other two organizations. On July 11, 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.

Michigan State University Medical School constructed a \$90 million, 180,000 square foot medical school which houses the MSU college of Human Medicine. In 2012, MSU also purchased the former Grand Rapids Press headquarters along with five parking properties for use as research space and additional parking. This new facility is in close proximity to the MSU College of Human Medicine medical facility.

Employment

Major industries that are located within the boundaries of Kent County, or in close proximity, include manufacturers of office equipment and furniture, heating controls, automotive parts, financial institutions, education, health care, retail food/merchandise and leisure and hospitality. This diversified employment base adds to the strength of the local economy. Since 2005 the unemployment rate in Kent County has ranged from 2.1% to 12.6%. The unemployment rate as of December 2019, for Kent County, is 2.9% and is expected to remain stable.

Long-Term Financial Planning/Financial Policies

Budgeting and Forecasting

As stated earlier, the budget serves as the foundation for the County's financial planning and control. As part of the budget process, management prepares an annual budget for the General Fund. The Kent County metro area maintains an optimistic economic outlook with continued growth expected in the Commercial, Industrial and Residential sectors. Based on the current financial forecast, the County will be able to continue most current service levels without raising its tax rate while retaining a projected fund balance of \$82.8 million at December 31, 2020, supported by an increase in property tax values and generated tax revenues.

Establishment and Use of General Fund Fund Balance

It is the Board of Commissioner's strategy that the County shall maintain adequate General Fund equity, to provide for contingent liabilities not covered by the County's insurance programs, provide for cash flow needs resulting from a midyear tax levy and to insulate the County from any other swift unforeseen events. As part of that strategy, the County's Fund Balance policy outlines the protocols and restrictions regarding the maintenance and utilization of fund balance.

The County maintains nonspendable General Fund fund balance equal to the balance of any long-term outstanding balances due from other County funds and component units as well as an amount equal to the value of its inventory balances and prepaid expenses.

The County commits annually a portion of fund balance, equal to 10% of the subsequent year's General Fund and subsidized governmental fund budgets, for budget stabilization. In addition, the County also maintains a minimum fund balance equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out.

Both of these elements work to ensure the continued operation of County programs and service levels in the event cash flow shortfalls or a large and unanticipated one-time General Fund expenditure requirement.

Capital Improvement Program

The County established a Capital Improvement Projects Fund to account for the acquisition or construction of major capital items not otherwise provided for in enterprise or trust funds. The Capital Improvement Program (CIP) consists mainly of one-time or non-recurring capital expenditures. The CIP is a primary tool for evaluating the physical improvement, tangible personal property or real property improvements for the County. The CIP outlines the schedule of County needs over a five-year period and contains funding recommendations on an annual basis. The County has annually deposited to this fund a not-less-than sum of monies equivalent to the revenues to be generated from 0.2 mills of the general property tax levy. For 2019, an additional \$8.8 Million was appropriated to the County's Strategic Capital Project in the Capital Improvement Fund. This equates to approximately 0.33 mills.

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

Future Financing

In April of 2020, the County issued \$16.2 million in general obligation limited tax notes in the Delinquent Tax Revolving enterprise fund.

Major Initiatives

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

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

Kent County continually strives to make business process improvements in an effort to enhance how the County engages with its constituents and improve customer and vendor experiences with Kent County and its departments. The Risk Management division completed a property valuation to establish current insurable values and update loss prevention techniques to reduce premiums and losses. The Fleet Services division developed a "real-time" vehicle monitoring system, modified logistical processes, updated software system and added technology to workstations. These enhancements will increase the efficiency and reduce the costs associated with maintaining the County's vehicle fleet.

Kent County continues its intentional effort to incorporate qualitative data science to align the with the recently concluded Strategic Plan update for the Board of Commissioners. The County Equalization Department and members of Information Technology GIS team will collaborate to perform data mining throughout the County and provide mapping-based analytics and data support.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kent for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

Respectfully submitted,



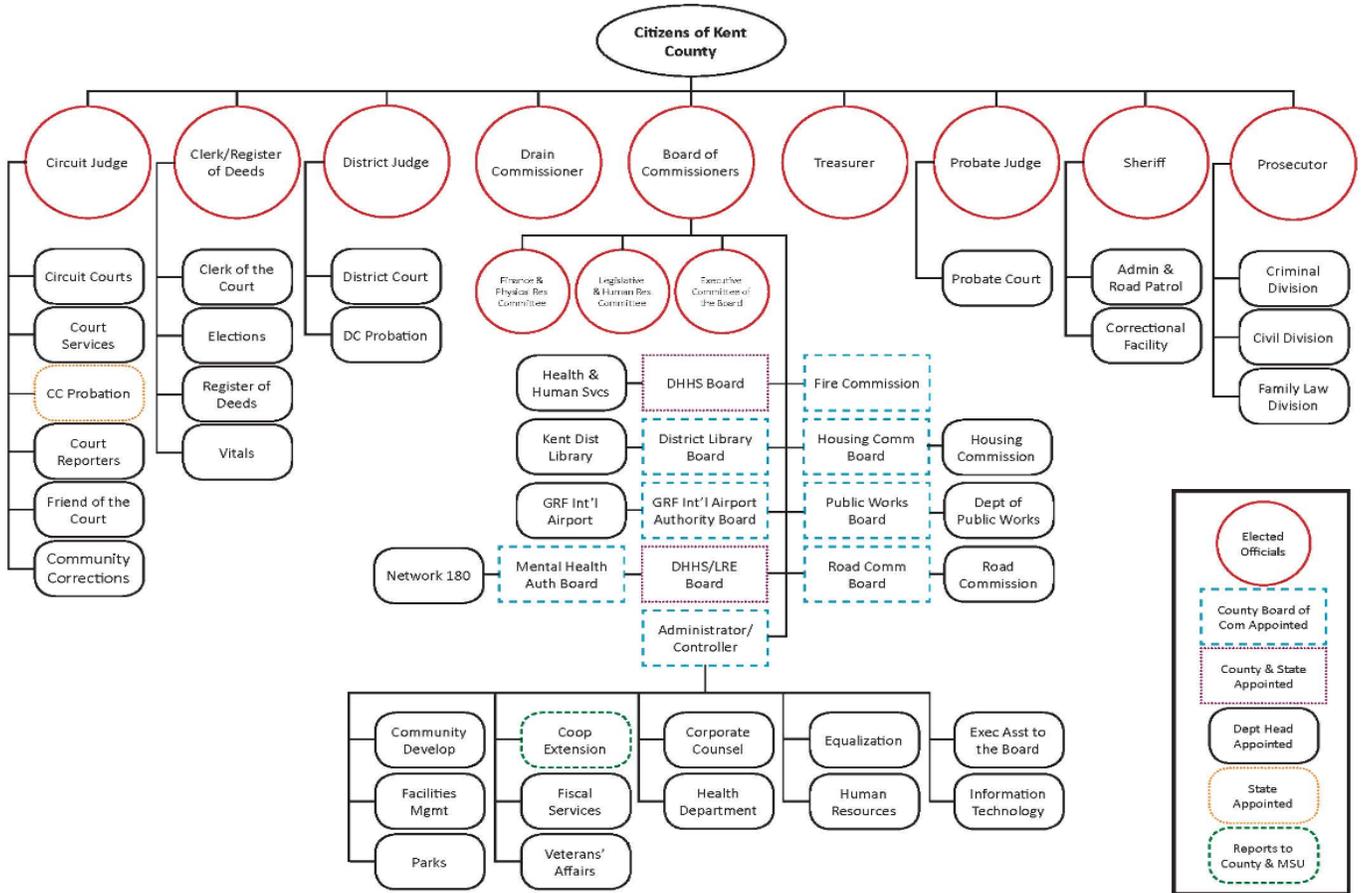
Wayman P. Britt
County Administrator/Controller



Jeff Dood
Fiscal Services Director

COUNTY OF KENT, MICHIGAN

Table of Organization





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Kent
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 8, 2020

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Kent, Michigan* (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following entities, which represent the indicated percentages of total aggregate discretely presented component units:

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Kent County Road Commission	40.1%	47.7%	51.2%
Gerald R. Ford International Airport Authority	55.6%	47.1%	46.2%

Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kent, Michigan, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 84

As described in Note 21, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. Accordingly, beginning net position of fiduciary funds was restated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 8, 2020, on our consideration of the County of Kent, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

As management of the County of Kent, Michigan (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$388,686 (*net position*). Of this amount, \$99,637 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$29,433, comprised of a \$28,061 increase in governmental activities and an increase of \$1,372 in business-type activities.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$156,399, an increase of \$19,953 from the prior year. Approximately 31.6% of this total amount or \$49,448 is unassigned fund balance.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$49,448 or 37.1% of total General Fund expenditures.
- Total government-wide liabilities (including the net pension and OPEB liabilities) decreased by approximately \$84,764 or (25.2%) during the current fiscal year. Liabilities for governmental activities decreased by approximately \$84,678 and liabilities for business-type activities decreased by \$86. This decrease in liability is primarily due to strong investment returns in the current year on pension and VEBA assets, which are expected to fluctuate from year to year based on current market conditions.

Overview of the Financial Statements

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

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

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

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

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

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

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

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

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

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

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

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

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

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Department of Public Works and the Delinquent Tax Revolving Fund, each considered to be a major fund. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$388,686 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 254,291	\$ 220,464	\$ 125,672	\$ 122,624	\$ 379,963	\$ 343,088
Capital assets, net	294,236	287,936	50,190	48,249	344,426	336,185
Total assets	548,527	508,400	175,862	170,873	724,389	679,273
Total deferred outflows of resources	15,472	70,449	886	3,070	16,358	73,519
Long-term liabilities	130,551	143,188	62,337	59,993	192,888	203,181
Other liabilities	53,802	125,843	4,575	7,005	58,377	132,848
Total liabilities	184,353	269,031	66,912	66,998	251,265	336,029
Total deferred inflows of resources	98,858	57,091	1,938	419	100,796	57,510
Net position						
Net investment in capital assets	196,647	181,072	43,039	40,470	239,686	221,542
Restricted	42,578	26,286	6,785	7,307	49,363	33,593
Unrestricted	41,563	45,369	58,074	58,749	99,637	104,118
Total net position	\$ 280,788	\$ 252,727	\$ 107,898	\$ 106,526	\$ 388,686	\$ 359,253

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

A substantial portion of the County's net position, \$239,686 (61.7%), reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$49,363 (12.7%) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of unrestricted net position of \$99,637 (25.6%) to meet its ongoing obligations to citizens and creditors.

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

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 65,511	\$ 61,409	\$ 44,737	\$ 41,254	\$ 110,248	\$ 102,663
Operating grants	68,081	65,291	2,143	1,330	70,224	66,621
Capital grants	6,893	850	-	320	6,893	1,170
General revenues:						
Property taxes	145,122	133,475	-	-	145,122	133,475
State revenue sharing	20,350	18,027	-	-	20,350	18,027
Other taxes	11,432	10,807	-	-	11,432	10,807
Other	4,363	5,273	521	317	4,884	5,590
Total revenues	321,752	295,132	47,401	43,221	369,153	338,353
Expenses:						
General government	37,807	37,702	-	-	37,807	37,702
Public safety	96,210	114,428	-	-	96,210	114,428
Health and welfare	85,750	71,227	-	-	85,750	71,227
Culture and recreation	18,754	17,100	-	-	18,754	17,100
Judicial	42,799	46,040	-	-	42,799	46,040
Community and economic development	11,136	14,271	-	-	11,136	14,271
Public works	683	665	40,991	37,298	41,674	37,963
Interest and fiscal charges	4,652	5,335	-	-	4,652	5,335
Delinquent tax collection	-	-	938	879	938	879
Total expenses	297,791	306,768	41,929	38,177	339,720	344,945
Change in net position, before transfers						
	23,961	(11,636)	5,472	5,044	29,433	(6,592)
Transfers	4,100	4,100	(4,100)	(4,100)	-	-
Change in net position	28,061	(7,536)	1,372	944	29,433	(6,592)
Net position:						
Beginning of year	252,727	260,263	106,526	105,582	359,253	365,845
End of year	\$ 280,788	\$ 252,727	\$ 107,898	\$ 106,526	\$ 388,686	\$ 359,253

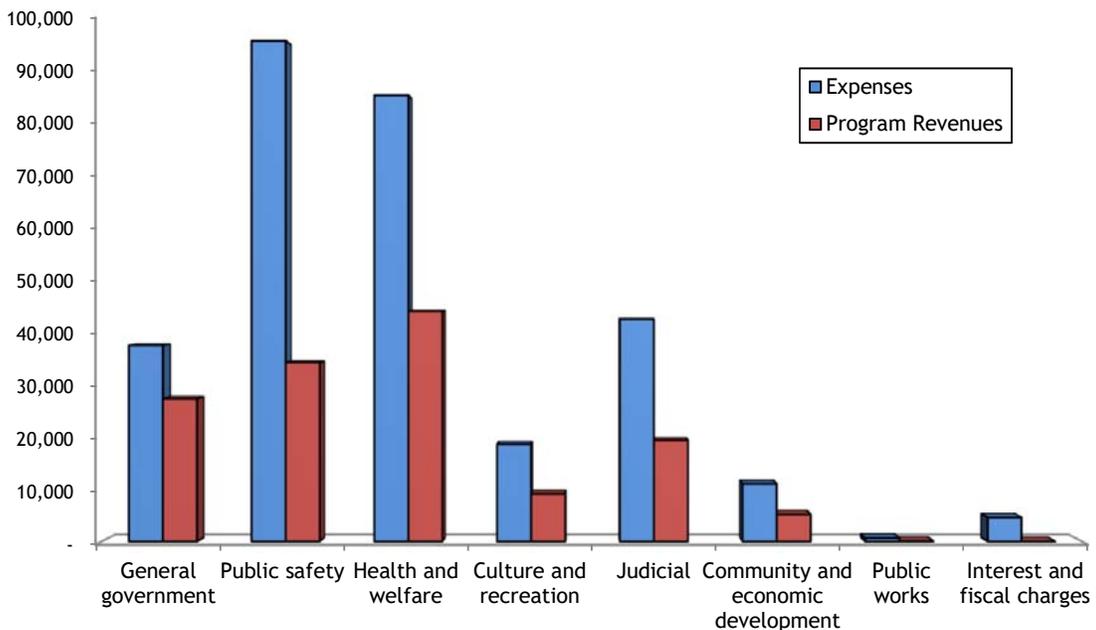
COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

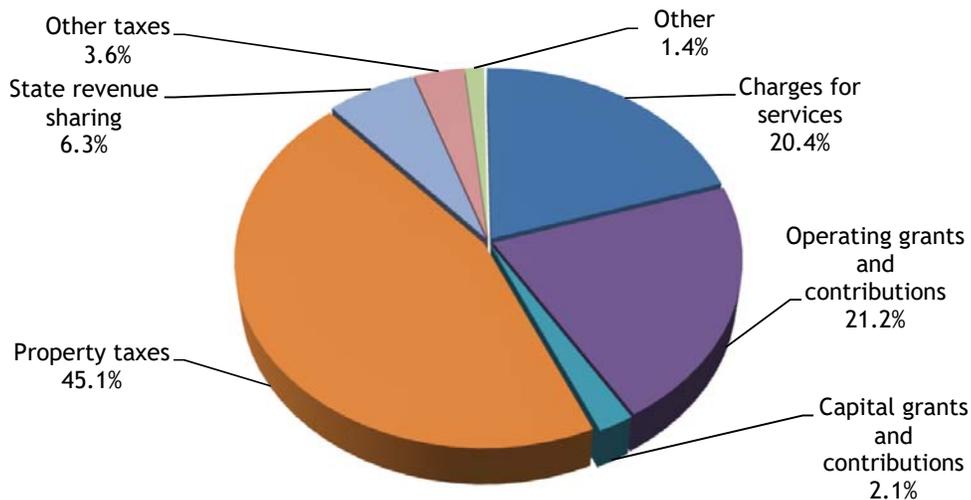
The County's net position increased by \$29,433 during the current fiscal year. The majority of this increase is related to an increase in charges for services, capital grants, tax revenues, a decrease in public safety expenses, and partially offset by an increase in health and welfare expenses.

Governmental Activities. Governmental activities increased the County's net position by \$28,061. Key elements of this increase include current year property tax revenue increase of \$11,647 related to current property taxes, along with an increase in charges for services of \$4,102, and an increase in capital grants of \$6,043, a decrease in public safety expenses (\$18,218), and an increase in health and welfare expenses \$14,523.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

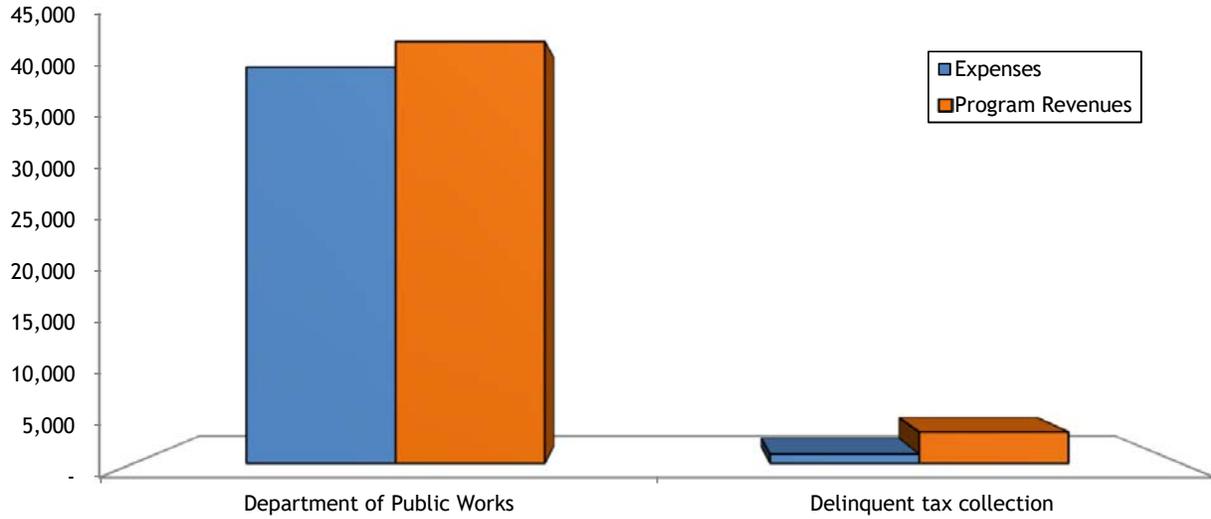


COUNTY OF KENT, MICHIGAN

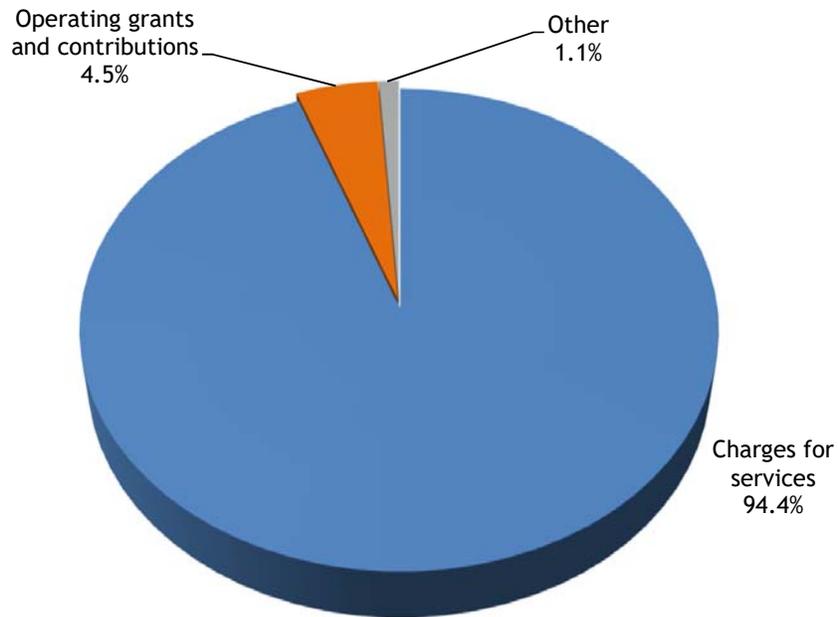
Management's Discussion and Analysis

Business-type Activities. Business-type activities increased the County's net position by \$1,372. Key elements of this increase relate to an increase in charges for services and operating grants.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$156,399 an increase of \$19,953 from the prior year. Of this amount, 31.6% (\$49,448) constitutes unassigned fund balance, which is available for spending at the government's discretion, however it is limited to the minimum fund balance requirements per the County's Fund Balance policy. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is classified as one of the following: A) Nonspendable for 1) inventories and prepaids (\$738), or 2) long-term cash advances to the Drainage District (\$560); B) Restricted for use per external/third party mandates (\$42,164); C) is committed for economic stabilization (\$27,514); or D) has been assigned for other specific uses in the County's general operations (\$35,975).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$49,448 while total fund balance amounted to \$80,778. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.1% of total General Fund expenditures, while total fund balance represents 60.6% of that same amount.

The fund balance of the County's General Fund increased by \$6,291 during the current fiscal year. Key factors in this change are as follows:

- Increasing property taxable values resulting in an increase in current property tax revenues of \$4,140.
- Public safety increased \$2,056 primarily due to increases in staffing and payroll expenses (\$1,315) from an increase in vehicle and equipment purchases (\$356) and also increasing costs of medical care (\$253).
- Transfers in to the General Fund increased by \$5,704 primarily due to increased transfers in from Corrections and Detention (\$4,190).
- Transfers out increased by \$5,857 primarily because of increased transfers out to the Indigent Defense Fund (\$3,617), and increased transfers out for capital projects (\$2,554).
- Judicial expenses decreased by \$1,256, primarily because expenses incurred for indigent defense that have moved to the Indigent Defense Fund.

The Zoo and Museum Millage Fund accounts for a voter-approved property tax millage for the John Ball Zoo and the Grand Rapids Public Museum. The millage was approved for tax years 2016 through 2025. The fund had no ending fund balance.

The Senior Millage Fund accounts for specific activity related to the voter-approved senior millage through tax year 2021. This fund experienced a small increase of \$73.

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

The Correction and Detention Facilities Fund accounts for a voted county-wide correctional millage that expired in December 2009; however, in 2008, voters passed a renewal of the millage to continue for the period 2010 through 2029. The Correction and Detention Facilities Fund experienced a \$1,343 increase in fund balance. The increase was primarily the result of increased tax revenues, as well as a reduction in debt expenditure, offset by an increase in transfers out to the General Fund.

The Child Care Fund accounts for the care of neglected, abused and delinquent juveniles. Revenues are provided through State reimbursements and General Fund appropriations. As a subsidized fund, the fund balance remained consistent as General Fund transfers were provided only to the extent needed to cover actual expenditures.

The Public Improvement Fund accounts for revenue set aside for public improvements. The ending fund balance increased by \$4,617, and is primarily attributable to transfers in from other funds.

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

General Fund Budgetary Highlights

During the year, there was an increase in appropriations between the original and final amended budget of \$3,624. Primarily the result of a \$3,825 increase in budgeted transfers out to the Capital Projects Fund.

The General Fund budgeted for a decrease in fund balance of \$7,141 and the actual change in fund balance was an increase of \$6,291. Significant budgetary variances are as follows:

- \$3,361 of general government expenses less than budgeted
- \$2,488 of public safety expenses less than budgeted
- \$2,073 of circuit and family court expenses less than budgeted
- \$1,235 increase in charges for services above budgeted revenues
- \$1,159 increase in investment earnings above budgeted revenues

Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2019 amounted to \$344,426 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, property development rights, motor vehicles, drains and landfill cells. The net increase in the County's investment in capital assets for the current fiscal year was 2.5% (a 2.2% increase for governmental activities and a 4.0% increase for business-type activities).

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

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

- Increase for County building HVAC renovation \$3,436
- Purchase of land for Chief Hazy Cloud park expansion \$3,400
- Purchase of land for employee parking lot on Ottawa Ave. \$1,332

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 81,567	\$ 76,170	\$ 5,782	\$ 5,352	\$ 87,349	\$ 81,522
Property easements	37	37	-	-	37	37
Construction in progress	1,059	20,164	539	317	1,598	20,481
Landfill cells	-	-	7,957	5,997	7,957	5,997
Land improvements	17,068	17,308	2,270	2,522	19,338	19,830
Buildings and improvements	178,312	158,953	23,327	23,328	201,639	182,281
Machinery and equipment	11,161	10,351	10,036	10,545	21,197	20,896
Motor vehicles	4,753	4,661	279	188	5,032	4,849
Infrastructure	255	292	-	-	255	292
Animals	24	-	-	-	24	-
Total capital assets, net	\$ 294,236	\$ 287,936	\$ 50,190	\$ 48,249	\$ 344,426	\$ 336,185

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

Long-term Debt. At the end of the current fiscal year, the County had total installment debt outstanding with a face amount of \$133,735.

	General Obligation and Revenue Bonds					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 106,935	\$ 121,185	\$ 6,600	\$ 7,165	\$ 113,535	\$ 128,350
Notes payable	-	-	20,200	20,100	20,200	20,100
Contracts payable	-	945	-	-	-	945
Total	\$ 106,935	\$ 122,130	\$ 26,800	\$ 27,265	\$ 133,735	\$ 149,395

The County's total installment debt decreased by \$15,660 (10.5%) during the current fiscal year. The net decrease was mainly attributable to governmental activities debt payments throughout the fiscal year.

The County maintains an "AAA" rating from Standard & Poor's and "Aaa" rating from Moody's for its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total state equalized valuation. The current debt limitation for the County is \$2,950,208, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 10 of this report.

COUNTY OF KENT, MICHIGAN

Management's Discussion and Analysis

Economic Factors and Next Year's Budget and Rates

- The average annual unemployment rate for the county for 2019 was 2.9%, which is a 0.1% decrease from 2018. This is significantly below the state average annual unemployment rate of 4.1% for 2019.
- Inflationary trends in the region compare favorably to national indices.

The County considered these factors in preparing its budget for the 2020 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund was \$49,448. The County was able to adopt a balanced budget for the 2020 fiscal year without appropriating additional spending, or the need to raise taxes or charges above the current recommended levels during the 2020 fiscal year.

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. As of the date of these financial statements, the outbreak has negatively impacted economic markets, business operations and the provision of many governmental services. Management anticipates the pandemic will have a negative impact on the County with respect to financial operations and investment results; however, the extent of the impact is uncertain and cannot be reasonably predicted at this time.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

COUNTY OF KENT, MICHIGAN

Statement of Net Position
December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash, investments, and accrued interest	\$ 165,818,311	\$ 92,844,661	\$ 258,662,972	\$ 55,297,280
Receivables, net	74,242,455	5,054,889	79,297,344	26,213,614
Internal balances	(664,110)	664,110	-	-
Due from component units	1,239,716	-	1,239,716	-
Due from primary government	-	-	-	9,948
Restricted cash, investments, and accrued interest	-	17,524,748	17,524,748	20,761,402
Restricted receivables	-	9,137,474	9,137,474	1,256,854
Other assets	3,066,780	64,759	3,131,539	8,447,119
Advances to component units	560,286	-	560,286	-
Net pension asset	10,026,997	381,620	10,408,617	7,570,749
Net OPEB asset	-	-	-	433,667
Capital assets not being depreciated	82,662,493	6,321,574	88,984,067	82,240,100
Capital assets being depreciated, net	211,573,820	43,868,177	255,441,997	589,828,073
Total assets	548,526,748	175,862,012	724,388,760	792,058,806
Deferred outflows of resources				
Deferred charge on bond refunding, net	986,518	268,645	1,255,163	5,391,112
Deferred pension amounts	9,801,726	363,417	10,165,143	1,287,482
Deferred OPEB amounts	4,683,441	254,592	4,938,033	805,058
Total deferred outflows of resources	15,471,685	886,654	16,358,339	7,483,652
Liabilities				
Accounts payable and accrued liabilities	23,098,931	3,515,352	26,614,283	20,875,220
Due to component units	9,948	-	9,948	-
Due to primary government	-	-	-	1,239,716
Unearned revenue	3,254,926	-	3,254,926	5,399,940
Advances from primary government	-	-	-	560,286
Long-term liabilities:				
Due within one year	13,006,262	17,373,208	30,379,470	14,269,326
Due in more than one year	117,544,247	44,963,482	162,507,729	160,391,329
Net OPEB liability (due in more than one year)	27,438,379	1,059,623	28,498,002	-
Total liabilities	184,352,693	66,911,665	251,264,358	202,735,817
Deferred inflows of resources				
Property taxes levied for subsequent period	47,030,771	-	47,030,771	-
Deferred pension amounts	44,987,821	1,723,579	46,711,400	418,489
Deferred OPEB amounts	6,839,442	214,709	7,054,151	921,652
Total deferred inflows of resources	98,858,034	1,938,288	100,796,322	1,340,141
Net position				
Net investment in capital assets	196,646,702	43,039,033	239,685,735	514,152,455
Restricted for:				
Public safety	15,819,185	-	15,819,185	-
Health and welfare	7,382,074	-	7,382,074	-
Judicial	6,015,411	-	6,015,411	-
Community and economic development	8,011,821	-	8,011,821	-
Debt service	-	6,305,877	6,305,877	19,110,602
Capital projects	4,582,715	-	4,582,715	7,441,580
Property tax foreclosures	-	479,690	479,690	-
Pension benefits	-	-	-	8,439,742
OPEB benefits	-	-	-	317,073
Other state mandated programs	767,199	-	767,199	-
Unrestricted	41,562,599	58,074,113	99,636,712	46,005,048
Total net position	\$ 280,787,706	\$ 107,898,713	\$ 388,686,419	\$ 595,466,500

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

COUNTY OF KENT, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 37,806,709	\$ 17,280,387	\$ 10,178,055	\$ 123,914	\$ (10,224,353)
Public safety	96,210,088	29,651,104	4,880,615	-	(61,678,369)
Health and welfare	85,750,320	4,323,571	40,049,662	-	(41,377,087)
Culture and recreation	18,753,539	2,363,843	49,100	6,768,736	(9,571,860)
Judicial	42,798,692	5,184,021	14,364,026	-	(23,250,645)
Community and economic development	11,136,156	6,655,952	(1,440,578)	-	(5,920,782)
Public works	683,478	51,903	-	-	(631,575)
Interest and fiscal charges	4,651,833	-	-	-	(4,651,833)
Total governmental activities	<u>297,790,815</u>	<u>65,510,781</u>	<u>68,080,880</u>	<u>6,892,650</u>	<u>(157,306,504)</u>
Business-type activities:					
Public works	40,991,239	41,502,362	2,142,981	-	2,654,104
Delinquent tax collection and administration	937,812	3,235,083	-	-	2,297,271
Total business-type activities	<u>41,929,051</u>	<u>44,737,445</u>	<u>2,142,981</u>	<u>-</u>	<u>4,951,375</u>
Total primary government	<u>\$ 339,719,866</u>	<u>\$ 110,248,226</u>	<u>\$ 70,223,861</u>	<u>\$ 6,892,650</u>	<u>\$ (152,355,129)</u>
Component units					
Road Commission	\$ 69,462,151	\$ 1,390,677	\$ 75,047,160	\$ 7,024,998	\$ 14,000,684
Drainage Districts	2,835,879	-	1,908,544	487,755	(439,580)
Housing Commission	4,390,949	78,671	4,442,475	-	130,197
Land Bank Authority	3,131,945	1,963,165	1,296	-	(1,167,484)
Airport Authority	54,878,269	56,730,862	-	28,706,120	30,558,713
Total component units	<u>\$ 134,699,193</u>	<u>\$ 60,163,375</u>	<u>\$ 81,399,475</u>	<u>\$ 36,218,873</u>	<u>\$ 43,082,530</u>

continued...

COUNTY OF KENT, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net revenue (expense)	\$ (157,306,504)	\$ 4,951,375	\$ (152,355,129)	\$ 43,082,530
General revenues:				
Property taxes	145,121,691	-	145,121,691	444,508
Lodging excise taxes	11,432,225	-	11,432,225	-
State revenue sharing	20,349,897	-	20,349,897	-
Unrestricted investment earnings	4,323,119	395,056	4,718,175	1,476,721
Gain on sale of capital assets	-	126,624	126,624	45,103
Other revenues	39,979	-	39,979	2,770,868
Transfers - internal activities	4,100,000	(4,100,000)	-	-
Total general revenues and transfers	185,366,911	(3,578,320)	181,788,591	4,737,200
Change in net position	28,060,407	1,373,055	29,433,462	47,819,730
Net position, beginning of year	252,727,299	106,525,658	359,252,957	547,646,770
Net position, end of year	\$ 280,787,706	\$ 107,898,713	\$ 388,686,419	\$ 595,466,500

concluded

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

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COUNTY OF KENT, MICHIGAN

Balance Sheet
 Governmental Funds
 December 31, 2019

	General Fund (101)	Correction and Detention Facilities (254)	Zoo and Museum Millage (257)	Senior Millage (259)
Assets				
Cash, investments, and accrued interest	\$ 81,151,918	\$ 15,843,902	\$ 1,155,585	\$ 2,068,491
Receivables, net:				
Accounts	873,550	-	-	923,167
Property taxes	3,787,095	16,103,486	9,137,106	10,198,384
Due from other governments	2,891,897	323,633	162,778	181,831
Loans	-	-	-	-
Due from other funds	7,292,264	-	-	-
Due from component units	1,239,716	-	-	-
Advances to component units	560,286	-	-	-
Inventories	74,879	-	-	-
Prepays	259,814	-	-	-
Total assets	\$ 98,131,419	\$ 32,271,021	\$ 10,455,469	\$ 13,371,873
Liabilities				
Accounts payable	\$ 2,473,241	\$ -	\$ 162,496	\$ 841,432
Accrued liabilities	4,392,586	-	-	-
Due to other governments	1,767	-	-	-
Due to other funds	6,986,983	90	183	46,992
Due to component units	-	-	-	-
Unearned revenue	539,287	-	-	-
Total liabilities	14,393,864	90	162,679	888,424
Deferred inflows of resources				
Property taxes levied for subsequent period	-	18,180,816	10,292,790	11,513,253
Unavailable revenue - loans receivable	-	-	-	-
Unavailable revenue - property taxes	2,959,125	-	-	-
Total deferred inflows of resources	2,959,125	18,180,816	10,292,790	11,513,253
Fund balances				
Nonspendable	894,979	-	-	-
Restricted	-	14,090,115	-	970,196
Committed	27,513,807	-	-	-
Assigned	2,921,941	-	-	-
Unassigned	49,447,703	-	-	-
Total fund balances	80,778,430	14,090,115	-	970,196
Total liabilities, deferred inflows of resources and fund balances	\$ 98,131,419	\$ 32,271,021	\$ 10,455,469	\$ 13,371,873

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

Child Care (292)	Public Improvement (445)	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 24,758,022	\$ 26,763,185	\$ 151,741,103
13,311	664,398	3,831,243	6,305,669
-	-	6,250,996	45,477,067
5,696,884	39,724	11,134,921	20,431,668
-	-	535,252	535,252
1,537,584	5,014,157	454,021	14,298,026
-	-	-	1,239,716
-	-	-	560,286
-	-	2,076,269	2,151,148
-	-	9,000	268,814
<u>\$ 7,247,779</u>	<u>\$ 30,476,301</u>	<u>\$ 51,054,887</u>	<u>\$ 243,008,749</u>
\$ 2,299,487	\$ 461,263	\$ 4,979,526	\$ 11,217,445
548,068	-	2,070,081	7,010,735
15,649	-	98,019	115,435
4,134,575	6,806	3,300,081	14,475,710
-	-	9,948	9,948
-	-	2,715,639	3,254,926
<u>6,997,779</u>	<u>468,069</u>	<u>13,173,294</u>	<u>36,084,199</u>
-	-	7,043,912	47,030,771
-	-	535,252	535,252
-	-	-	2,959,125
<u>-</u>	<u>-</u>	<u>7,579,164</u>	<u>50,525,148</u>
-	-	403,054	1,298,033
-	-	27,104,115	42,164,426
-	-	-	27,513,807
250,000	30,008,232	2,795,260	35,975,433
-	-	-	49,447,703
<u>250,000</u>	<u>30,008,232</u>	<u>30,302,429</u>	<u>156,399,402</u>
<u>\$ 7,247,779</u>	<u>\$ 30,476,301</u>	<u>\$ 51,054,887</u>	<u>\$ 243,008,749</u>

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COUNTY OF KENT, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2019

Fund balances - total governmental funds \$ 156,399,402

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

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

Capital assets not being depreciated	82,662,493
Capital assets being depreciated, net	211,087,934

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

Deferred inflows for loans receivable	535,252
Deferred inflows for property taxes receivable	2,959,125

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

Net position of governmental activities accounted for in internal service funds:	
Total internal service fund net position	12,581,220
Internal service fund net position accounted for in business-type activities	(689,772)

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

Bonds and contracts payable	(106,935,000)
Deferred charge on advance bond refundings, net	986,518
Bond premiums/discounts, net	(15,137,670)
Pollution remediation liability	(24,529)
Compensated absences	(8,453,310)
Accrued interest on long-term debt	(430,479)

Certain pension and other postemployment benefit-related amounts, such as the net pension asset and other postemployment benefit liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension asset	10,026,997
Deferred outflows related to the net pension asset	9,801,726
Deferred inflows related to the net pension asset	(44,987,821)
Net OPEB liability	(27,438,379)
Deferred outflows related to the net OPEB liability	4,683,441
Deferred inflows related to the net OPEB liability	(6,839,442)

Net position of governmental activities \$ 280,787,706

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

COUNTY OF KENT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2019

	General Fund (101)	Correction and Detention Facilities (254)	Zoo and Museum Millage (257)	Senior Millage (259)
Revenues				
Taxes	\$ 99,734,111	\$ 17,438,187	\$ 9,849,452	\$ 11,041,046
Licenses and permits	30,360	-	-	-
Intergovernmental	24,948,661	323,633	392,978	446,221
Charges for services	30,029,489	-	-	-
Fines and forfeitures	1,555,928	-	-	-
Investment earnings	2,009,372	522,417	13,985	127,817
Contributions and reimbursements	5,360,376	-	-	-
Other	3,625,556	-	-	-
Total revenues	167,293,853	18,284,237	10,256,415	11,615,084
Expenditures				
Current:				
General government	32,025,510	-	-	-
Public safety	62,594,747	1,888,105	-	-
Health and welfare	7,170,040	-	-	11,541,829
Culture and recreation	5,935,143	-	10,256,415	-
Judicial	23,825,765	-	-	-
Community and economic development	1,077,437	-	-	-
Public works	683,478	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	133,312,120	1,888,105	10,256,415	11,541,829
Revenues over (under) expenditures	33,981,733	16,396,132	-	73,255
Other financing sources (uses)				
Transfers in	19,018,039	155,101	-	-
Transfers out	(47,039,877)	(15,208,606)	-	-
Issuance of refunding bonds	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	331,541	-	-	-
Total other financing sources (uses)	(27,690,297)	(15,053,505)	-	-
Net change in fund balances	6,291,436	1,342,627	-	73,255
Fund balances, beginning of year	74,486,994	12,747,488	-	896,941
Fund balances, end of year	\$ 80,778,430	\$ 14,090,115	\$ -	\$ 970,196

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

Child Care (292)	Public Improvement (445)	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 18,174,469	\$ 156,237,265
-	-	1,019,568	1,049,928
12,340,890	2,513,638	36,299,029	77,265,050
286,962	-	23,741,338	54,057,789
-	-	570,410	2,126,338
-	-	911,460	3,585,051
87,419	771,414	6,793,496	13,012,705
-	-	8,287,418	11,912,974
<u>12,715,271</u>	<u>3,285,052</u>	<u>95,797,188</u>	<u>319,247,100</u>
-	-	1,469,762	33,495,272
-	-	21,104,899	85,587,751
26,691,015	-	37,511,496	82,914,380
-	-	73,352	16,264,910
-	-	18,451,865	42,277,630
-	-	9,990,089	11,067,526
-	-	-	683,478
-	-	9,609,810	9,609,810
-	-	5,640,602	5,640,602
-	-	158,579	158,579
-	12,640,985	3,162,315	15,803,300
<u>26,691,015</u>	<u>12,640,985</u>	<u>107,172,769</u>	<u>303,503,238</u>
<u>(13,975,744)</u>	<u>(9,355,933)</u>	<u>(11,375,581)</u>	<u>15,743,862</u>
13,975,747	14,789,295	21,553,207	69,491,389
-	(816,478)	(2,826,428)	(65,891,389)
-	-	18,850,000	18,850,000
-	-	3,396,362	3,396,362
-	-	(21,974,683)	(21,974,683)
-	-	5,501	337,042
<u>13,975,747</u>	<u>13,972,817</u>	<u>19,003,959</u>	<u>4,208,721</u>
3	4,616,884	7,628,378	19,952,583
<u>249,997</u>	<u>25,391,348</u>	<u>22,674,051</u>	<u>136,446,819</u>
<u>\$ 250,000</u>	<u>\$ 30,008,232</u>	<u>\$ 30,302,429</u>	<u>\$ 156,399,402</u>

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COUNTY OF KENT, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ 19,952,583

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

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

Capital assets purchased/constructed	16,878,071
Donated capital assets	668,736
Depreciation expense	(9,479,530)
Proceeds from sale of capital assets	(337,042)
Loss on sale of capital assets	(1,537,269)

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

Net change in deferred inflows for loans receivable	(1,614,582)
Net change in deferred inflows for property taxes receivable	316,651

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

Principal payments on long-term liabilities	9,609,810
Long-term debt forgiven	3,000,000
Premium on issuance of long-term debt	(3,396,362)
Payments to refunded bond escrow agent	21,974,683
Issuance of refunding bonds	(18,850,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term debt	84,444
Amortization of bond premiums/discounts	1,164,400
Amortization of deferred charge on advance bond refundings	(101,496)
Change in the accrual for compensated absences	(325,786)
Change in the net pension asset and related deferred amounts	(9,245,337)
Change in the net other postemployment benefit liability and related deferred amounts	1,522,139

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

Net operating loss of the internal service funds	(4,557,077)
Operating loss of the internal service funds allocated to business-type activities	1,046,057
Interest earnings from internal service funds	787,314
Net operating transfers accounted for in the internal service funds	500,000

Change in net position of governmental activities \$ 28,060,407

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

COUNTY OF KENT, MICHIGAN

Statement of Net Position
 Proprietary Funds
 December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving (516)	Department of Public Works (517)	Total	Internal Service Funds
Assets				
Current assets:				
Cash, investments, and accrued interest	\$ 4,243,490	\$ 88,601,171	\$ 92,844,661	\$ 14,077,208
Accounts receivable, net	-	3,744,694	3,744,694	1,473,549
Taxes receivable	843,194	-	843,194	-
Due from other governments	467,001	-	467,001	19,250
Due from other funds	845	571,155	572,000	203,346
Prepays	-	64,759	64,759	646,818
Restricted cash, investments, and accrued interest	15,145,826	-	15,145,826	-
Restricted receivables	9,137,474	-	9,137,474	-
Total current assets	29,837,830	92,981,779	122,819,609	16,420,171
Noncurrent assets:				
Restricted cash, investments and accrued interest	-	2,378,922	2,378,922	-
Net pension asset	-	381,620	381,620	-
Capital assets not being depreciated	-	6,321,574	6,321,574	-
Capital assets being depreciated, net	-	43,868,177	43,868,177	485,886
Total noncurrent assets	-	52,950,293	52,950,293	485,886
Total assets	29,837,830	145,932,072	175,769,902	16,906,057
Deferred outflows of resources				
Deferred charge on bond refunding, net	-	268,645	268,645	-
Deferred pension amounts	-	363,417	363,417	-
Deferred OPEB amounts	-	254,592	254,592	-
Total deferred outflows of resources	-	886,654	886,654	-

continued...

COUNTY OF KENT, MICHIGAN

Statement of Net Position
 Proprietary Funds
 December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving (516)	Department of Public Works (517)	Total	Internal Service Funds
Liabilities				
Current liabilities:				
Accounts payable	\$ 275,283	\$ 2,561,168	\$ 2,836,451	\$ 610,157
Accrued liabilities	-	503,442	503,442	3,714,680
Due to other funds	-	597,662	597,662	-
Accrued interest	126,667	48,792	175,459	-
Current portion of long-term debt	16,125,277	1,247,931	17,373,208	-
Total current liabilities	<u>16,527,227</u>	<u>4,958,995</u>	<u>21,486,222</u>	<u>4,324,837</u>
Noncurrent liabilities, net of current portion:				
Long-term debt	4,104,401	40,859,081	44,963,482	-
Net OPEB liability	-	1,059,623	1,059,623	-
Total noncurrent liabilities	<u>4,104,401</u>	<u>41,918,704</u>	<u>46,023,105</u>	<u>-</u>
Total liabilities	<u>20,631,628</u>	<u>46,877,699</u>	<u>67,509,327</u>	<u>4,324,837</u>
Deferred inflows of resources				
Deferred pension amounts	-	1,723,579	1,723,579	-
Deferred OPEB amounts	-	214,709	214,709	-
Total deferred inflows of resources	<u>-</u>	<u>1,938,288</u>	<u>1,938,288</u>	<u>-</u>
Net position				
Net investment in capital assets	-	43,039,033	43,039,033	485,886
Restricted for:				
Debt service	3,926,955	2,378,922	6,305,877	-
Property tax foreclosures	479,690	-	479,690	-
Unrestricted	<u>4,799,557</u>	<u>52,584,784</u>	<u>57,384,341</u>	<u>12,095,334</u>
Total net position	<u>\$ 9,206,202</u>	<u>\$ 98,002,739</u>	<u>\$ 107,208,941</u>	<u>\$ 12,581,220</u>

concluded

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

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COUNTY OF KENT, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
December 31, 2019

Net position - total enterprise funds \$ 107,208,941

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

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

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

689,772

Net position of business-type activities

\$ 107,898,713

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

COUNTY OF KENT, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving (516)	Department of Public Works (517)	Total	Internal Service Funds
Operating revenues				
Charges for services	\$ 537,221	\$ 41,119,559	\$ 41,656,780	\$ 23,327,283
Interest and penalties	1,897,652	-	1,897,652	-
Collection fees	646,087	-	646,087	-
Auction proceeds, net	111,398	-	111,398	-
Other	42,725	382,803	425,528	-
Total operating revenues	3,235,083	41,502,362	44,737,445	23,327,283
Operating expenses				
Salaries and fringes	-	5,257,532	5,257,532	164,904
Materials and supplies	-	135,004	135,004	-
Administrative and general	-	4,770,093	4,770,093	-
Contractual services	357,766	20,179,433	20,537,199	131,723
Landfill maintenance	-	3,701,574	3,701,574	-
Benefit payments and refunds	-	-	-	26,136,383
Depreciation	-	5,493,927	5,493,927	154,574
Other	144,679	159,110	303,789	1,296,776
Total operating expenses	502,445	39,696,673	40,199,118	27,884,360
Operating income (loss)	2,732,638	1,805,689	4,538,327	(4,557,077)
Nonoperating revenues (expenses)				
Investment earnings	395,056	2,142,981	2,538,037	787,314
Interest expense	(435,367)	(248,509)	(683,876)	-
Gain on sale of capital assets	-	126,624	126,624	-
Total nonoperating revenues (expenses)	(40,311)	2,021,096	1,980,785	787,314
Income (loss) before transfers	2,692,327	3,826,785	6,519,112	(3,769,763)
Transfers in	-	-	-	500,000
Transfers out	(4,100,000)	-	(4,100,000)	-
Change in net position	(1,407,673)	3,826,785	2,419,112	(3,269,763)
Net position, beginning of year	10,613,875	94,175,954	104,789,829	15,850,983
Net position, end of year	\$ 9,206,202	\$ 98,002,739	\$ 107,208,941	\$ 12,581,220

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

COUNTY OF KENT, MICHIGAN

Reconciliation

Net Changes in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended December 31, 2019

Change in net position - total enterprise funds \$ 2,419,112

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

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

Net operating income (loss) from business-type activities accounted for in
governmental-type internal service funds (1,046,057)

Change in net position of business-type activities \$ 1,373,055

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

COUNTY OF KENT, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving (516)	Department of Public Works (517)	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 20,233,364	\$ 41,032,887	\$ 61,266,251	\$ 22,703,009
Payments to vendors	(307,748)	(25,751,361)	(26,059,109)	(1,365,289)
Payments for personnel services	-	(4,861,120)	(4,861,120)	(173,813)
Benefit payments	-	-	-	(24,592,592)
Delinquent taxes purchased	(16,257,610)	-	(16,257,610)	-
Net cash provided by (used in) operating activities	3,668,006	10,420,406	14,088,412	(3,428,685)
Cash flows from noncapital financing activities				
Proceeds from issuance of long-term debt	16,200,000	-	16,200,000	-
Principal paid on long-term debt	(16,100,000)	-	(16,100,000)	-
Interest paid on long-term debt	(480,368)	-	(480,368)	-
Premium on issuance of long-term debt	26,404	-	26,404	-
Transfers from (to) other funds	(4,100,000)	-	(4,100,000)	500,000
Net cash provided by (used in) noncapital financing activities	(4,453,964)	-	(4,453,964)	500,000
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	248,995	248,995	-
Purchase of capital assets	-	(7,556,961)	(7,556,961)	(261,734)
Principal paid on capital debt	-	(565,000)	(565,000)	-
Interest paid on capital debt	-	(315,349)	(315,349)	-
Net cash used in capital and related financing activities	-	(8,188,315)	(8,188,315)	(261,734)
Cash flows from investing activities				
Interest received on investments	395,056	2,142,981	2,538,037	787,314
Net change in cash and cash equivalents	(390,902)	4,375,072	3,984,170	(2,403,105)
Cash and cash equivalents, beginning of year	19,780,218	86,605,021	106,385,239	16,480,313
Cash and cash equivalents, end of year	\$ 19,389,316	\$ 90,980,093	\$ 110,369,409	\$ 14,077,208

continued...

COUNTY OF KENT, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving (516)	Department of Public Works (517)	Total	Internal Service Funds
Classification on the statement of net position				
Cash, investments, and accrued interest	\$ 4,243,490	\$ 88,601,171	\$ 92,844,661	\$ 14,077,208
Current restricted cash, investments, and accrued interest	15,145,826	-	15,145,826	-
Noncurrent restricted cash, investments, and accrued interest	-	2,378,922	2,378,922	-
	<u>\$ 19,389,316</u>	<u>\$ 90,980,093</u>	<u>\$ 110,369,409</u>	<u>\$ 14,077,208</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 2,732,638	\$ 1,805,689	\$ 4,538,327	\$ (4,557,077)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	5,493,927	5,493,927	154,574
Change in:				
Accounts receivable	-	(472,513)	(472,513)	(433,727)
Taxes receivable	347,519	-	347,519	-
Due from other governments	393,997	-	393,997	500
Due from other funds	(845)	433,222	432,377	(191,047)
Prepays	-	58	58	13,884
Accounts payable	194,697	276,077	470,774	219,348
Accrued liabilities	-	90,161	90,161	1,405,947
Net pension asset	-	(381,620)	(381,620)	-
Net pension liability	-	(2,878,463)	(2,878,463)	-
Deferred inflows - pension	-	1,486,405	1,486,405	-
Deferred outflows - pension	-	2,112,347	2,112,347	-
Net OPEB liability	-	(109,251)	(109,251)	-
Deferred inflows - OPEB	-	32,776	32,776	-
Deferred outflows - OPEB	-	44,057	44,057	-
Due to other funds	-	(430,184)	(430,184)	(41,087)
Landfill closure and post-closure care liability	-	2,917,718	2,917,718	-
	<u>-</u>	<u>2,917,718</u>	<u>2,917,718</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 3,668,006</u>	<u>\$ 10,420,406</u>	<u>\$ 14,088,412</u>	<u>\$ (3,428,685)</u>

concluded

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

COUNTY OF KENT, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
December 31, 2019

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Custodial Funds
Assets			
Cash and cash equivalents	\$ 404,360	\$ -	\$ -
Pooled cash, investments, and accrued interest	-	75,158,670	4,550,685
Accounts receivable	-	-	13,167
Contributions receivable	1,013,680	-	-
Interest receivable	823,058	-	-
Due from brokers	505,410	-	-
Investments, at fair value:			
U.S. government obligations	38,924,406	-	-
U.S. government agency obligations	1,442,282	-	-
Municipal obligations	603,683	-	-
Corporate obligations	34,189,173	-	-
Common stock	389,456,126	-	-
Foreign obligations	8,443,109	-	-
Foreign common stock	1,914,195	-	-
Money market funds	12,257,395	-	-
International equity mutual funds	192,374,525	-	-
Domestic equity mutual funds	12,839,327	-	-
Domestic fixed income mutual funds	6,079,767	-	-
International fixed income mutual funds	153,596,879	-	-
Real estate and infrastructure securities	68,573,439	-	-
Asset-backed securities	10,458,362	-	-
Mortgage-backed securities fund	52,228,565	-	-
Total investments, at fair value	<u>983,381,233</u>	<u>-</u>	<u>-</u>
Total assets	<u>986,127,741</u>	<u>75,158,670</u>	<u>4,563,852</u>
Liabilities			
Accounts payable	1,354,655	-	175,121
Due to brokers	128,082	-	-
Due to other governments	-	-	3,206,137
Total liabilities	<u>1,482,737</u>	<u>-</u>	<u>3,381,258</u>
Net position			
Restricted for:			
Employees' pension benefits	951,910,145	-	-
Other postemployment benefits	32,734,859	-	-
Investment pool participants	-	75,158,670	-
Individuals, organizations, and other governments	-	-	1,182,594
Total net position	<u>\$ 984,645,004</u>	<u>\$ 75,158,670</u>	<u>\$ 1,182,594</u>

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

COUNTY OF KENT, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2019

	Pension and Other Postemployment Benefits Trust Funds	Investment Trust Fund	Custodial Funds
Additions			
Contributions:			
Employer	\$ 12,208,174	\$ -	\$ -
Employer - implicit rate subsidy	1,274,396	-	-
Plan members	9,602,636	-	-
Purchases by participants	-	25,462,944	-
Total contributions	23,085,206	25,462,944	-
Investment earnings:			
Net appreciation in fair value of securities	150,972,110	-	-
Interest	3,263,993	1,812,821	-
Dividends	9,765,312	-	-
Total investment income	164,001,415	1,812,821	-
Investment expense	(3,562,032)	-	-
Net investment income	160,439,383	1,812,821	-
Collections for other governments:			
Fines and fees	-	-	3,417,866
Property taxes	-	-	166,650,754
Collections for individuals:			
Collections of unclaimed property	-	-	77,775
Support payments	-	-	75,169
Bonds and restitution	-	-	580,831
Commissary collected	-	-	368,705
Total additions	183,524,589	27,275,765	171,171,100
Deductions			
Benefit payments	45,162,458	-	-
Benefit payments - implicit rate subsidy	1,274,396	-	-
Administrative expenses	824,426	-	-
Refunds of contributions	749,644	-	-
Redemption by participants	-	21,545,689	-
Payments to other governments:			
Fines and fees	-	-	3,451,291
Property taxes	-	-	166,650,754
Payments to individuals:			
Payment of unclaimed property	-	-	77,775
Support payments	-	-	75,169
Bonds and restitution	-	-	734,461
Commissary paid	-	-	297,793
Miscellaneous	-	-	255,761
Total deductions	48,010,924	21,545,689	171,543,004
Change in net position	135,513,665	5,730,076	(371,904)
Net position, beginning of year, as restated	849,131,339	69,428,594	1,554,498
Net position, end of year	\$ 984,645,004	\$ 75,158,670	\$ 1,182,594

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

COUNTY OF KENT, MICHIGAN

Combining Statement of Net Position
Discretely Presented Component Units

	September 30, 2019	December 31, 2019	
	Road Commission	Drainage Districts	Housing Commission
Assets			
Cash, investments, and accrued interest	\$ 27,072,291	\$ 8,390,801	\$ 671,940
Receivables, net	7,778,992	8,085,868	33,529
Due from primary government	-	-	9,948
Restricted cash, investments, and accrued interest	-	-	-
Restricted receivables	-	-	-
Other assets	3,997,690	1,000	-
Net pension asset	59,235	-	-
Net OPEB asset	433,667	-	-
Capital assets not being depreciated	6,467,279	7,191,632	-
Capital assets being depreciated, net	274,175,715	6,584,186	-
Total assets	319,984,869	30,253,487	715,417
Deferred outflows of resources			
Deferred charge on bond refunding, net	-	33,246	-
Deferred pension amounts	13,757	-	-
Deferred OPEB amounts	805,058	-	-
Total deferred outflows of resources	818,815	33,246	-
Liabilities			
Accounts payable and accrued liabilities	10,822,328	216,357	393,638
Due to primary government	-	1,239,716	-
Unearned revenue	-	157,506	-
Advances from primary government	-	560,286	-
Long-term liabilities:			
Due within one year	2,667,983	900,667	-
Due in more than one year	1,763,952	12,141,394	-
Total liabilities	15,254,263	15,215,926	393,638
Deferred inflows of resources			
Deferred pension amounts	-	-	-
Deferred OPEB amounts	921,652	-	-
Total deferred inflows of resources	921,652	-	-
Net position			
Net investment in capital assets	280,642,994	5,981,006	-
Restricted for debt service	-	7,811,676	-
Restricted for capital projects	-	-	-
Restricted for pension benefits	72,992	-	-
Restricted for OPEB benefits	317,073	-	-
Unrestricted	23,594,710	1,278,125	321,779
Total net position	\$ 304,627,769	\$ 15,070,807	\$ 321,779

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

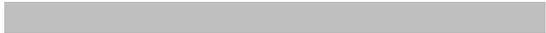
December 31, 2019		
Land Bank Authority	Airport Authority	Total
\$ 82,021	\$ 19,080,227	\$ 55,297,280
73,747	10,241,478	26,213,614
-	-	9,948
-	20,761,402	20,761,402
-	1,256,854	1,256,854
2,649,928	1,798,501	8,447,119
-	7,511,514	7,570,749
-	-	433,667
-	68,581,189	82,240,100
-	309,068,172	589,828,073
<u>2,805,696</u>	<u>438,299,337</u>	<u>792,058,806</u>
-	5,357,866	5,391,112
-	1,273,725	1,287,482
-	-	805,058
-	<u>6,631,591</u>	<u>7,483,652</u>
747,244	8,695,653	20,875,220
-	-	1,239,716
-	5,242,434	5,399,940
-	-	560,286
1,707,887	8,992,789	14,269,326
-	146,485,983	160,391,329
<u>2,455,131</u>	<u>169,416,859</u>	<u>202,735,817</u>
-	418,489	418,489
-	-	921,652
-	<u>418,489</u>	<u>1,340,141</u>
-	227,528,455	514,152,455
-	11,298,926	19,110,602
-	7,441,580	7,441,580
-	8,366,750	8,439,742
-	-	317,073
350,565	20,459,869	46,005,048
<u>\$ 350,565</u>	<u>\$ 275,095,580</u>	<u>\$ 595,466,500</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Activities
Discretely Presented Component Units

	For the Year Ended		
	September 30, 2019	December 31, 2019	
	Road Commission	Drainage Districts	Housing Commission
Expenses			
Road Commission	\$ 69,462,151	\$ -	\$ -
Drainage Districts	-	2,835,879	-
Housing Commission	-	-	4,390,949
Land Bank Authority	-	-	-
Airport Authority	-	-	-
Total expenses	69,462,151	2,835,879	4,390,949
Program revenues			
Charges for services	1,390,677	-	78,671
Operating grants and contributions	75,047,160	1,908,544	4,442,475
Capital grants and contributions	7,024,998	487,755	-
Total program revenues	83,462,835	2,396,299	4,521,146
Net revenues (expense)	14,000,684	(439,580)	130,197
General revenues			
Property taxes	-	-	-
Unrestricted investment earnings	781,746	180,844	500
Gain on sale of capital assets	-	-	-
Other revenues	2,770,868	-	-
Total general revenues	3,552,614	180,844	500
Change in net position	17,553,298	(258,736)	130,697
Net position, beginning of year	287,074,471	15,329,543	191,082
Net position, end of year	\$ 304,627,769	\$ 15,070,807	\$ 321,779

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



For the Year Ended		
December 31, 2019		
Land Bank Authority	Airport Authority	Total
\$ -	\$ -	\$ 69,462,151
-	-	2,835,879
-	-	4,390,949
3,131,945	-	3,131,945
-	54,878,269	54,878,269
<u>3,131,945</u>	<u>54,878,269</u>	<u>134,699,193</u>
1,963,165	56,730,862	60,163,375
1,296	-	81,399,475
-	28,706,120	36,218,873
<u>1,964,461</u>	<u>85,436,982</u>	<u>177,781,723</u>
<u>(1,167,484)</u>	<u>30,558,713</u>	<u>43,082,530</u>
444,508	-	444,508
20	513,611	1,476,721
-	45,103	45,103
-	-	2,770,868
<u>444,528</u>	<u>558,714</u>	<u>4,737,200</u>
(722,956)	31,117,427	47,819,730
<u>1,073,521</u>	<u>243,978,153</u>	<u>547,646,770</u>
<u>\$ 350,565</u>	<u>\$ 275,095,580</u>	<u>\$ 595,466,500</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

Reporting Entity

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

Blended Component Units

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

Discretely Presented Component Units

Kent County Road Commission (the “Road Commission”) - The Road Commission is responsible for the maintenance and construction of the County road system. The County appoints the members of the Road Commission and is a direct beneficiary of the services provided. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. The component unit is audited individually and complete financial statements can be obtained from the Road Commission’s administrative office. The Road Commission’s fiscal year end is September 30.

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The financial activity of the Drainage Districts for the year ended December 31, 2019 is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from the Kent County Drain Commissioner.

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

Kent County Land Bank Authority (“Land Bank”) - The Land Bank was incorporated pursuant to the Michigan Land Bank Fast Track Act (Public Act 258) and an intergovernmental agreement between the Land Bank and the County of Kent. The Land Bank bylaws state that it is governed by a five-member board, the chair of which is the Kent County Treasurer; the other four members are appointed by the Kent County Board of Commissioners. Because members of the Land Bank are appointed by the Kent County Board of Commissioners, the County exercises effective control over its activities. The component unit is audited individually and complete financial statements can be obtained from the Land Bank’s administrative office.

Gerald R. Ford International Airport Authority (“Airport”) - The Airport accounts for the operation and maintenance of the Gerald R. Ford International Airport. Financing is provided primarily by user charges and capital contributions. The Airport was established as an Authority on September 2, 2015 and began operations on July 1, 2016 resulting in a transfer of operations from the Department of Aeronautics enterprise fund. The Airport is governed by a seven-member Board whose members are appointed by the County Board of Commissioners. The County has pledged its limited tax obligation against the Airport’s outstanding revenue bonds. In order to continue leveraging the County’s AAA credit risk rating (by having the County’s limited tax guarantee), the Board of Commissioners must approve the issuance of any additional bonds. Because all of the members of the Airport board are appointed by the Kent County Board of Commissioners (demonstrating that the County exercises effective control over Airport activities) and because the Airport is reliant on the County for its limited tax pledge on bonds payable, the Airport is reported as a discretely presented component unit. The component unit is audited individually and complete financial statements can be obtained from the Airport’s administrative office.

Administrative Offices

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

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

Kent County Land Bank Authority
300 Monroe Avenue NW
Grand Rapids, MI 49503

Gerald R. Ford International Airport Authority
5500 44th Street SE
Grand Rapids, MI 49512

Kent County Housing Commission
121 Franklin Street, SE, Suite 110
Grand Rapids, MI 49507

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Fiduciary Component Units

The *Employees' Retirement System* (the System) is a single-employer defined benefit contributory retirement plan which provides pension, death and disability benefits covering certain full-time employees of Kent County. The System is administered through a qualified trust. The System is administered by the County; accordingly, it is included as a fiduciary component unit in the County's financial statements. Plan amendments are under the authority of County Ordinances. The County is financially accountable for the System, as it obligated to make employer contributions. Changes in required contributions are subject to collective bargaining agreements and approval by the Kent County Board of Commissioners.

The *Kent County Voluntary Employees' Beneficiary Association* (VEBA) is a single-employer defined benefit postemployment healthcare plan established and administered by Kent County to provide medical and healthcare benefits for retirees and their beneficiaries. Eligible participants include any retirees who receive pension benefits under one of the County's pension plans. The VEBA is administered through a qualified trust. The County is financially accountable for the VEBA, as it obligated to make employer contributions. Association provisions are established and may be amended by the Kent County Board of Commissioners, subject to the County's various collective bargaining agreements.

Other Related Entities

Kent County Parks Foundation (the "Foundation") - The Kent County Parks Foundation is a 501(c)(3) not-for-profit organization that was created for the purpose of acquiring, developing, constructing and maintaining real estate and land improvements for public park and recreation purposes. The Chair of the County Board of Commissioners (or designee) serves on the Foundation's Board of Directors. The County has determined that the Foundation does not meet the criteria for reporting as a component unit of the County and, accordingly, it has not been included in the accompanying financial statements.

Joint Ventures

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

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

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

Statement of Net Position	June 30, 2019
Total assets	\$ 165,171,408
Total liabilities	85,096,144
Total deferred inflows of resources	<u>71,065</u>
Total net position	<u>\$ 80,004,199</u>

Statement of Revenues, Expenses and Change in Net Position	Year Ended June 30, 2019
Operating revenues	\$ -
Operating expenses	<u>4,427,457</u>
Operating loss	(4,427,457)
Nonoperating revenues (expenses), net	<u>3,008,056</u>
Change in net position	(1,419,401)
Net position, beginning of year	<u>81,423,600</u>
Net position, end of year	<u>\$ 80,004,199</u>

As of June 30, 2019, the Joint Building Authority had capital appreciation bonds payable outstanding in the amount of \$85,086,938 including accrued interest of \$49,932,375 and bond premium of \$1,079,012. These bonds are retired through lease payments made by the City and County and through payments from the County of Kent lodging excise tax. The bonds are secured by a limited full faith and credit pledge of the County. The interest rates on these bonds range from 3.0%-5.59%, with final maturities due in 2031.

The annual principal and interest requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 3,253,950	\$ 4,503,300	\$ 7,757,250
2021	3,200,176	4,817,624	8,017,800
2022	3,152,569	5,137,631	8,290,200
2023	3,129,531	5,462,269	8,591,800
2024	3,101,469	5,790,931	8,892,400
2025-2029	11,719,000	34,551,000	46,270,000
2030-2032	<u>6,518,856</u>	<u>25,686,144</u>	<u>32,205,000</u>
Total	<u>\$ 34,075,551</u>	<u>\$ 85,948,899</u>	<u>\$ 120,024,450</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

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

Statement of Net Position	June 30, 2019
Total assets	\$ 45,345,616
Total liabilities	<u>19,753,870</u>
Total net position	<u>\$ 25,591,746</u>
Statement of Revenues, Expenses and Change in Net Position	Year Ended June 30, 2019
Operating revenues	\$ 17,883,544
Operating expenses	<u>17,961,728</u>
Operating loss	(78,184)
Nonoperating revenues (expenses), net	<u>181,398</u>
Change in net position	103,214
Net position, beginning of year	<u>25,488,532</u>
Net position, end of year	<u>\$ 25,591,746</u>

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except taxes and E-911 surcharge collections which must be collected within 60 days, health department revenue which must be collected within 120 days, and expenditure-driven grants which must be collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Property tax chargebacks are recognized based on the date in which the MTT/BOR order is received.

The County reports the following major governmental funds:

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

The *Zoo and Museum Millage Special Revenue Fund* accounts for the proceeds of a dedicated millage levied for operations, capital improvements, and educational opportunities at John Ball Zoo and the Grand Rapids Public Museum.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The *Senior Millage Special Revenue Fund* accounts for the proceeds of a dedicated millage levied to plan, coordinate, evaluate and provide services to persons 60 years of age or older.

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

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

The *Public Improvement Capital Projects Fund* accounts for revenue set aside for public improvements.

The County reports the following major proprietary funds:

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

The *Delinquent Tax Revolving Enterprise Fund* accounts for the collection and administration of delinquent property taxes levied in prior years.

Additionally, the County reports the following fund types:

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

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

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

Internal Service Funds account for the insurance activity of the County, which is provided to other departments and funds on a cost reimbursement basis, along with office equipment and vehicle pools for the purchase and maintenance of County office equipment and vehicles.

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

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

Custodial Funds accounts for assets held by the County in a custodial capacity for other governments and entities. Primarily this includes undistributed collections and withholdings such as state education taxes, current property taxes, state jail booking fees, state real estate transfer taxes, and library penal fines.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

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

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

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

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

Receivables and Payables

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

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

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

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

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

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

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Restricted Assets

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

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

The Department of Public Works enterprise fund's restricted assets represent a Perpetual Care Fund for the South Kent Landfill. This balance is required to be held in trust by the Michigan Department of Environment, Great Lakes and Energy ("EGLE") to be used for landfill closure and post-closure monitoring and maintenance.

The Delinquent Tax Revolving enterprise fund restricted assets are held for the debt retirement of the 2018 and 2019 General Obligation Limited Tax Notes.

Other Assets

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are accounted for in governmental funds using the consumption method whereby expenditures are recognized over the benefitting period.

Capital Assets

Capital assets, which include property, buildings (which will include land, property, buildings and equipment) and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets having a useful life in excess of three years and whose costs equal or exceed \$10,000 (\$300,000 for Drain infrastructure and \$50,000 for Airport Authority assets). Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their acquisition value as of the donation date.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

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

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

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

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

Road Commission - Discretely Presented Component Unit

Capital assets, which include land, property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 to \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost of purchase or construction. Donated capital assets are recorded at their acquisition value as of the donation date.

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

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Land Bank Authority - Discretely Presented Component Unit

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

Airport Authority - Discretely Presented Component Unit

Capital assets include land improvements, buildings and improvements, equipment, systems, office equipment and furniture, and vehicles. Capital assets are defined by the Airport as assets with an initial individual cost of more than \$50,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, net of accumulated depreciation. Donated capital assets are recorded at estimated acquisition value at the date of donation. Interest incurred during the construction of capital assets is included as part of the capitalized value of the assets constructed.

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.

Capital assets are depreciated using the straight-line method over the following useful lives:

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows for the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized on a straight-line basis over the shorter of the life of the refunded or refunding debt. In addition, the County reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Compensated Absences

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

Short-term Borrowings

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

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

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

Property taxes (excluding those for the General Fund, which are subject to a different timeline) are levied and attach as an enforceable lien on property on December 1. Property taxes unpaid as of February 28 are considered to be delinquent. Although the County's 2019 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2019, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the County's operations. Therefore, the entire amount of the December 1, 2019 levies is reported as deferred inflows of resources at year-end.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Finally, the County reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans.

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form, (b) legally or contractually required to be maintained intact or (c) represent long-term advances in the General Fund. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners, pursuant to the County's Fund Balance/Fund Equity policy, has delegated the authority to assign fund balance to the County Administrator/Controller or their designee. Unassigned fund balance is the residual classification for the General Fund and includes all amounts not reported in the other classifications. Other governmental funds besides the General Fund can only report a negative unassigned fund balance, which would occur if expenditures were to be incurred for specific purposes that exceeded the amounts restricted, committed or assigned in the fund.

The County Board of Commissioners has formally established a budget stabilization arrangement under which it commits General Fund fund balance in an amount equal to 10% of the subsequent year's adopted General Fund and subsidized governmental fund budgets to insulate County programs and current service levels from large (\$1 million or more) and unanticipated one time General Fund expenditure requirements, reductions in budgeted General Fund revenues due to a change in state or federal requirements, adverse litigation, catastrophic loss, or any similar swift unforeseen event. This commitment may be used if one of the several potential qualifying events occurs (as detailed in a Board of Commissioners resolution), the County Administrator/Controller estimates the qualifying event will cost \$1 million or more, and the Board of Commissioners, by majority vote of members present, affirms the qualifying event. As of December 31, 2019, the balance in the stabilization arrangement was \$27,513,807.

The County Board of Commissioners has adopted a minimum fund balance policy in which the total fund balance of the General Fund will be equal to at least 40% of the subsequent year's adopted General Fund budgeted expenditures and transfers out. If the General Fund balance falls below the minimum range, the County will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy. At December 31, 2019, total fund balance of the General Fund met the minimum percentage requirement.

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Interfund Transactions

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

Capital Contributions - Gerald R. Ford International Airport Authority

Passenger facility charges are collected for capital projects and are being used to pay debt service on the Airport Revenue Refunding Bonds, Series 2009; partially refunded by the Airport Revenue Refunding Bonds, Series 2018. In 2005, an increase to the passenger facility charges rate was approved which will be used for terminal improvements.

Customer facility charges are collected for rental car related capital projects. This charge, which amounts to \$3 per transaction day on rental car transactions, was approved by the Aeronautics Board on August 31, 2005. The revenue was used to develop new rental car service facilities and rental vehicle ready/return spaces in the parking structure. At that time, the Airport Board approved for the CFC revenue to be put towards the payment of debt incurred during the 2015 construction of the roof of the parking structure, as well as a maintenance fund for the car rental service facilities.

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration, with certain matching funds provided by the Aeronautics Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred and reimbursement has been requested.

Revenue Concentrations

The Department of Public Works enterprise fund has four major customers accounting for 40.7% of net sales in 2019. The same customers accounted for 36.8% of accounts receivable at December 31, 2019.

Pension and Other Postemployment Benefits Plans

The financial statements of the Kent County Employees' Retirement Plan and the Voluntary Employees' Beneficiary Association (the "Plans") are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Dividend income is recognized based on the ex-dividend date, and interest income is recognized on the accrual basis as earned. All realized gains and losses on investments are recognized at the point of sale and are included in investment income. Purchases and sales of investments are recorded as of the trade date, which is the date when the transaction is initiated. Administration costs are financed initially through forfeited contributions by terminated employees not vested in the Plans and through the Plans' investment earnings.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Use of Estimates

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

2. BUDGETARY INFORMATION

Budget Policy and Compliance

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

1. The County Administrator submits to the Finance and Physical Resources Committee a proposed operating budget for the fiscal year commencing the first day of the following fiscal year.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgets are adopted and are authorized by resolution at the department (activity) level within funds by the County Board of Commissioners. This is the local legal level of budgetary control. All unexpended and unobligated appropriations lapse at year-end.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

7. Adoption and amendments of all budgets used by the County are governed by Public Act 621, which was followed during the year. The appropriations resolution is based on the projected expenditures budget of the department heads of the County. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the County Board of Commissioners. The County Administrator is authorized to transfer budgeted amounts within an activity, subject to the condition that the total expenditures do not exceed the approved appropriations by activity. Supplemental appropriations were necessary during the year.

P.A 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the department (activity) level basis for all governmental funds, which is the legal level of control. The budgetary schedules presented in the financial statements are at a greater level of detail than the legal level of budgetary control. During the current year, there were no expenditures in excess of budgeted amounts.

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

3. DEPOSITS AND INVESTMENTS

General County

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2019:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash, investments, and accrued interest	\$ 258,662,972	\$ 55,297,280	\$ 313,960,252
Restricted cash, investments, and accrued interest	17,524,748	20,761,402	38,286,150
Statement of Fiduciary Net Position			
Pension and other postemployment benefit trust funds:			
Cash and cash equivalents	404,360	-	404,360
Investments	983,381,233	-	983,381,233
Investment trust fund:			
Pooled cash, investments, and accrued interest	75,158,670	-	75,158,670
Custodial funds:			
Pooled cash, investments, and accrued interest	4,550,685	-	4,550,685
Total	\$ 1,339,682,668	\$ 76,058,682	\$ 1,415,741,350
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 71,480,428
Certificates of deposit, due within one year			423,493
Pooled certificates of deposit:			
Due within one year			215,281,709
Due in one to five years			28,243,906
Airport trustee collateralized deposits			14,576,676
Investments:			
Pooled investments, at fair value			91,905,996
Accrued income on pooled investments			4,266,816
DPW Perpetual Care Fund (South Kent Landfill, Note 20)			2,378,922
Timing difference for funds and component units with different fiscal year-ends participating in pooled investments			3,687,438
Pension trust fund investments			950,743,633
VEBA trust fund investments			32,637,600
Cash on hand			114,733
Total			\$ 1,415,741,350

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. It is County policy to review and verify a bank's creditworthiness through a system of ratio analysis and from information provided by several third-party sources. In addition, the County's investment policy places concentration limits on the total amount deposited with a single financial institution. As of year-end, \$324,536,764 of the County's bank balance of \$331,453,000 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2019:

Pooled investments:	
Money market funds	\$ 42,464,206
U.S. government treasuries and agencies	49,441,790
Total pooled investments	<u>91,905,996</u>
Separately-held investments:	
Money market mutual fund	<u>2,378,922</u>
Total	<u>\$ 94,284,918</u>

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that all investment transactions be conducted through a custodian that will act as the system's third party as evidenced by safekeeping receipts in the County's name. The investment policy requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (SOC-1 report). To reduce custodial risk further, the County's investment policy requires that all trades of marketable securities be executed by delivery versus payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. As of December 31, 2019, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

	Pooled Investments	Separately-held Investments	Totals
S&P AAA/AAAm	\$ 42,464,206	\$ 2,378,922	\$ 44,843,128
S&P AA	49,441,790	-	49,441,790
Total	\$ 91,905,996	\$ 2,378,922	\$ 94,284,918

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

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

	No maturity	Due < 1 year	Due in 1-5 years	Totals
Pooled investments:				
Money market funds	\$ 42,464,206	\$ -	\$ -	\$ 42,464,206
U.S. government securities	-	22,097,150	27,344,640	49,441,790
	42,464,206	22,097,150	27,344,640	91,905,996
Separately-held investments:				
Mutual funds	2,378,922	-	-	2,378,922
Total	\$ 44,843,128	\$ 22,097,150	\$ 27,344,640	\$ 94,284,918

The money market funds are comprised of short-term securities (maturity generally less than 90 days). The average portfolio maturity for the separately-held mutual fund is 34 days.

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

At December 31, 2019, the County had no investment in a single issuer that exceeded 25% of total investments.

Fair Value Measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Carried at Amortized Cost	Total
Michigan Liquid Asset Fund	\$ -	\$ -	\$ 20,474,783	\$ 20,474,783
U.S. government securities	-	49,441,790	-	49,441,790
Mutual funds	2,378,922	-	-	2,378,922
Total investments by fair value level	<u>\$ 2,378,922</u>	<u>\$ 49,441,790</u>	<u>\$ 20,474,783</u>	72,295,495
Investments carried at net asset value:				
Michigan CLASS government investment pool				<u>21,989,423</u>
Total investments				<u>\$ 94,284,918</u>

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. After the initial offering period, U.S. government securities are valued based on active trade data for comparable investments. Money market mutual funds are valued by fund managers based on the fair value of the underlying securities. The County's investment in the Michigan Liquid Asset Fund (MILAF) is carried at amortized cost (which approximates fair value).

The County holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the County's investment in the Michigan CLASS government investment pool was \$21,989,423. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Pension and Other Postemployment Benefits Trust Funds

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

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

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

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

Following is a summary of pension and other postemployment benefits trust investments as of December 31, 2019:

	Pension Trust	VEBA Trust	Total
U.S. government obligations	\$ 38,924,406	\$ -	\$ 38,924,406
U.S. government agency obligations	1,442,282	-	1,442,282
Municipal obligations	603,683	-	603,683
Corporate obligations	34,189,173	-	34,189,173
Common stock	389,456,126	-	389,456,126
Foreign obligations	8,443,109	-	8,443,109
Foreign common stock	1,914,195	-	1,914,195
Money market funds	12,257,395	-	12,257,395
International equity mutual funds	185,810,246	6,564,279	192,374,525
Domestic equity mutual funds	-	12,839,327	12,839,327
Domestic fixed income mutual funds	-	6,079,767	6,079,767
International fixed income mutual funds	147,468,325	6,128,554	153,596,879
Real estate and infrastructure securities	67,547,766	1,025,673	68,573,439
Asset-backed securities	10,458,362	-	10,458,362
Mortgage-backed securities fund	52,228,565	-	52,228,565
Total investments	\$ 950,743,633	\$ 32,637,600	\$ 983,381,233

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Credit Risk. The investment policies require that bonds have a minimum quality rating of BBB/Baa at the time of purchase. The overall portfolio is expected to maintain an average credit quality of AA- or higher. Money market instruments shall have a minimum quality rating comparable to an A bond rating and commercial paper shall not be rated less than A1/P1 unless held in a diversified short-term commingled fund. For collateralized mortgage obligations, only issues rated AA or better at time of purchase are permitted. Equity mutual funds are not subject credit risk.

As of December 31, 2019, the pension and other postemployment benefits trust investments had the following credit risk ratings:

	Pension Trust	VEBA Trust	Total
Standard and Poor's AAA	\$ 8,846,447	\$ -	\$ 8,846,447
Standard and Poor's AA	4,090,326	-	4,090,326
Standard and Poor's A	17,145,347	-	17,145,347
Standard and Poor's BBB	21,514,529	-	21,514,529
Standard and Poor's BB	60,100	-	60,100
Standard and Poor's B	23,458	-	23,458
Unrated	131,496,912	-	131,496,912
Not subject to credit risk	767,566,514	32,637,600	800,204,114
Total	\$ 950,743,633	\$ 32,637,600	\$ 983,381,233

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's pension investment policies require that investment securities be held in trust by a third-party institution in the name of the pension trust fund. As such, although uninsured and unregistered, the County's pension investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the name of the pension trust fund. Open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

The amounts reported as cash and money market funds in the statement of fiduciary net position are insured by the Federal Depository Insurance Corporation and the Securities Investors Protection Act, respectively, for up to \$250,000 and \$500,000 per financial institution, respectively. The carrying amount of the pension accounts as of December 31, 2019 was \$12,257,395, of which the insured amount was \$2,856,808; the remaining balance of \$9,400,587 is uninsured and uncollateralized. As of year-end, \$154,360 of the VEBA's bank balance of \$404,360 was exposed to custodial credit risk because it was uninsured and uncollateralized.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

As of December 31, 2019, the pension and other postemployment benefits trust fund had no investment in a single issuer, other than U.S. treasuries and agencies, that exceeded the above percentages.

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

Investment (currency in U.S. dollar)	Pension Trust	VEBA Trust	Total
Foreign obligations	\$ 8,443,109	\$ -	\$ 8,443,109
Foreign common stock	1,914,195	-	1,914,195
International equity mutual funds	185,810,246	6,564,279	192,374,525
International fixed income mutual funds	147,468,325	6,128,554	153,596,879
Total	\$ 343,635,875	\$ 12,692,833	\$ 356,328,708

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Plans' policies provide for their fixed income portfolios to have an average duration of no more than 120% of the duration of the stated benchmark which varies by portfolio. Investments in equity mutual funds are comprised of securities with no stated maturity date. Accordingly, such investments are deemed to have an average duration of zero years. The VEBA Plans' investments in fixed income mutual funds have average durations ranging from 3.00 to 5.83 years.

At December 31, 2019, maturities of the County's pension and VEBA investments were as follows:

	Pension Trust	VEBA Trust	Total
Less than 1 year	\$ 5,444,736	\$ -	\$ 5,444,736
1 - 5 years	39,697,400	-	39,697,400
6 - 10 years	28,943,014	-	28,943,014
More than 10 years	44,855,410	-	44,855,410
No maturity	831,803,073	32,637,600	864,440,673
Total	\$ 950,743,633	\$ 32,637,600	\$ 983,381,233

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Fair Value Measurement. The Plans categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The pension trust has the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
U.S. government obligations	\$ -	\$ 38,924,406	\$ -	\$ 38,924,406
U.S. government agency obligations	-	1,442,282	-	1,442,282
Municipal obligations	-	603,683	-	603,683
Corporate obligations	-	34,189,173	-	34,189,173
Common stock	211,519,830	177,936,296	-	389,456,126
Foreign obligations	-	8,443,109	-	8,443,109
Foreign common stock	1,914,195	-	-	1,914,195
International equity mutual funds	-	185,810,246	-	185,810,246
International fixed income mutual funds	44,472,133	46,674,010	56,322,182	147,468,325
Real estate and infrastructure securities	-	-	67,547,766	67,547,766
Asset-backed securities	-	10,458,362	-	10,458,362
Mortgage-backed securities fund	-	52,228,565	-	52,228,565
Total investments by fair value level	\$ 257,906,158	\$ 556,710,132	\$ 123,869,948	938,486,238
Money market fund measured at amortized cost (which approximates fair value)				<u>12,257,395</u>
Total investments				<u>\$ 950,743,633</u>

The VEBA trust has the following recurring fair value measurements as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Domestic equity mutual funds	\$ 3,301,050	\$ 9,538,277	\$ -	\$ 12,839,327
International equity mutual funds	6,564,279	-	-	6,564,279
Domestic fixed income mutual funds	6,079,767	-	-	6,079,767
International fixed income mutual funds	3,823,405	2,305,149	-	6,128,554
Real estate securities	-	-	1,025,673	1,025,673
Total investments	\$ 19,768,501	\$ 11,843,426	\$ 1,025,673	\$ 32,637,600

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Debt securities are valued by the Plans' investment custodian using independent pricing services based on the type of asset. The pricing services may use valuation models or matrix pricing, which consider: (a) benchmark yields, (b) reported trades, (c) broker/dealer quotes, (d) benchmark securities, (e) bids or offers, and (f) reference data. Asset-backed and mortgage-backed securities funds are valued based on the future cash flows of the principal and interest payments of the underlying collateral of mortgages on various assets. The fair value of real estate and infrastructure investments is based on independent appraisals.

Certain investments are subject to redemption restrictions. Real estate and infrastructure securities are restricted based on the applicable portfolio: (a) quarterly with a 45-day written notice, or (b) on March 31 or September 30 with a 90-day notice. Equity mutual funds are generally restricted to redemption on the first or last day of each month. All other investments are subject to daily redemption.

Cash and Investment Pool

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

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

Condensed Statement of Net Position

Assets	
Demand deposits	\$ 46,929,199
Imprest cash	14,577
Cash on hand	70,311
Certificates of deposit	243,525,615
Pooled investments	91,905,996
Accrued interest	4,266,816
	<hr/>
Total assets	\$ 386,712,514
Net position	
Available for external pool participants	\$ 80,247,181
Available for internal pool participants	306,465,333
	<hr/>
Total net position	\$ 386,712,514
	<hr/>
Shares outstanding (unlimited shares authorized)	386,712,514
	<hr/>
Net asset value, offering and redemption price per share	\$ 1

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Condensed Statement of Changes in Net Position

Revenues	
Interest income	<u>\$ 9,161,964</u>
Shares transactions at net position value of \$1 per share	
Purchase of units	(1,343,983,752)
Redemption of units	<u>1,366,400,072</u>
Net change in net position and shares resulting from shares transactions	<u>22,416,320</u>
Change in net position	31,578,284
Net position, beginning of year	<u>355,134,230</u>
Net position, end of year	<u><u>\$ 386,712,514</u></u>

Custodial Credit Risk. At December 31, 2019, the carrying amount of the Sungard System's deposits was \$290,454,814 and the bank balances totaled \$291,767,348. Of the bank balance, \$6,250,000 was insured and \$285,517,348 was uninsured and uncollateralized. In addition, the Sungard System maintained imprest cash and cash on hand of \$84,888. There was no custodial credit risk related to the investments.

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

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

4. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 7,779,218	\$ 3,793,694	\$ 4,774,346
Less: allowance for uncollectibles	-	(49,000)	-
Taxes (current)	45,175,847	9,137,474	-
Taxes (delinquent)	301,220	843,194	-
Due from other governments	20,450,918	467,001	14,814,101
Loans	535,252	-	-
Special assessments	-	-	<u>7,882,021</u>
Total receivables	<u>\$ 74,242,455</u>	<u>\$ 14,192,363</u>	<u>\$ 27,470,468</u>

The Airport Authority component unit and Delinquent Tax Revolving enterprise fund reported restricted receivables of \$1,256,854 and \$9,137,474, respectively. The Airport Authority's restricted receivable is restricted for capital improvements related to passenger and customer facility charges. The Delinquent Tax Revolving Fund's restricted receivables are restricted for debt service payments on the 2018 and 2019 General Obligation Limited Tax Notes.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Of the amounts reported for receivables above, special assessments and loans receivable in the amount of \$6,930,135 and \$535,252, respectively, are not expected to be collected within one year.

The amount recorded as an allowance for uncollectibles in business-type activities is related to billings receivable in the Department of Public Works fund.

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

	Taxes Levied for Subsequent Period	Unavailable	Total
Governmental Funds			
Loans receivable	\$ -	\$ 535,252	\$ 535,252
Property taxes receivable	47,030,771	2,959,125	49,989,896
Total	<u>\$ 47,030,771</u>	<u>\$ 3,494,377</u>	<u>\$ 50,525,148</u>

5. OTHER ASSETS

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

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ 2,151,148	\$ -	\$ 5,843,672
Prepays	915,632	64,759	2,603,447
Total other assets	<u>\$ 3,066,780</u>	<u>\$ 64,759</u>	<u>\$ 8,447,119</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 11,827,602	\$ 2,836,451	\$ 8,886,163
Accrued liabilities	10,725,415	503,442	2,728,564
Due to other governments	115,435	-	5,898,277
Accrued interest on long-term debt	430,479	175,459	3,362,216
Total payables	<u>\$ 23,098,931</u>	<u>\$ 3,515,352</u>	<u>\$ 20,875,220</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

7. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2019, was as follows:

Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General fund	\$ 7,292,264	\$ 6,986,983
Correction and detention facilities	-	90
Zoo and museum millage	-	183
Senior millage	-	46,992
Child care	1,537,584	4,134,575
Public improvement	5,014,157	6,806
Nonmajor governmental funds	454,021	3,300,081
Delinquent tax revolving	845	-
Department of public works	571,155	597,662
Internal service funds	203,346	-
	<u>\$ 15,073,372</u>	<u>\$ 15,073,372</u>
Total	\$ 15,073,372	\$ 15,073,372

In addition, an interfund balance existed between governmental activities and business-type activities in the amount of \$689,772. This resulted from the allocation of a portion of internal service fund net position of governmental-type internal service funds to business-type activities.

Due to and from component units

	Due from Component Units	Due to Primary Government	Due from Primary Government	Due to Component Unit
General fund	\$ 1,239,716	\$ -	\$ -	\$ -
Nonmajor governmental funds	-	-	-	9,948
Drainage Districts	-	1,239,716	-	-
Housing Commission	-	-	9,948	-
	<u>\$ 1,239,716</u>	<u>\$ 1,239,716</u>	<u>\$ 9,948</u>	<u>\$ 9,948</u>
Total	\$ 1,239,716	\$ 1,239,716	\$ 9,948	\$ 9,948

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General fund	\$ 560,286	\$ -
Drainage Districts	-	560,286
Total	\$ 560,286	\$ 560,286

For the year ended December 31, 2019, interfund transfers consisted of the following:

Transfers Out	Transfers In						Totals
	General Fund	Correction and Detention Facilities	Child Care	Public Improvement	Nonmajor Governmental Funds	Internal Service Funds	
General fund	\$ -	\$ -	\$ 13,975,747	\$ 14,726,795	\$ 17,837,335	\$ 500,000	\$ 47,039,877
Correction and detention facilities	13,400,000	-	-	-	1,808,606	-	15,208,606
Public improvement	-	-	-	-	816,478	-	816,478
Nonmajor governmental funds	1,518,039	155,101	-	62,500	1,090,788	-	2,826,428
Delinquent tax revolving	4,100,000	-	-	-	-	-	4,100,000
Total	\$ 19,018,039	\$ 155,101	\$ 13,975,747	\$ 14,789,295	\$ 21,553,207	\$ 500,000	\$ 69,991,389

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. A transfer of \$4,100,000 was made from the Delinquent Tax Revolving Fund to the General Fund representing a surplus from closed tax years.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

8. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 76,170,032	\$ 5,397,322	\$ -	\$ -	\$ 81,567,354
Property easements	36,583	-	-	-	36,583
Construction in progress	20,163,847	9,859,561	(1,214,974)	(27,749,878)	1,058,556
	<u>96,370,462</u>	<u>15,256,883</u>	<u>(1,214,974)</u>	<u>(27,749,878)</u>	<u>82,662,493</u>
Capital assets, being depreciated:					
Land improvements	40,503,269	419,572	(958,724)	802,138	40,766,255
Buildings and improvements	242,338,119	262,620	(358,309)	24,437,893	266,680,323
Machinery and equipment	44,214,206	1,029,377	(1,690,601)	2,509,847	46,062,829
Motor vehicles	8,876,561	812,802	(255,771)	-	9,433,592
Infrastructure	745,921	-	-	-	745,921
Animals	12,500	27,287	-	-	39,787
	<u>336,690,576</u>	<u>2,551,658</u>	<u>(3,263,405)</u>	<u>27,749,878</u>	<u>363,728,707</u>
Less accumulated depreciation for:					
Land improvements	(23,195,437)	(1,442,060)	939,054	-	(23,698,443)
Buildings and improvements	(83,385,233)	(5,100,247)	117,383	-	(88,368,097)
Machinery and equipment	(33,863,216)	(2,398,440)	1,359,365	-	(34,902,291)
Motor vehicles	(4,215,808)	(652,697)	188,266	-	(4,680,239)
Infrastructure	(453,907)	(36,681)	-	-	(490,588)
Animals	(11,250)	(3,979)	-	-	(15,229)
	<u>(145,124,851)</u>	<u>(9,634,104)</u>	<u>2,604,068</u>	<u>-</u>	<u>(152,154,887)</u>
Total capital assets being depreciated, net	<u>191,565,725</u>	<u>(7,082,446)</u>	<u>(659,337)</u>	<u>27,749,878</u>	<u>211,573,820</u>
Governmental activities capital assets, net	<u>\$ 287,936,187</u>	<u>\$ 8,174,437</u>	<u>\$ (1,874,311)</u>	<u>\$ -</u>	<u>\$ 294,236,313</u>

At December 31, 2019, the County's governmental activities had outstanding commitments through construction contracts of approximately \$50,000.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,351,672	\$ 430,415	\$ -	\$ -	\$ 5,782,087
Construction in progress	317,395	632,026	-	(409,934)	539,487
	<u>5,669,067</u>	<u>1,062,441</u>	<u>-</u>	<u>(409,934)</u>	<u>6,321,574</u>
Capital assets, being depreciated:					
Landfill cells	17,308,354	2,517,442	-	-	19,825,796
Land improvements	9,165,164	-	-	37,737	9,202,901
Buildings and improvements	83,672,833	1,657,983	(52,792)	1,004,500	86,282,524
Machinery and equipment	21,320,993	2,191,176	(585,880)	(697,303)	22,228,986
Vehicles	744,499	127,919	(119,857)	65,000	817,561
	<u>132,211,843</u>	<u>6,494,520</u>	<u>(758,529)</u>	<u>409,934</u>	<u>138,357,768</u>
Less accumulated depreciation for:					
Landfill cells	(11,311,018)	(557,617)	-	-	(11,868,635)
Land improvements	(6,643,597)	(267,263)	-	(21,812)	(6,932,672)
Buildings and improvements	(60,344,896)	(2,480,151)	52,792	(183,689)	(62,955,944)
Machinery and equipment	(10,776,406)	(2,128,428)	500,000	212,001	(12,192,833)
Vehicles	(555,905)	(60,468)	83,366	(6,500)	(539,507)
	<u>(89,631,822)</u>	<u>(5,493,927)</u>	<u>636,158</u>	<u>-</u>	<u>(94,489,591)</u>
Total capital assets being depreciated, net	<u>42,580,021</u>	<u>1,000,593</u>	<u>(122,371)</u>	<u>409,934</u>	<u>43,868,177</u>
Business-type activities capital assets, net	<u>\$ 48,249,088</u>	<u>\$ 2,063,034</u>	<u>\$ (122,371)</u>	<u>\$ -</u>	<u>\$ 50,189,751</u>

At December 31, 2019, the County's business-type activities had outstanding commitments through construction contracts of approximately \$800,000.

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

Depreciation of governmental activities by function	
General government	\$ 1,637,266
Public safety	2,591,804
Health and welfare	1,110,881
Cultural and recreation	2,280,248
Judicial	1,859,331
Internal service funds	154,574
	<u>9,634,104</u>
Total	\$ 9,634,104
Depreciation of business-type activities by function	
Department of public works	<u>\$ 5,493,927</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the Road Commission component unit for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
Component Unit - Road Commission				
Capital assets, not being depreciated:				
Land and right-of-way	\$ 4,764,484	\$ 190,615	\$ -	\$ 4,955,099
Construction in progress	1,596,187	1,512,180	(1,596,187)	1,512,180
	<u>6,360,671</u>	<u>1,702,795</u>	<u>(1,596,187)</u>	<u>6,467,279</u>
Capital assets, being depreciated:				
Buildings and improvements	13,480,587	596,312	-	14,076,899
Equipment	35,402,400	3,000,366	(1,627,757)	36,775,009
Infrastructure	629,035,831	34,524,448	-	663,560,279
	<u>677,918,818</u>	<u>38,121,126</u>	<u>(1,627,757)</u>	<u>714,412,187</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,428,290)	(342,289)	-	(7,770,579)
Equipment	(24,806,519)	(3,773,006)	1,298,040	(27,281,485)
Infrastructure	(383,667,594)	(21,516,814)	-	(405,184,408)
	<u>(415,902,403)</u>	<u>(25,632,109)</u>	<u>1,298,040</u>	<u>(440,236,472)</u>
Total capital assets being depreciated, net	<u>262,016,415</u>	<u>12,489,017</u>	<u>(329,717)</u>	<u>274,175,715</u>
Road Commission capital assets, net	<u>\$ 268,377,086</u>	<u>\$ 14,191,812</u>	<u>\$ (1,925,904)</u>	<u>\$ 280,642,994</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Drainage Districts component unit for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Drainage Districts					
Capital assets, not being depreciated:					
Land	\$ 2,021,713	\$ -	\$ -	\$ -	\$ 2,021,713
Construction in progress	5,004,814	210,175	-	(45,070)	5,169,919
	<u>7,026,527</u>	<u>210,175</u>	<u>-</u>	<u>(45,070)</u>	<u>7,191,632</u>
Capital assets, being depreciated:					
Infrastructure	30,920,314	18,684	-	45,070	30,984,068
Less accumulated depreciation for:					
Infrastructure	(23,552,236)	(847,646)	-	-	(24,399,882)
Total capital assets being depreciated, net	<u>7,368,078</u>	<u>(828,962)</u>	<u>-</u>	<u>45,070</u>	<u>6,584,186</u>
Drainage Districts capital assets, net	<u>\$ 14,394,605</u>	<u>\$ (618,787)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,775,818</u>

At December 31, 2019, the Drainage Districts component unit had outstanding commitments through construction contracts of approximately \$320,000.

Capital assets activity for the Land Bank Authority component unit for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Land Bank Authority					
Capital assets, being depreciated:					
Office equipment	\$ 24,361	\$ -	\$ (24,361)	\$ -	\$ -
Less accumulated depreciation for:					
Office equipment	(23,958)	(403)	24,361	-	-
Land Bank Authority capital assets, net	<u>\$ 403</u>	<u>\$ (403)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Airport Authority component unit for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Airport Authority					
Capital assets, not being depreciated:					
Construction in progress	\$ 30,172,676	\$ 51,206,970	\$ -	\$ (12,798,457)	\$ 68,581,189
Capital assets, being depreciated:					
Land improvements	249,634,471	-	-	2,438,608	252,073,079
Buildings and improvements	312,267,582	-	-	4,717,962	316,985,544
Equipment	26,226,569	-	(119,207)	2,082,631	28,189,993
Systems	13,266,942	66,680	-	219,534	13,553,156
Office equipment and furniture	2,089,928	-	-	3,060,880	5,150,808
Vehicles	1,130,580	-	(99,326)	278,842	1,310,096
	<u>604,616,072</u>	<u>66,680</u>	<u>(218,533)</u>	<u>12,798,457</u>	<u>617,262,676</u>
Less accumulated depreciation for:					
Land improvements	(151,624,230)	(7,785,899)	-	-	(159,410,129)
Buildings and improvements	(117,769,534)	(10,185,705)	-	-	(127,955,239)
Equipment	(10,568,403)	(1,192,360)	119,207	-	(11,641,556)
Systems	(5,470,172)	(1,083,035)	-	-	(6,553,207)
Office equipment and furniture	(1,571,960)	(154,725)	-	-	(1,726,685)
Vehicles	(826,659)	(120,096)	39,067	-	(907,688)
	<u>(287,830,958)</u>	<u>(20,521,820)</u>	<u>158,274</u>	<u>-</u>	<u>(308,194,504)</u>
Total capital assets being depreciated, net	<u>316,785,114</u>	<u>(20,455,140)</u>	<u>(60,259)</u>	<u>12,798,457</u>	<u>309,068,172</u>
Airport Authority capital assets, net	<u>\$ 346,957,790</u>	<u>\$ 30,751,830</u>	<u>\$ (60,259)</u>	<u>\$ -</u>	<u>\$ 377,649,361</u>

As of December 31, 2019, the Airport Authority's commitments with contractors were approximately \$31 million.

9. SHORT-TERM BORROWINGS

The Land Bank Authority discretely-presented component unit had various unsecured lines of credit with local financial institutions. The lines provide for an aggregate maximum borrowing of approximately \$1,700,000 and bore interest at rates ranging from 4.67%-6.00%.

Short-term borrowing activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Short-term borrowings	\$ 1,253,593	\$ 200,000	\$ (1,453,593)	\$ -

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The Authority had obtained multiple lines of credit for cash flow purposes in a previous year. All lines of credit expired during the current year and paid off. The Authority did not enter into a new short-term borrowing arrangement in the current year.

10. LONG-TERM DEBT

Long-term debt activity for the year, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 121,185,000	\$ 18,850,000	\$ (33,100,000)	\$ 106,935,000	\$ 8,800,000
Contracts payable from direct borrowings	944,810	-	(944,810)	-	-
Total installment debt	122,129,810	18,850,000	(34,044,810)	106,935,000	8,800,000
Net bond premium/discount	12,905,708	3,396,362	(1,164,400)	15,137,670	1,364,186
Pollution remediation liability	24,529	-	-	24,529	24,529
Compensated absences	8,127,524	8,721,190	(8,395,404)	8,453,310	2,817,547
Total governmental activities	\$ 143,187,571	\$ 30,967,552	\$ (43,604,614)	\$ 130,550,509	\$ 13,006,262
Business-type activities					
General obligation bonds	\$ 7,165,000	\$ -	\$ (565,000)	\$ 6,600,000	\$ 540,000
Notes payable	20,100,000	16,200,000	(16,100,000)	20,200,000	16,100,000
Total installment debt	27,265,000	16,200,000	(16,665,000)	26,800,000	16,640,000
Net bond premium/discount	958,058	26,404	(135,421)	849,041	108,602
Landfill closure and post-closure liabilities	31,769,931	3,515,673	(597,955)	34,687,649	624,606
Total business-type activities	\$ 59,992,989	\$ 19,742,077	\$ (17,398,376)	\$ 62,336,690	\$ 17,373,208
Discretely-Presented Component Units					
<i>Road Commission</i>					
Compensated absences	\$ 3,765,734	\$ 1,342,597	\$ (676,396)	\$ 4,431,935	\$ 2,667,983
<i>Drainage Districts</i>					
Special assessment bonds	\$ 12,315,000	\$ -	\$ (775,000)	\$ 11,540,000	\$ 805,000
Net bond premium/discount	1,598,875	-	(96,814)	1,502,061	95,667
Total Drainage Districts	\$ 13,913,875	\$ -	\$ (871,814)	\$ 13,042,061	\$ 900,667
<i>Land Bank Authority</i>					
Loans payable	\$ 488,251	\$ 1,796,807	\$ (577,171)	\$ 1,707,887	\$ 1,707,887

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<i>Airport Authority</i>					
Revenue bonds	\$ 146,245,000	\$ -	\$ (7,735,000)	\$ 138,510,000	\$ 7,795,000
Net bond premium/discount	18,218,012	-	(1,249,240)	16,968,772	1,197,789
Total Airport Authority	\$ 164,463,012	\$ -	\$ (8,984,240)	\$ 155,478,772	\$ 8,992,789

Governmental Activities

\$49,990,000 2005 Building Authority Refunding Bonds, due in annual installments of \$1,805,000 to \$4,100,000 plus interest ranging from 3.625 to 5.50%, payable semi-annually, through June 1, 2026.	\$ 24,890,000
\$18,850,000 2019 Capital Improvement Refunding bonds, due in annual installments of \$1,430,000 to \$2,075,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through December 1, 2030.	18,850,000
\$6,470,000 2010 Building Authority Refunding Bonds, due in annual installments of \$55,000 to \$755,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through June 1, 2021.	1,475,000
\$4,460,000 2014 Capital Improvement Refunding Bonds, due in annual installments of \$395,000 to \$520,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through December 1, 2024.	2,420,000
\$20,675,000 2016 Capital Improvement Bonds, due in annual installments of \$615,000 to \$1,595,000 plus interest at 5.00%, payable semi-annually, through June 1, 2036.	18,730,000
\$21,930,000 2017A Capital Improvement Bonds, due in annual installments of \$685,000 to \$1,650,000 plus interest ranging from 3.00 to 5.00%, payable semi-annually, through June 1, 2037.	20,540,000
\$22,780,000 2017B Capital Improvement Refunding Bonds, due in annual installments of \$1,100,000 to \$2,425,000 plus interest ranging from 2.00 to 5.00%, payable semi-annually, through June 1, 2029.	<u>20,030,000</u>
Total governmental activities	<u>\$ 106,935,000</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Business-type Activities

\$6,600,000 2017 Refuse Disposal Refunding Bonds, due in annual installments of \$540,000 to \$800,000 plus interest ranging from 3.00 to 5.00%, payable semi-annually, through November 1, 2029.	\$ 6,600,000
\$15,800,000 2018 General Obligation Limited Tax Note, interest ranging from 2.60 to 3.00%, payable semi-annually, through April 1, 2020.	4,000,000
\$16,200,000 2019 General Obligation Limited Tax Note, interest ranging from 2.35 to 2.75%, payable semi-annually, through April 1, 2021.	<u>16,200,000</u>
Total business-type activities	<u>\$ 26,800,000</u>

Discretely-presented Component Units

Drainage Districts

\$7,870,000 2008 Grand River Floodwalls and Embankments Drain Bonds, due in annual installments of \$285,000 to \$970,000 plus interest ranging from 2.10 to 4.25%, payable semi-annually, through November 1, 2020.	\$ 310,000
\$4,550,000 2014 Grand River Floodwalls and Embankments Drain Bonds, due in annual installments of \$170,000 to \$305,000 plus interest ranging from 2.0 to 4.0%, payable semi-annually, through November 1, 2034.	3,665,000
\$8,445,000 2016 Grand River Floodwalls and Embankments Drain Bonds, due in annual installments of \$290,000 to \$640,000 plus interest ranging from 2.0 to 5.0%, payable semi-annually, through November 1, 2036.	<u>7,565,000</u>
Total drainage districts discretely-presented component unit	<u>\$ 11,540,000</u>

Land Bank Authority

\$1,707,887 Michigan Land Bank Fast Track construction notes for property inventory, due in full upon maturity with 5.00% interest due on December 31, 2019, and 8.00% after December 31, 2019.	<u>\$ 1,707,887</u>
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Airport Authority

2011 Airport Revenue Refunding Bonds, plus interest ranging from 2.00 to 5.00%, payable semi-annually, through January 1, 2028.	\$ 25,015,000
2015 Airport Revenue Bonds, plus interest ranging from 1.50 to 5.00%, payable semi-annually, through January 1, 2035.	12,720,000
2015 Airport Revenue Refunding Bonds, plus interest ranging from 4.00 to 5.00%, payable semi-annually, through January 1, 2037.	88,050,000
2018 Airport Revenue Refunding Bonds, plus interest of 5.00%, payable semi-annually, through January 1, 2025.	<u>12,725,000</u>
Total Airport Authority discretely-presented component unit	<u>\$ 138,510,000</u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 8,800,000	\$ 5,000,862	\$ 16,640,000	\$ 599,675
2021	9,180,000	4,612,188	4,660,000	332,925
2022	8,845,000	4,178,825	585,000	254,150
2023	9,180,000	3,732,750	610,000	230,750
2024	9,635,000	3,267,075	635,000	200,250
2025-2029	38,225,000	9,764,475	3,670,000	512,750
2030-2034	15,235,000	3,562,250	-	-
2035-2037	7,835,000	511,625	-	-
Totals	\$ 106,935,000	\$ 34,630,050	\$ 26,800,000	\$ 2,130,500

Year Ended December 31,	Discretely-presented Component Units			
	Drainage Districts		Airport Authority	
	Principal	Interest	Principal	Interest
2020	\$ 805,000	\$ 506,796	\$ 7,795,000	\$ 6,360,625
2021	515,000	477,646	8,265,000	5,959,125
2022	530,000	457,046	8,680,000	5,535,500
2023	555,000	435,846	9,110,000	5,090,750
2024	580,000	413,646	9,570,000	4,623,750
2025-2029	3,260,000	1,665,730	40,950,000	16,678,975
2030-2034	4,045,000	870,230	33,065,000	8,471,725
2035-2037	1,250,000	94,500	21,075,000	1,524,450
Totals	\$ 11,540,000	\$ 4,921,440	\$ 138,510,000	\$ 54,244,900

Year Ended December 31,	Land Bank Authority	
	Principal	Interest
2020	\$ 1,707,887	\$ 76,000

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

There are a number of limitations and restrictions contained in the various bond indentures. The Airport Authority 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 Airport Authority. In compliance with bond agreements, the Airport Authority has available a letter of credit totaling \$11,435,300, which has not been drawn upon. The letter of credit expires on September 11, 2020. 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 Airport Authority are insufficient to meet requirements.

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

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

The compensated absences liability attributable to the governmental activities will be liquidated by the General Fund and various special revenue funds. The pollution remediation liability in governmental activities is expected to be paid from the Capital Improvement Program capital projects fund.

Pledged Revenue

Revenue bonds are secured by pledged Airport revenues. Proceeds of these bonds were utilized for airport terminal and runway construction projects. The related bond agreements require future principal and interest payments totaling \$192,754,900 through 2037. For the year ended December 31, 2019, the Airport Authority component unit incurred principal and interest expense of \$7,735,000 and \$5,837,149, respectively. Net revenue pledged for debt service was \$38,728,602 for the year ended December 31, 2019.

Refunded and Defeased Debt

The County issued \$18,850,000 of 2019 Capital Improvement Refunding Bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of \$21,435,000 of 2009 Building Authority Bonds. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a savings of \$2,652,219 and an economic gain of \$2,470,300.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

11. LEASES

Leases Receivable

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

Year Ended December 31,	Amount
2020	\$ 2,911,314
2021	2,909,459
2022	2,911,087
2023	2,879,804
2024	2,879,776
2025-2026	<u>5,611,226</u>
Total	<u>\$ 20,102,666</u>

The cost of the portion of courthouse facility leased to the City is \$18,140,248 and related accumulated depreciation at December 31, 2019 was \$6,446,985. Annual depreciation expense is \$349,947.

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

Year Ended December 31,	Amount
2020	\$ 8,851,225
2021	8,601,723
2022	8,507,840
2023	6,208,369
2024	4,830,686
Thereafter	<u>37,714,930</u>
Total	<u>\$ 74,714,773</u>

Lease Commitments - Primary Government

Under the terms of a contract with the City of Grand Rapids and County of Kent Joint Building Authority, the County and the City are jointly liable for lease payments equal to certain bond obligations of the Authority for a convention facility. Annual payments to the Authority are to be funded with lodging excise tax revenue, accounted for in the lodging excise tax special revenue fund. Rental expense under this lease amounted to \$7,436,000 for the year ended December 31, 2019.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Under the terms of agreements with the City of Grand Rapids and County of Kent Joint Building Authority, the County is obligated to use lodging excise tax revenues to pay principal and interest on selected bonds issued by the Joint Building Authority. At December 31, 2019, there are two such bond issues of the Joint Building Authority dated November 29, 2001 and May 15, 2013, with balances of \$28,471,600 and \$1,175,000, respectively. The County becomes liable for the debt in the event that lodging excise tax revenue is not sufficient to meet lease obligations. Future minimum rental commitments are as follows:

Year Ended December 31,	Amount
2020	\$ 7,702,000
2021	7,980,800
2022	8,279,400
2023	8,582,400
2024	8,575,000
2025-2029	48,030,000
2030-2031	<u>21,870,000</u>
Total	<u>\$ 111,019,600</u>

12. RISK MANAGEMENT

Primary Government

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is self-insured and retains the risk for deductible amounts under the County's workers' compensation, property, automobile, and certain general and public officials' liability programs. The County purchases commercial insurance for claims in excess of retention deductible amounts of \$1,000,000 for general liability, \$600,000 for each workers' compensation claim and \$100,000 for each property damage claim, up to various maximum and aggregate policy limits. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year. The County is also self-insured for dental and medical benefits provided to employees who meet certain eligibility requirements.

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

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balances of claims liabilities are as follows:

	Employee Benefits		
	Health	Dental	Unemployment
Estimated liability, January 1, 2018	\$ 1,161,000	\$ 36,053	\$ -
Estimated claims incurred	22,092,813	1,586,932	61,701
Claim payments	(21,901,813)	(1,512,966)	(61,701)
Estimated liability, December 31, 2018	1,352,000	110,019	-
Estimated claims incurred	21,282,152	1,578,875	52,792
Claim payments	(21,600,560)	(1,568,495)	(52,792)
Estimated liability, December 31, 2019	\$ 1,033,592	\$ 120,399	\$ -

	Risk Management		
	Property and Liability	Workers' Compensation	Sick and Accident Plan
Estimated liability, January 1, 2018	\$ 253,497	\$ 136,441	\$ -
Estimated claims incurred	830,971	523,460	498,491
Claim payments	(606,011)	(296,113)	(498,491)
Estimated liability, December 31, 2018	478,457	363,788	-
Estimated claims incurred	2,260,971	495,054	519,331
Claim payments	(574,376)	(468,401)	(519,331)
Estimated liability, December 31, 2019	\$ 2,165,052	\$ 390,441	\$ -

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

13. PROPERTY TAXES

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

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

The taxable value of real and personal property for 2019, for which revenue was recognized in the General Fund, was \$24,219,497,487. The general operating tax rate for this levy was 4.2571 mills. The taxable value of real and personal property for 2018, for which revenue was recognized in all other funds, was \$22,889,416,524. The tax rates for these levies were 0.7828 mills for Correction and Detention operations and debt service related to the expansion of facilities, 0.4958 mills assessed for services provided to senior citizens, 0.0495 mills assessed for services provided to veterans, 0.4363 mills assessed for the zoo and museum and 0.2500 mills assessed for early childhood development.

Tax Abatements

The County property tax revenues during 2019 were reduced by Industrial property tax abatement programs and Brownfield Redevelopment Agreements entered into by other taxing jurisdictions within the County. Accordingly these agreement meet the criteria of “tax abatements” under GASB Statement No. 77.

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Industrial property tax abatements in 2019 amounted to \$899,423.

Brownfield Redevelopment Agreements are granted in the State of Michigan under the Brownfield Redevelopment Act, PA 381 of 1996, as amended, and are intended to promote the redevelopment of properties with presence or perception of contamination. Under this act, a municipality may create a Brownfield Redevelopment Authority to develop and implement Brownfield projects. Tax increment financing may be used as a tool for property redevelopment. Brownfield property tax abatements in 2019 amounted to \$969,167.

14. CONTINGENT LIABILITIES

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

15. BENEFIT PLANS

Kent County Employees' Retirement Plan

The County sponsors and administers the Kent County Employees' Retirement Plan (the "Plan"), a single-employer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission, Land Bank Authority, and Airport Authority. The Plan was established by the Kent County Board of Commissioners and is administered by a seven member Board called the Kent County Employees' Retirement Plan Pension Board (referred to herein as the "Board of Trustees"). The Board is comprised of the Chairman of the Finance Committee of the Commissioners, one other Commissioner appointed by the Board of Commissioners, three employees covered by the Plan, and two residents of the County that are independent of the County and the Plan. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the Kent County Board of Commissioners. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. It is accounted for as a separate pension trust fund. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Human Resources Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2222.

Plan members hired through December 31, 2010 are eligible to receive pension benefits upon retirement at age 60 with 5 years of service or at any age with 25 years of service. Members hired on or after January 1, 2011 (January 1, 2012 for the Teamsters-Parks, Circuit Court Referees, and Teamsters-Public Health Nurses) are eligible at age 62 with 5 years of service or at age 60 (55 for captains and lieutenants) with 25 years of service. Members of the KCDSA bargaining unit hired on or after January 1, 2013 are eligible to receive this benefit at age 60 with 5 years of service or age 50 with 25 years of service. An early retirement option is offered for retirement at age 55 with 15 or more years of service. Members of the FOP bargaining unit hired on or after January 1, 2015 are eligible to receive this benefit at age 60 with 5 or more years of service or age 50 with 25 years of service.

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

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

Employees Covered by Benefit Terms. At December 31, 2019, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	1,538
Terminated employees entitled to but not yet receiving benefits	261
Vested and non-vested active participants	<u>1,533</u>
Total membership	<u><u>3,332</u></u>

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Contributions. The contribution requirements of Plan members are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and Plan provisions. After meeting eligibility requirements, active Plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. The variable rate was 8.59% for the year ended December 31, 2019. The additional amounts paid for COLAs by the members of the three unions covering public safety officers are a fixed amount added to the variable rate and ranged from 1.75%-3.50%. The County is required to contribute at actuarially determined rates that are expressed as a percentage of covered payroll and are designed to accumulate sufficient assets to pay benefits when due. The County's contribution rate for the year ended December 31, 2019 was 9.13% of projected valuation payroll. The normal cost and amortization payment were determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a closed period of 21 years.

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

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2019 is disclosed in Note 3 to the separately issued financial statements.

Net Pension Liability. The components of the net pension liability of the Plan at December 31, 2019, were as follows:

Total pension liability	\$ 941,501,528
Plan fiduciary net position	<u>951,910,145</u>
County's net pension asset	<u>\$ (10,408,617)</u>
Plan fiduciary net position as percentage of total pension liability	101.11%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2018 (rolled forward to December 31, 2019), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5% (price inflation of 2.5%)
Salary increases	3.5%-10.5%, including inflation
Investment rate of return	6.75%

Mortality rates were based on the RP-2014 Combined Healthy Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2018 Mortality Improvement Scales.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study dated November 8, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 (see the discussion of the pension plan's investment policy in Note 3) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Core bonds	18.00%	2.60%	0.47%
Multi-sector fixed income	10.00%	3.43%	0.34%
Absolute return	5.00%	3.25%	0.16%
U.S. large cap equity	30.00%	7.14%	2.14%
U.S. small cap equity	10.00%	8.43%	0.84%
International developed equity	15.00%	8.14%	1.22%
Emerging market equity	5.00%	9.48%	0.47%
Core real estate	5.00%	6.73%	0.34%
Infrastructure	2.00%	9.73%	0.19%
	<u>100.00%</u>		6.17%
Inflation			2.50%
Risk adjustment			<u>-1.92%</u>
Investment rate of return			<u>6.75%</u>

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Changes in the Net Pension Liability (Asset). The components of the change in the net pension liability (asset) are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2018	\$ 900,799,146	\$ 823,240,227	\$ 77,558,919
Changes for the year:			
Service cost	18,181,774	-	18,181,774
Interest on total pension liability	59,926,039	-	59,926,039
Differences between expected and actual experience	6,788,289	-	6,788,289
Employer contributions	-	9,007,032	(9,007,032)
Employee contributions	-	9,602,636	(9,602,636)
Net investment income	-	155,017,171	(155,017,171)
Benefit payments	(43,444,076)	(43,444,076)	-
Administrative expenses	-	(763,201)	763,201
Refunds of contributions	(749,644)	(749,644)	-
Net changes	<u>40,702,382</u>	<u>128,669,918</u>	<u>(87,967,536)</u>
Balances at December 31, 2019	<u>\$ 941,501,528</u>	<u>\$ 951,910,145</u>	<u>\$ (10,408,617)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the Plan, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	One Percent Decrease (5.75%)	Current Discount Rate (6.75%)	One Percent Increase (7.75%)
County's net pension liability (asset)	\$ 118,735,956	\$ (10,408,617)	\$ (116,818,236)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the combining statements of fiduciary net position and changes in fiduciary net position in the supplementary information section of this report.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2019, the County recognized pension expense of \$18,591,038. The pension liability attributable to the governmental activities will be liquidated by the General Fund and substantially all the special revenue funds. At December 31, 2019, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 9,815,188	\$ 2,593,355	\$ 7,221,833
Changes in assumptions	93,481	-	93,481
Net difference between projected and actual earnings on pension plan investments	-	43,861,571	(43,861,571)
Changes in proportion and share of contributions	256,474	256,474	-
Total	\$ 10,165,143	\$ 46,711,400	\$ (36,546,257)

Amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2020	\$ (10,919,826)
2021	(10,885,461)
2022	4,383,824
2023	(19,124,794)
Total	\$ (36,546,257)

Payable to the Pension Plan. At December 31, 2019, the County reported a payable of \$420,852 to the pension plan.

Road Commission Component Unit

The Road Commission provides retirement benefits to full-time employees through a 401(k) defined contribution plan administered by The Prudential Financial. The Road Commission also participates in a defined benefit pension plan with the Municipal Employee's Retirement System of Michigan (MERS). The defined benefit plan is closed to new hires. Complete disclosures related to the Road Commission's retirement plans are available in its separately-issued audit report.

Gerald R. Ford International Airport Authority

The Airport Authority participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan. Complete disclosures related to the Airport Authority's participation in MERS are available in its separately-issued audit report.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

16. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Primary Government

Plan Description. The County administers a single-employer defined benefit healthcare plan (the “Plan”) accounted for in the VEBA Trust Fund. In addition to the retirement benefits described in Note 15, the Plan provides health benefits to certain retirees, which are advance funded on an actuarial basis. Stand-alone financial reports are issued that include financial statements and required supplementary information for the Plan, which may be obtained from the County of Kent Fiscal Services Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503-2221.

Benefits Provided. The County pays a monthly fixed subsidy for retirees of up to \$400 per month (\$350 for retirees before December 31, 2018). In addition, the County provides an implicit subsidy due to having one premium based on a blended rate that treats current employees, retirees, eligible beneficiaries and dependents as one homogeneous group. The implicit subsidy is factored into the actuarial computation of the OPEB liability.

Membership of the Plan consisted of the following at December 31, 2019:

Retirees and beneficiaries receiving benefits	702
Active plan members	<u>1,534</u>
Total	<u><u>2,236</u></u>

Contributions. The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The Plan covers the Management Pay Plan, both exempt and non-exempt, elected officials, including judges, and ten collective bargaining units. Retirees and their beneficiaries are eligible for postemployment healthcare benefits if they are receiving a pension from the Kent County Employees’ Retirement Plan. The County’s funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll, and are designed to accumulate sufficient assets to pay benefits when due. The County’s required cash contribution rate for the year ended December 31, 2019 was 1.64% of projected valuation payroll. For the year ended December 31, 2019, the County contributed \$4,475,538, including cash contributions of \$3,201,142 and an implicit rate subsidy (which did not require cash) of \$1,274,396. Cash payments included \$1,718,382 for current premiums and an additional \$1,482,760 to prefund benefits.

Retirees are responsible for reimbursing the County for the cost of premiums for the selected level of coverage in excess of the subsidy. The retiree’s share of premiums can be deducted automatically from their monthly pension distribution, or paid directly to the County Treasurer. Since retirees must participate in one of the County’s health insurance plans in order to receive the benefit, the entire cost of retiree health care premiums is accounted for in the County’s health insurance internal service fund. Retiree reimbursements are reported as operating revenue in the internal service fund. On a quarterly basis, the total amount of retiree subsidies for the previous period is billed to the VEBA. This portion of premium costs, which includes the County subsidy only, comprises the entire amount of benefit payments in the Statement of Changes in Fiduciary Net Position.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

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

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 20.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. Information on the Plan's concentration of credit risk policy and compliance with that policy at December 31, 2019 is disclosed in Note 3 to the separately issued financial statements.

Net OPEB Liability. The components of the net OPEB liability of the Plan at December 31, 2019, were as follows:

Total OPEB liability	\$ 61,232,861
Plan fiduciary net position	<u>32,734,859</u>
County's net OPEB liability	<u>\$ 28,498,002</u>
Plan fiduciary net position as percentage of total OPEB liability	53.46%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	22 years
Asset valuation method	Market value of assets
Price inflation	2.5%
Salary increases	3.5% to 10.5%, including inflation
Investment rate of return	6.75%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to the January 1, 2008 - December 31, 2012 Experience Study for the Retirement Plan and Trust.
Mortality	The RP-2014 Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2018 Mortality Improvement Scales. These tables were first used for the December 31, 2018 valuation.
Health care trend rates	Non-Medicare trend starting at 8.5% gradually decreasing to an ultimate trend rate of 4.5%. Medicare trend starting at 7.0% gradually decreasing to an ultimate trend rate of 4.5%.
Aging factors	The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

The long-term expected rate of return on VEBA plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of VEBA plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the VEBA plan's target asset allocation as of December 31, 2019 (see the discussion of the VEBA plan's investment policy in Note 3) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Core bonds	15.00%	2.60%	0.39%
Multi-sector fixed income	15.00%	3.43%	0.51%
Liquid absolute return	5.00%	3.25%	0.16%
U.S. large cap equity	30.00%	7.14%	2.14%
U.S. small cap equity	10.00%	8.43%	0.84%
Non U.S. equity	20.00%	8.37%	1.67%
Core real estate	5.00%	6.73%	0.34%
	<u>100.00%</u>		<u>6.05%</u>
Inflation			2.50%
Risk adjustment			-1.80%
Investment rate of return			<u>6.75%</u>

Discount Rate. The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the VEBA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on VEBA plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Changes in the Net OPEB Liability. The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2018	\$ 57,226,018	\$ 25,891,112	\$ 31,334,906
Changes for the year:			
Service cost	1,359,413	-	1,359,413
Interest on total OPEB liability	3,807,630	-	3,807,630
Differences between expected and actual experience	1,832,578	-	1,832,578
Employer contributions	-	4,475,538	(4,475,538)
Net investment income	-	5,422,212	(5,422,212)
Benefit payments, including refunds of employee contributions	(2,992,778)	(2,992,778)	-
Administrative expense	-	(61,225)	61,225
Net changes	<u>4,006,843</u>	<u>6,843,747</u>	<u>(2,836,904)</u>
Balances at December 31, 2019	<u>\$ 61,232,861</u>	<u>\$ 32,734,859</u>	<u>\$ 28,498,002</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 6.75%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	One Percent Decrease (5.75%)	Current Discount Rate (6.75%)	One Percent Increase (7.75%)
County's net OPEB liability	\$ 35,143,172	\$ 28,498,002	\$ 22,785,458

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.50% decreasing to 3.50%) or 1% higher (9.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (7.50% Decreasing to 3.50%)	Healthcare Cost Trend Rates (8.50% Decreasing to 4.50%)	1% Increase (9.50% Decreasing to 5.50%)
County's net OPEB liability	\$ 25,389,239	\$ 28,498,002	\$ 32,105,772

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan’s fiduciary net position is available in the combining statements of fiduciary net position and changes in fiduciary net position in the supplementary information section of this report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefit Obligations. For the year ended December 31, 2019, the County recognized OPEB expense of \$2,920,981. The OPEB liability attributable to the governmental activities will be liquidated by the General Fund and substantially all the special revenue funds. At December 31, 2019, the County reported OPEB-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 1,570,163	\$ 4,021,410	\$ (2,451,247)
Changes in assumptions	1,999,070	-	1,999,070
Net difference between projected and actual earnings on OPEB plan investments	-	1,663,941	(1,663,941)
Changes in proportion and share of contributions	1,368,800	1,368,800	-
Total	\$ 4,938,033	\$ 7,054,151	\$ (2,116,118)

Amounts reported as OPEB-related deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2020	\$ (511,660)
2021	(511,658)
2022	(117,374)
2023	(972,029)
2024	(261,485)
Thereafter	258,088
Total	\$ (2,116,118)

Payable to the OPEB Plan. At December 31, 2019, the County reported a payable of \$151,874 to the VEBA plan.

Road Commission Component Unit

The Road Commission provides a defined benefit healthcare plan (the “Plan”), to certain retirees and their beneficiaries. Complete disclosures related to the Road Commission’s other postemployment benefits plan are available in its separately-issued audit report.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

Gerald R. Ford International Airport Authority

The Airport Authority contributes to a retiree health care savings account on behalf of eligible employees. The Airport Authority contributions total \$3,000 per year and employees are required to contribute 1% of covered payroll. Complete disclosures related to the Airport's retiree healthcare savings plan are available in its separately-issued audit report.

17. DEFERRED COMPENSATION PLAN

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

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds is as follows:

	General Fund	Correction and Detention Facilities	Senior Millage	Child Care	Public Improvement	Nonmajor Funds	Total
Nonspendable							
Inventories	\$ 74,879	\$ -	\$ -	\$ -	\$ -	\$ 394,054	\$ 468,933
Prepays	259,814	-	-	-	-	9,000	268,814
Long-term advances	560,286	-	-	-	-	-	560,286
Total nonspendable	894,979	-	-	-	-	403,054	1,298,033
Restricted							
Fire prevention	-	-	-	-	-	477,277	477,277
Correction and detention facilities	-	14,090,115	-	-	-	-	14,090,115
Senior services	-	-	970,196	-	-	-	970,196
Register of deeds automation	-	-	-	-	-	763,199	763,199
Children's services	-	-	-	-	-	5,341,723	5,341,723
Indigent defense	-	-	-	-	-	5,593,832	5,593,832
Concealed pistol license	-	-	-	-	-	361,689	361,689
Correction officer training	-	-	-	-	-	328,602	328,602
Drug forfeiture	-	-	-	-	-	128,947	128,947
Grant programs	-	-	-	-	-	982,280	982,280
Veterans' services	-	-	-	-	-	993,881	993,881
Capital projects	-	-	-	-	-	4,712,988	4,712,988
Convention/arena debt service or capital improvements	-	-	-	-	-	7,419,697	7,419,697
Total restricted	-	14,090,115	970,196	-	-	27,104,115	42,164,426
Committed							
Economic stabilization	27,513,807	-	-	-	-	-	27,513,807
Assigned							
Future purchase orders	2,921,941	-	-	-	-	-	2,921,941
Children's services	-	-	-	250,000	-	-	250,000
Child support enforcement	-	-	-	-	-	250,000	250,000
Health services	-	-	-	-	-	305,937	305,937
Grant programs	-	-	-	-	-	1,456,791	1,456,791
Debt service	-	-	-	-	-	782,532	782,532
Capital projects	-	-	-	-	30,008,232	-	30,008,232
Total assigned	2,921,941	-	-	250,000	30,008,232	2,795,260	35,975,433
Unassigned							
	49,447,703	-	-	-	-	-	49,447,703
Total fund balances, governmental funds	\$ 80,778,430	\$ 14,090,115	\$ 970,196	\$ 250,000	\$ 30,008,232	\$ 30,302,429	\$156,399,402

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

19. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of December 31, 2019, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 82,662,493	\$ 6,321,574	\$ 82,240,100
Capital assets being depreciated, net	211,573,820	43,868,177	589,828,073
	<u>294,236,313</u>	<u>50,189,751</u>	<u>672,068,173</u>
Related debt:			
Total installment debt	106,935,000	26,800,000	150,050,000
Less: bonds issued for KCDA owned assets	(20,540,000)	-	-
Net premium/discount	15,137,670	849,041	18,470,833
Less: premium issued for KCDA owned assets	(2,826,268)	-	-
Deferred charge on advance refunding	(986,518)	(268,645)	(5,391,112)
Unexpended bond proceeds	(130,273)	-	(5,214,003)
Notes payable and net premium related to tax settlement	-	(20,229,678)	-
	<u>97,589,611</u>	<u>7,150,718</u>	<u>157,915,718</u>
Net investment in capital assets	<u><u>\$ 196,646,702</u></u>	<u><u>\$ 43,039,033</u></u>	<u><u>\$ 514,152,455</u></u>

20. COMMITMENTS AND CONTINGENCIES

Landfill Closure and Post-closure Care

The Department of Public Works (DPW) has certain financial requirements related to closure and post-closure care of the landfills it operates. In relation to those requirements, the DPW has an outstanding letter of credit totaling \$2,000,000 with the Michigan Department of Environment, Great Lakes and Energy as a beneficiary. The letter of credit has not been drawn on at December 31, 2019 and expires on December 3, 2020. The DPW has recorded a liability of \$14,149,177 related to the Kentwood landfill, \$19,000,000 for the South Kent Landfill, and \$1,538,472 for the Sparta Landfill, as discussed below.

During 2008, the County purchased a parcel of land that included an unclosed landfill. This property is adjacent to one of the County's parks and is intended to be used as such after remediation. The remaining liability as of December 31, 2019 was \$24,529.

Kentwood Landfill

Kent County took over operation of the Kentwood Landfill from the City of Kentwood in 1971. The site was capped and closed in 1976 and has been identified by the EPA as a "superfund". The County and the City of Kentwood entered into an agreement with the EPA in 1991 for remedial action to address the contamination. The County and the City of Kentwood were named as potentially responsible parties at 80% and 20%, respectively. The expected future cost of post-closure care is \$17,686,471, of which the County has recorded a liability for its 80% share of \$14,149,177. The EPA is conducting an on-site review to assess remedial action every five years. The next review is scheduled for 2024. Cleanup and monitoring efforts are on-going and are expected to extend through the year 2054.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

South Kent Landfill

State and federal laws and regulations require the DPW to place a final cover on the South Kent landfill site when waste is no longer accepted and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the DPW reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each financial statement date. The estimated liability for closure and post-closure care was \$19,000,000 at December 31, 2019. The liability represents the cumulative amount reported to date based on the use of 71.51% of the estimated capacity of the landfill as of December 31, 2019. The DPW will recognize the remaining estimated cost of the closure and post-closure care of \$7,575,448 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019, less expenses paid. The DPW expects the current permitted area of the landfill to be at capacity in 2029 for ash and solid waste. Actual costs may be higher due to inflation, changes in technology or changes in regulations, and an annual adjustment may be required.

The DPW is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The DPW is in compliance with these requirements, and, at December 31, 2019, investments of \$2,378,922 are held for these purposes. These are reported as restricted assets on the statement of net position.

Sparta Landfill

The Sparta landfill site was capped and closed in 1995 and has been identified by the EPA as a "superfund". The County entered into an agreement with the EPA in 2000 for remedial action to address the contamination. The expected future cost of post-closure care is \$1,538,472. The EPA is conducting an on-site review to assess remedial action every five years. The next review is scheduled for 2022. Cleanup and monitoring efforts are on-going and are expected to extend through the year 2032.

Commitments

Department of Public Works

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

The Department of Public Works has committed \$4,374,959 of net position related to waste-to-energy operations.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

John Ball Zoological Corporation

The County executed a lease and operating agreement with the John Ball Zoological Corporation (the "Zoo Corporation"), a nonprofit corporation, for management of the John Ball Zoo. The County retained ownership of all real property which is being used by the Zoo Corporation for an initial period of 20 years, through December 31, 2034. All personal property and zoo collections, unless otherwise specified in the agreement, became the property of the Zoo Corporation for the term of the agreement. The lease rental rate is \$20 for the entire term of the agreement. The lease is renewable for two additional 20-year periods. As compensation for management and maintenance of the zoological gardens, the County pays an annual management fee to the Zoo Corporation. In November 2016, the voters approved a 10-year property tax millage for the Zoo Corporation and Grand Rapids Public Museum. Per the terms of the management agreement, the annual management fee is reduced by any voter-approved property tax millage. Accordingly, the County does not expect to pay a management fee for years 2020-2026. Future minimum commitments are as follows:

Year Ended December 31,	Amount	Covered by Property Tax Millage	Commitment
2020	\$ 2,000,000	\$ (2,000,000)	\$ -
2021	2,000,000	(2,000,000)	-
2022	2,000,000	(2,000,000)	-
2023	2,000,000	(2,000,000)	-
2024	2,000,000	(2,000,000)	-
2025-2029	10,000,000	(4,000,000)	6,000,000
2030-2034	10,000,000	-	10,000,000
Total	\$ 30,000,000	\$ (14,000,000)	\$ 16,000,000

Grand Rapids Whitewater, Inc.

The County has entered into an agreement with Grand Rapids Whitewater, Inc. (GRWW) a Michigan non-profit. GRWW has developed the Restore the Rapids project, which is a plan to restore the Grand River rapids generally from the Ann Street bridge downriver to Fulton Street bridge. The County has committed to contributing a total of \$1,400,000 to the project over the next 2 years (\$1,000,000 in 2020, and \$400,000 in 2021).

21. RESTATEMENT

The County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. As a result of this change, beginning net position of the custodial funds was increased by \$1,554,498.

COUNTY OF KENT, MICHIGAN

Notes to Financial Statements

22. SUBSEQUENT EVENTS

Delinquent Tax Anticipation Notes

In April 2020, the County issued \$16,200,000 in general obligation limited tax notes in the Delinquent Tax Revolving enterprise fund. Similar notes are issued each year in order to fund the purchase of delinquent taxes from local taxing authorities (including other funds of the County).

Uncertainty

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the County's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the County for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to have a potential negative impact the County's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain. County staff will closely monitor the situation and make necessary adjustments as needed to maintain its sound financial position. Additionally, the County has received over \$118 million from various funding sources to be used to respond to the impacts of the COVID-19 pandemic.



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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF KENT, MICHIGAN

Required Supplemental Information

The County Board of Commissioners approves a legally adopted annual budget for the General Fund and each special revenue fund. Most funds are budgeted on the County's fiscal year (calendar year). However, due to unique funding source considerations, certain funds are budgeted on a fiscal year basis. The following budgetary comparison schedules are presented following the applicable fiscal year of the adopted budget as follows:

General Fund - December 31, 2019

Zoo and Museum Millage Special Revenue Fund - December 31, 2019

Senior Millage Special Revenue Fund - December 31, 2019

Correction and Detention Facilities Special Revenue Fund - December 31, 2019

Child Care Special Revenue Fund - September 30, 2019

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - General Fund
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 98,158,010	\$ 100,158,010	\$ 99,734,111	\$ (423,899)
Licenses and permits	31,000	31,000	30,360	(640)
Intergovernmental	23,438,312	23,491,349	24,948,661	1,457,312
Charges for services	28,794,080	28,794,080	30,029,489	1,235,409
Fines and forfeitures	1,182,500	1,182,500	1,555,928	373,428
Investment earnings	850,000	850,000	2,009,372	1,159,372
Contributions and reimbursements	5,711,900	5,711,900	5,360,376	(351,524)
Other	3,830,058	3,830,058	3,625,556	(204,502)
Total revenues	161,995,860	164,048,897	167,293,853	3,244,956
Expenditures				
Current:				
General government	35,597,415	35,386,250	32,025,510	(3,360,740)
Public safety	65,046,293	65,082,583	62,594,747	(2,487,836)
Health and welfare	7,854,485	7,854,485	7,170,040	(684,445)
Culture and recreation	6,022,937	6,022,937	5,935,143	(87,794)
Judicial	26,302,660	26,301,110	23,825,765	(2,475,345)
Community and economic development	1,270,846	1,245,846	1,077,437	(168,409)
Public works	730,513	730,513	683,478	(47,035)
Total expenditures	142,825,149	142,623,724	133,312,120	(9,311,604)
Revenues over expenditures	19,170,711	21,425,173	33,981,733	12,556,560
Other financing sources (uses)				
Transfers in	18,603,000	18,603,000	19,018,039	415,039
Transfers out	(43,369,811)	(47,195,160)	(47,039,877)	155,283
Proceeds from sale of capital assets	26,100	26,100	331,541	305,441
Total other financing sources (uses)	(24,740,711)	(28,566,060)	(27,690,297)	875,763
Net change in fund balance	(5,570,000)	(7,140,887)	6,291,436	13,432,323
Fund balance, beginning of year	74,486,994	74,486,994	74,486,994	-
Fund balance, end of year	\$ 68,916,994	67,346,107	\$ 80,778,430	\$ 13,432,323

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Correction and Detention Facilities Special Revenue Fund
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 18,042,605	\$ 18,042,605	\$ 17,438,187	\$ (604,418)
Intergovernmental	-	-	323,633	323,633
Investment earnings	180,000	180,000	522,417	342,417
Total revenues	<u>18,222,605</u>	<u>18,222,605</u>	<u>18,284,237</u>	<u>61,632</u>
Expenditures				
Current - public safety	<u>2,385,223</u>	<u>2,385,223</u>	<u>1,888,105</u>	<u>(497,118)</u>
Revenues over expenditures	<u>15,837,382</u>	<u>15,837,382</u>	<u>16,396,132</u>	<u>558,750</u>
Other financing sources (uses)				
Transfers in	-	-	155,101	155,101
Transfers out	<u>(15,035,500)</u>	<u>(15,035,500)</u>	<u>(15,208,606)</u>	<u>(173,106)</u>
Total other financing sources (uses)	<u>(15,035,500)</u>	<u>(15,035,500)</u>	<u>(15,053,505)</u>	<u>(18,005)</u>
Net change in fund balance	801,882	801,882	1,342,627	540,745
Fund balance, beginning of year	<u>12,747,488</u>	<u>12,747,488</u>	<u>12,747,488</u>	<u>-</u>
Fund balance, end of year	<u>\$ 13,549,370</u>	<u>\$ 13,549,370</u>	<u>\$ 14,090,115</u>	<u>\$ 540,745</u>

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Zoo and Museum Millage Special Revenue Fund
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 10,017,000	\$ 10,026,015	\$ 9,849,452	\$ (176,563)
Intergovernmental	-	230,200	392,978	162,778
Investment earnings	200	200	13,985	13,785
Total revenues	10,017,200	10,256,415	10,256,415	-
Expenditures				
Current - culture and recreation	10,017,200	10,256,415	10,256,415	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Senior Millage Special Revenue Fund
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 11,358,100	\$ 11,358,100	\$ 11,041,046	\$ (317,054)
Intergovernmental	-	-	446,221	446,221
Investment earnings	50,000	50,000	127,817	77,817
Total revenues	11,408,100	11,408,100	11,615,084	206,984
Expenditures				
Current - health and welfare	11,558,100	11,872,285	11,541,829	(330,456)
Net change in fund balance	(150,000)	(464,185)	73,255	537,440
Fund balance, beginning of year	896,941	896,941	896,941	-
Fund balance, end of year	\$ 746,941	\$ 432,756	\$ 970,196	\$ 537,440

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - Budgetary Basis - Child Care Special Revenue Fund
 For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 13,075,628	\$ 13,075,628	\$ 12,004,206	\$ (1,071,422)
Charges for services	201,500	201,500	324,261	122,761
Contributions and reimbursements	120,000	120,000	100,717	(19,283)
Total revenues	13,397,128	13,397,128	12,429,184	(967,944)
Expenditures				
Current - health and welfare	28,929,019	28,929,019	26,140,678	(2,788,341)
Revenues over (under) expenditures	(15,531,891)	(15,531,891)	(13,711,494)	1,820,397
Other financing sources				
Transfers in	15,531,891	15,531,891	13,711,497	(1,820,394)
Net change in fund balance	\$ -	\$ -	\$ 3	\$ 3

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COUNTY OF KENT, MICHIGAN

Required Supplementary Information Employees' Retirement Plan

Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios

	Year Ended December 31,		
	2014	2015	2016
Total pension liability			
Service cost	\$ 16,145,491	\$ 15,924,610	\$ 16,888,031
Interest on total pension liability	49,676,858	51,987,575	54,926,464
Benefit changes	-	(476,713)	(185,975)
Difference between expected and actual experience	-	(8,805,534)	12,418,940
Assumption changes	-	27,445,379	-
Benefit payments	(31,099,736)	(33,243,393)	(35,536,696)
Refunds of contributions	(582,890)	(477,321)	(725,789)
Distribution to Gerald R. Ford International Airport Authority	-	-	(19,162,598)
Net change in total pension liability	34,139,723	52,354,603	28,622,377
Total pension liability, beginning of year	717,437,965	751,577,688	803,932,291
Total pension liability, end of year	751,577,688	803,932,291	832,554,668
Plan fiduciary net position			
Employer contributions	8,929,617	8,858,387	7,153,893
Employee contributions	9,209,179	9,364,823	9,131,552
Net investment income (loss)	47,055,073	(1,703,474)	55,834,263
Benefit payments	(31,099,736)	(33,243,393)	(35,536,696)
Administrative expense	(745,779)	(600,482)	(574,426)
Refunds of contributions	(582,890)	(477,321)	(725,789)
Distribution to Gerald R. Ford International Airport Authority	-	-	(19,162,598)
Net change in plan fiduciary net position	32,765,464	(17,801,460)	16,120,199
Plan fiduciary net position, beginning of year	757,005,057	789,770,521	771,969,061
Plan fiduciary net position, end of year	789,770,521	771,969,061	788,089,260
Net pension liability (asset)	\$ (38,192,833)	\$ 31,963,230	\$ 44,465,408
Plan fiduciary net position as a percentage of total pension liability	105.08%	96.02%	94.66%
Covered payroll ⁽¹⁾	\$ 91,944,708	\$ 90,602,575	\$ 96,286,815
Net pension liability (asset) as a percentage of covered payroll	-41.54%	35.28%	46.18%

⁽¹⁾ Valuation payroll as of the previous year ended December 31

The December 31, 2018 valuation incorporates assumption changes in accordance with the experience study dated November 8, 2018 and adopted by the Board on November 14, 2018. The adopted changes are summarized as follows: 6.75% investment return assumption; 3.50% wage inflation assumption; MP-2018 mortality projection scale; decrease retirement rates; decrease withdrawal rates.

The December 31, 2016 and 2015 valuations incorporate changes to the benefit provisions and assumptions as of the measurement date were reflected in the rolled-forward total pension liability. These changes include updates to the mortality assumption and the non-duty disability provision for certain groups.

The December 31, 2015 valuation incorporates assumption changes that had a significant impact on the total pension liability from the prior measurement date. The most significant changes were related to the non-duty disability provision and the member contribution rate for certain groups.

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



Year Ended December 31,		
2017	2018	2019
\$ 16,899,725	\$ 17,404,156	\$ 18,181,774
57,510,730	59,367,396	59,926,039
-	-	-
(8,133,524)	5,037,610	6,788,289
-	169,077	-
(38,366,716)	(40,615,954)	(43,444,076)
(478,636)	(549,386)	(749,644)
-	-	-
<u>27,431,579</u>	<u>40,812,899</u>	<u>40,702,382</u>
<u>832,554,668</u>	<u>859,986,247</u>	<u>900,799,146</u>
<u>859,986,247</u>	<u>900,799,146</u>	<u>941,501,528</u>
8,965,098	8,939,628	9,007,032
9,275,253	9,315,169	9,602,636
130,100,983	(50,232,182)	155,017,171
(38,366,716)	(40,615,954)	(43,444,076)
(665,347)	(536,943)	(763,201)
(478,636)	(549,386)	(749,644)
-	-	-
<u>108,830,635</u>	<u>(73,679,668)</u>	<u>128,669,918</u>
<u>788,089,260</u>	<u>896,919,895</u>	<u>823,240,227</u>
<u>896,919,895</u>	<u>823,240,227</u>	<u>951,910,145</u>
<u>\$ (36,933,648)</u>	<u>\$ 77,558,919</u>	<u>\$ (10,408,617)</u>
104.29%	91.39%	101.11%
<u>\$ 88,577,675</u>	<u>\$ 91,815,718</u>	<u>\$ 97,993,092</u>
-41.70%	84.47%	-10.62%

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Employees' Retirement Plan

Schedule of the Net Pension Liability (Asset)

Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Plan Fiduciary Net Position as Percentage of Total Pension Liability	Covered ⁽¹⁾ Payroll	Net Pension Liability (Asset) as Percentage of Covered Payroll
2014	\$ 751,577,688	\$ 789,770,521	\$ (38,192,833)	105.08%	\$ 91,944,708	-41.54%
2015	803,932,291	771,969,061	31,963,230	96.02%	90,602,575	35.28%
2016	832,554,668	788,089,260	44,465,408	94.66%	96,286,815	46.18%
2017	859,986,247	896,919,895	(36,933,648)	104.29%	88,577,675	-41.70%
2018	900,799,146	823,240,227	77,558,919	91.39%	91,815,718	84.47%
2019	941,501,528	951,910,145	(10,408,617)	101.11%	97,993,092	-10.62%

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

⁽¹⁾ Valuation payroll as of the previous year ended December 31

COUNTY OF KENT, MICHIGAN

Required Supplementary Information
Employees' Retirement Plan

Schedule of Contributions

Year Ended December 31,	Actuarially ⁽¹⁾ Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2010	\$ 6,747,873	\$ 6,747,873	\$ -	\$ 92,487,613	7.30%
2011	8,412,960	8,412,960	-	90,889,046	9.26%
2012	8,547,559	8,547,559	-	91,209,371	9.37%
2013	9,741,061	9,741,061	-	91,944,708	10.59%
2014	8,929,617	8,929,617	-	90,602,575	9.86%
2015	8,858,387	8,858,387	-	96,286,815	9.20%
2016	7,153,893	7,153,893	-	88,577,675	8.08%
2017	8,965,098	8,965,098	-	91,815,718	9.76%
2018	8,939,628	8,939,628	-	97,993,092	9.12%
2019	9,007,032	9,007,032	-	97,618,555	9.23%

⁽¹⁾ The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. The actuarial assumptions noted below relate to the most recent valuation, dated December 31, 2017. Changes in assumptions have been identified where applicable.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	4-year smoothed market
Inflation	4.0%
Salary increases	4.0%-11.0%, including inflation
Investment rate of return	7.0%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to the January 1, 2008 - December 31, 2012 experience study
Mortality	The RP-2014 Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2015 Mortality Improvement Scales. These tables were first used for the December 31, 2015 valuation
Cost-of-living adjustment	Varies from 1% to 3%, depending on union

Other information

Notes The employer contribution for fiscal year 2019 was determined in the December 31, 2017 actuarial valuation. The December 31, 2018 valuation incorporates assumption changes in accordance with the experience study dated November 8, 2018 and adopted by the Board on November 14, 2018.

COUNTY OF KENT, MICHIGAN

Required Supplementary Information Employees' Retirement Plan

Schedule of Investment Returns

Year Ended December 31,	Annual ⁽¹⁾ Return
2014	6.34%
2015	-0.31%
2016	7.37%
2017	16.68%
2018	-5.75%
2019	19.01%

⁽¹⁾ Annual money-weighted rate of return, net of investment expenses

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

COUNTY OF KENT, MICHIGAN

Required Supplementary Information

Voluntary Employees' Beneficiary Association (VEBA) Trust Fund

Schedule of Changes in the County's Net OPEB Liability and Related Ratios

	Year Ended December 31,		
	2017	2018	2019
Total OPEB liability			
Service cost	\$ 1,127,286	\$ 1,072,729	\$ 1,359,413
Interest	3,974,131	4,038,791	3,807,630
Changes in benefit terms	-	1,527,575	-
Differences between expected and actual experience	-	(5,733,050)	1,832,578
Changes of assumptions	2,759,510	711,496	-
Benefit payments, including refunds of employee contributions	(3,145,772)	(3,104,339)	(2,992,778)
Net change in total OPEB liability	4,715,155	(1,486,798)	4,006,843
Total OPEB liability, beginning of year	53,997,661	58,712,816	57,226,018
Total OPEB liability, end of year	58,712,816	57,226,018	61,232,861
Plan fiduciary net position			
Employer contributions	5,271,289	5,321,892	4,475,538
Net investment income (loss)	3,554,463	(1,599,916)	5,422,212
Benefit payments, including refunds of employee contributions	(3,145,772)	(3,104,339)	(2,992,778)
Administrative expense	(34,479)	(48,229)	(61,225)
Other	4,334	6,132	-
Net change in plan fiduciary net position	5,649,835	575,540	6,843,747
Plan fiduciary net position, beginning of year	19,665,737	25,315,572	25,891,112
Plan fiduciary net position, end of year	25,315,572	25,891,112	32,734,859
County's net OPEB liability	\$ 33,397,244	\$ 31,334,906	\$ 28,498,002
Plan fiduciary net position as a percentage of total OPEB liability	43.12%	45.24%	53.46%
Covered payroll	\$ 88,846,626	\$ 92,095,534	\$ 109,665,514
County's net OPEB liability as a percentage of covered payroll	37.59%	34.02%	25.99%

The December 31, 2018 valuation incorporates assumption changes in accordance with the pension experience study dated November 8, 2018 and adopted by the Board on November 14, 2018. Further the healthcare specific assumptions were investigated in the experience study dated February 8, 2018. The adopted changes are summarized as follows: 6.75% investment return assumption; 3.50% wage inflation assumption; MP-2018 mortality projection scale; decrease retirement rates; decrease withdrawal rates; lowered election percentage assumptions; public act 202 healthcare trend assumption. The overall impact of the assumption changes increased the contribution rate by 0.25% and slightly reduced the funded ratio.

For the December 31, 2018 valuation a benefit change was reflected for future retirees: the maximum monthly flat dollar stipend increased from \$350 to \$400. The benefit change increased the employer contribution rate by 0.18% and slightly reduced the funded ratio.

The December 31, 2017 valuation incorporates assumption changes, including: reduced the assumed rate of return from 7.5% to 7.0%; changed the amortization period from 30 years open to 23 years closed; reset the health care trend rate to increase by 9.0% in 2018 and trending down to 4.0% in 2028.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF KENT, MICHIGAN

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

Schedule of the Net OPEB Liability

Fiscal Year Ended December 31,	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2017	\$ 58,712,816	\$ 25,315,572	\$ 33,397,244	43.12%	\$ 88,846,626	37.59%
2018	57,226,018	25,891,112	31,334,906	45.24%	92,095,534	34.02%
2019	61,232,861	32,734,859	28,498,002	53.46%	109,665,514	25.99%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF KENT, MICHIGAN

Required Supplementary Information

Voluntary Employees' Beneficiary Association (VEBA) Trust Fund

Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percentage of Covered Payroll
2017	\$ 3,394,981	\$ 5,271,289	\$ 1,876,308	\$ 88,846,626	5.93%
2018	3,151,965	5,321,892	2,169,927	92,095,534	5.78%
2019	2,908,628	4,475,538	1,566,910	109,665,514	4.08%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date December 31 of the year prior to the fiscal year in which the contributions are expected to be made

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, Open
Remaining amortization period	23 years
Asset valuation method	Market value of assets
Price inflation	2.5%
Salary increases	4.0% to 11.0%, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to the January 1, 2008 - December 31, 2012 Experience Study for the Retirement Plan and Trust.
Mortality	The RP-2014 Mortality Tables with 2-dimensional, fully generational improvements projected with the MP-2015 Mortality Improvement Scales. These tables were first used for the December 31, 2015 valuation.
Health care trend rates	Trend starting at 9.0% gradually decreasing to an ultimate trend rate of 4.0%.
Aging factors	The tables used in developing the retiree premium are based on a recent Society of Actuaries study of health costs.
Expenses	Investment expenses are net of the investment returns; Administrative expenses are included in the premium costs
Notes	The December 31, 2018 valuation incorporates assumption changes in accordance with the experience study dated February 8, 2019. These assumptions are reflected elsewhere in this report.

COUNTY OF KENT, MICHIGAN

Required Supplementary Information

Voluntary Employees' Beneficiary Association (VEBA) Trust Fund

Schedule of Investment Returns

Fiscal Year Ended December 31,	Annual Return ⁽¹⁾
2017	17.76%
2018	-6.09%
2019	20.98%

⁽¹⁾ Annual money-weighted rate of return, net of investment expenses

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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COUNTY OF KENT, MICHIGAN

■ General Fund

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

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 98,158,010	\$ 100,158,010	\$ 99,734,111	\$ (423,899)
Licenses and permits	31,000	31,000	30,360	(640)
Intergovernmental	23,438,312	23,491,349	24,948,661	1,457,312
Charges for services	28,794,080	28,794,080	30,029,489	1,235,409
Fines and forfeitures	1,182,500	1,182,500	1,555,928	373,428
Investment earnings	850,000	850,000	2,009,372	1,159,372
Contributions and reimbursements	5,711,900	5,711,900	5,360,376	(351,524)
Other	3,830,058	3,830,058	3,625,556	(204,502)
Total revenues	161,995,860	164,048,897	167,293,853	3,244,956
Expenditures				
Current:				
General government:				
Information technology	6,935,796	6,935,796	6,193,005	(742,791)
Courthouse	8,676,931	8,676,931	8,125,650	(551,281)
Administrator	1,577,888	1,577,888	1,415,175	(162,713)
Clerk	2,530,815	2,530,064	2,289,960	(240,104)
Buildings and grounds	833,889	833,889	830,884	(3,005)
Fiscal services	2,078,892	2,078,892	1,926,915	(151,977)
Boiler plant operation	1,075,829	1,075,829	787,473	(288,356)
Energy use reduction program	35,000	45,770	34,360	(11,410)
Facilities management	463,588	463,588	444,682	(18,906)
Equalization	1,547,776	1,600,813	1,394,705	(206,108)
Treasurer	1,270,267	1,270,267	1,194,552	(75,715)
Board of Commissioners	1,080,369	1,080,369	964,094	(116,275)
Human resources	1,990,760	1,990,760	1,906,139	(84,621)
Buildings and grounds - 82 Ionia	938,668	938,668	775,212	(163,456)
Buildings and grounds - HSC	1,001,809	1,001,809	892,196	(109,613)
Purchasing	565,467	565,467	503,373	(62,094)
Elections	309,272	335,023	335,023	-
Audit	130,000	130,000	106,200	(23,800)
Management studies	628,000	328,028	246,003	(82,025)
Facilities management - district court	204,497	204,497	198,557	(5,940)
Central services	890,260	890,260	809,632	(80,628)
Buildings and ground - veterans' services	45,000	45,000	25,782	(19,218)
Facilities management - cooperative extension	45,314	45,314	43,790	(1,524)
Corporate counsel	107,500	107,500	82,126	(25,374)
Fleet services	633,828	633,828	500,022	(133,806)
Total general government	35,597,415	35,386,250	32,025,510	(3,360,740)
Public safety:				
Jail	39,115,693	38,870,038	36,583,939	(2,286,099)
Sheriff and road patrol	20,561,484	20,700,624	20,681,195	(19,429)
E-911	5,348,669	5,348,669	5,231,107	(117,562)
Emergency management	20,447	163,252	98,506	(64,746)
Total public safety	65,046,293	65,082,583	62,594,747	(2,487,836)

continued...

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Current (continued):				
Health and welfare:				
Intergovernmental	\$ 3,761,755	\$ 3,761,755	\$ 3,756,888	\$ (4,867)
Prevention programming	1,525,000	1,525,000	1,407,526	(117,474)
Medical examiners	2,002,832	2,002,832	1,543,595	(459,237)
Department of Health and Human Services	484,338	484,338	446,471	(37,867)
Area Agency on Aging	15,560	15,560	15,560	-
ACSET	65,000	65,000	-	(65,000)
Total health and welfare	<u>7,854,485</u>	<u>7,854,485</u>	<u>7,170,040</u>	<u>(684,445)</u>
Culture and recreation:				
Parks	5,995,796	5,995,796	5,908,002	(87,794)
John Ball Zoological Gardens	27,141	27,141	27,141	-
Total culture and recreation	<u>6,022,937</u>	<u>6,022,937</u>	<u>5,935,143</u>	<u>(87,794)</u>
Judicial:				
District court	3,231,400	3,231,400	3,004,737	(226,663)
Probate court	1,535,452	1,533,902	1,430,769	(103,133)
Circuit and family court	16,635,169	16,635,169	14,562,257	(2,072,912)
Probation - district court	2,500	2,500	2,500	-
Probation - circuit court	41,951	41,951	41,951	-
Prosecuting attorney	4,834,688	4,834,688	4,762,490	(72,198)
Law library	21,500	21,500	21,061	(439)
Total judicial	<u>26,302,660</u>	<u>26,301,110</u>	<u>23,825,765</u>	<u>(2,475,345)</u>
Community and economic development:				
Economic development	120,000	120,000	120,000	-
Cooperative extension	482,047	482,047	475,458	(6,589)
Register of deeds	668,799	643,799	481,979	(161,820)
Total community and economic development	<u>1,270,846</u>	<u>1,245,846</u>	<u>1,077,437</u>	<u>(168,409)</u>
Public works:				
Drain Commission	680,513	680,513	642,264	(38,249)
Drains at large	50,000	50,000	41,214	(8,786)
Total public works	<u>730,513</u>	<u>730,513</u>	<u>683,478</u>	<u>(47,035)</u>
Total expenditures	<u>142,825,149</u>	<u>142,623,724</u>	<u>133,312,120</u>	<u>(9,311,604)</u>
Revenues over expenditures	<u>19,170,711</u>	<u>21,425,173</u>	<u>33,981,733</u>	<u>12,556,560</u>

continued...

COUNTY OF KENT, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual - General Fund
 For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Transfers in	\$ 18,603,000	\$ 18,603,000	\$ 19,018,039	\$ 415,039
Transfers out	(43,369,811)	(47,195,160)	(47,039,877)	155,283
Proceeds from sale of capital assets	26,100	26,100	331,541	305,441
Total other financing sources (uses)	(24,740,711)	(28,566,060)	(27,690,297)	875,763
Net change in fund balance	(5,570,000)	(7,140,887)	6,291,436	13,432,323
Fund balance, beginning of year	74,486,994	74,486,994	74,486,994	-
Fund balance, end of year	\$ 68,916,994	\$ 67,346,107	\$ 80,778,430	\$ 13,432,323

concluded

COUNTY OF KENT, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Early Childhood Millage Fund - accounts for the proceeds of a dedicated millage levied to support services provided for early childhood development.

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

Indigent Defense Fund - accounts for earmarked state grant revenue to provide indigent defendants in criminal cases with effective assistance of counsel. This fund is required by the Michigan Indigent Defense Commission (MIDC) Act, Public Act 93 of 2013, as amended.

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

Concealed Pistol License Fund - accounts for the deposit of fees collected for the County Clerk under the Firearms Act 372 of 1927 (MCL 28.425x) for the regulation and licensing of certain firearms.

Local Corrections Officers Training Fund - accounts for the deposit of booking fees charged to each inmate when first admitted into the County jail. The booking fee, when collected, is used as a source of revenue for local correctional officers training programs. The County retains \$10 of the \$12 booking fee and the remaining \$2 is required to be remitted to the State.

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

State Project Fund - accounts for the expenditures and revenues of various activities financed by restricted grants of the State. Projects lengths vary from annually renewable to multi-year.

Project Fund - accounts for the expenditures and revenues of various activities financed primarily by restricted grants or special revenues from sources other than the State and Federal government. Projects are renewable annually.

COUNTY OF KENT, MICHIGAN

Nonmajor Governmental Funds

LTD Project Fund - accounts for the expenditures and revenues of various activities financed primarily by restricted grants or special revenues from sources other than the State and Federal government. Projects are multi-year.

Federal Project Fund - accounts for the expenditures and revenues of various activities financed by restricted grants of the Federal government. Project lengths vary from annually renewable to multi-year.

Community Development Federal Project Fund - accounts for the improvement, rehabilitation and preservation of public facilities in target areas as well as the issuance and repayment of rehabilitation loans. Financing is provided by Community Development Block Grants and program income.

Kent County Community Action Funds - accounts for the expenditures and revenues of various activities financed by restricted grants of the State and Federal governments, as well as local contributions. Project lengths vary from annually renewable to multi-year.

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

Debt Service Funds

General Debt Service Fund - accounts for the retirement of principal and related interest and fiscal charges on long-term debt issued to fund various capital acquisitions within the County. Financing for the Human Services Complex is supported by a lease with the State of Michigan and the City of Grand Rapids.

Building Authority Debt Service Fund - accounts for the retirement of principal and related interest and fiscal charges on long-term debt of the Kent County Building Authority. Such buildings currently include the correctional facility, the sheriff's building and the courthouse. Financing for the correctional facility is supported by a dedicated tax millage paid by County property owners.

Capital Projects Funds

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

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

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COUNTY OF KENT, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Special Revenue Funds			
	Fire Prevention (206)	Friend of the Court (215)	Health (221)	Lodging Excise Tax (229)
Assets				
Cash, investments, and accrued interest	\$ 578,999	\$ -	\$ 778,365	\$ 7,011,154
Receivables, net:				
Accounts	35	-	1,094,965	707,503
Property taxes	-	-	-	-
Due from other governments	-	1,459,108	1,341,985	-
Loans	-	-	-	-
Due from other funds	-	33,384	19,567	-
Inventories	-	-	394,054	-
Prepays	-	-	-	-
Total assets	\$ 579,034	\$ 1,492,492	\$ 3,628,936	\$ 7,718,657
Liabilities				
Accounts payable	\$ 11,757	\$ 40,355	\$ 1,056,129	\$ 294,731
Accrued liabilities	-	356,346	921,128	4,229
Due to other governments	-	-	-	-
Due to other funds	90,000	845,791	106,826	-
Due to component unit	-	-	-	-
Unearned revenue	-	-	844,862	-
Total liabilities	101,757	1,242,492	2,928,945	298,960
Deferred inflows of resources				
Property taxes levied for subsequent period	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	394,054	-
Restricted	477,277	-	-	7,419,697
Assigned	-	250,000	305,937	-
Total fund balances	477,277	250,000	699,991	7,419,697
Total liabilities, deferred inflows of resources and fund balances	\$ 579,034	\$ 1,492,492	\$ 3,628,936	\$ 7,718,657

Special Revenue Funds

Early Childhood Millage (253)	Register of Deeds Automation (256)	Indigent Defense (260)	Central Dispatch Collection (261)	Concealed Pistol License (263)	Local Corrections Officers Training (264)	Drug Forfeiture (265)
\$ 5,907,794	\$ 798,749	\$ 1,750,834	\$ 754,339	\$ 365,460	\$ 331,279	\$ 162,981
-	-	-	1,866,907	-	-	16,212
5,235,483	-	-	-	-	-	-
178,748	-	4,128,335	289,654	-	-	-
-	-	-	-	-	-	-
-	-	4,163	86,650	-	-	22,419
-	-	-	-	-	-	-
-	4,000	-	-	-	-	-
<u>\$ 11,322,025</u>	<u>\$ 802,749</u>	<u>\$ 5,883,332</u>	<u>\$ 2,997,550</u>	<u>\$ 365,460</u>	<u>\$ 331,279</u>	<u>\$ 201,612</u>
\$ 82,666	\$ 30,073	\$ 269,848	\$ 2,128,368	\$ -	\$ 2,677	\$ 69,199
-	5,477	16,955	-	3,771	-	3,466
-	-	-	-	-	-	-
-	-	2,697	86,650	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>82,666</u>	<u>35,550</u>	<u>289,500</u>	<u>2,215,018</u>	<u>3,771</u>	<u>2,677</u>	<u>72,665</u>
5,897,636	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,897,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,000	-	-	-	-	-
5,341,723	763,199	5,593,832	-	361,689	328,602	128,947
-	-	-	782,532	-	-	-
<u>5,341,723</u>	<u>767,199</u>	<u>5,593,832</u>	<u>782,532</u>	<u>361,689</u>	<u>328,602</u>	<u>128,947</u>
<u>\$ 11,322,025</u>	<u>\$ 802,749</u>	<u>\$ 5,883,332</u>	<u>\$ 2,997,550</u>	<u>\$ 365,460</u>	<u>\$ 331,279</u>	<u>\$ 201,612</u>

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COUNTY OF KENT, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Special Revenue Funds			
	State Project (272)	Project (279)	LTD Project (280)	Federal Project (282)
Assets				
Cash, investments, and accrued interest	\$ -	\$ -	\$ 2,151,904	\$ -
Receivables, net:				
Accounts	-	-	-	1,007
Property taxes	-	-	-	-
Due from other governments	576,135	1,512,533	10,000	684,345
Loans	-	-	-	-
Due from other funds	21,947	84,593	1,251	55,087
Inventories	-	-	-	-
Prepays	-	-	-	-
Total assets	\$ 598,082	\$ 1,597,126	\$ 2,163,155	\$ 740,439
Liabilities				
Accounts payable	\$ 152,253	\$ 129,007	\$ 72,075	\$ 22,595
Accrued liabilities	52,389	468,158	-	119,176
Due to other governments	-	16,518	-	812
Due to other funds	393,440	709,607	16,000	540,984
Due to component unit	-	-	-	-
Unearned revenue	-	37,500	491	-
Total liabilities	598,082	1,360,790	88,566	683,567
Deferred inflows of resources				
Property taxes levied for subsequent period	-	-	-	-
Unavailable revenue - loans receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	235,654	618,480	56,872
Assigned	-	682	1,456,109	-
Total fund balances	-	236,336	2,074,589	56,872
Total liabilities, deferred inflows of resources and fund balances	\$ 598,082	\$ 1,597,126	\$ 2,163,155	\$ 740,439

Special Revenue Funds			Debt Service Funds	
Community Development Federal Project (283)	Kent County Community Action (284, 285, 286)	Veterans' Millage (293)	General Debt Service (301)	Building Authority (369)
\$ -	\$ -	\$ 1,206,981	\$ -	\$ -
127,168	16,936	510	-	-
-	-	1,015,513	-	-
439,785	496,135	18,158	-	-
535,252	-	-	-	-
5,024	118,161	1,775	-	-
-	1,682,215	-	-	-
-	-	5,000	-	-
<u>\$ 1,107,229</u>	<u>\$ 2,313,447</u>	<u>\$ 2,247,937</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 205,956	\$ 83,928	\$ 76,551	\$ -	\$ -
12,284	80,478	26,224	-	-
65,899	14,790	-	-	-
152,219	355,862	5	-	-
-	9,948	-	-	-
135,619	1,697,167	-	-	-
<u>571,977</u>	<u>2,242,173</u>	<u>102,780</u>	<u>-</u>	<u>-</u>
-	-	1,146,276	-	-
<u>535,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>535,252</u>	<u>-</u>	<u>1,146,276</u>	<u>-</u>	<u>-</u>
-	-	5,000	-	-
-	71,274	993,881	-	-
-	-	-	-	-
<u>-</u>	<u>71,274</u>	<u>998,881</u>	<u>-</u>	<u>-</u>
<u>\$ 1,107,229</u>	<u>\$ 2,313,447</u>	<u>\$ 2,247,937</u>	<u>\$ -</u>	<u>\$ -</u>

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COUNTY OF KENT, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2019

	Capital Projects Funds		
	Bond Capital Improvement (401)	Building Authority Construction (469)	Total
Assets			
Cash, investments, and accrued interest	\$ 4,964,346	\$ -	\$ 26,763,185
Receivables, net:			
Accounts	-	-	3,831,243
Property taxes	-	-	6,250,996
Due from other governments	-	-	11,134,921
Loans	-	-	535,252
Due from other funds	-	-	454,021
Inventories	-	-	2,076,269
Prepays	-	-	9,000
Total assets	\$ 4,964,346	\$ -	\$ 51,054,887
Liabilities			
Accounts payable	\$ 251,358	\$ -	\$ 4,979,526
Accrued liabilities	-	-	2,070,081
Due to other governments	-	-	98,019
Due to other funds	-	-	3,300,081
Due to component unit	-	-	9,948
Unearned revenue	-	-	2,715,639
Total liabilities	251,358	-	13,173,294
Deferred inflows of resources			
Property taxes levied for subsequent period	-	-	7,043,912
Unavailable revenue - loans receivable	-	-	535,252
Total deferred inflows of resources	-	-	7,579,164
Fund balances			
Nonspendable	-	-	403,054
Restricted	4,712,988	-	27,104,115
Assigned	-	-	2,795,260
Total fund balances	4,712,988	-	30,302,429
Total liabilities, deferred inflows of resources and fund balances	\$ 4,964,346	\$ -	\$ 51,054,887

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COUNTY OF KENT, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Special Revenue Funds			
	Fire Prevention (206)	Friend of the Court (215)	Health (221)	Lodging Excise Tax (229)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 11,432,225
Licenses and permits	-	-	844,592	-
Intergovernmental	276,741	6,776,893	12,584,277	-
Charges for services	-	871,195	2,801,077	-
Fines and forfeitures	-	184,599	129,227	8,124
Investment earnings	10,674	-	-	221,367
Contributions and reimbursements	-	-	5,885,826	-
Other	-	-	1,287,036	-
Total revenues	287,415	7,832,687	23,532,035	11,661,716
Expenditures				
Current:				
General government	-	-	-	-
Public safety	295,735	-	-	-
Health and welfare	-	-	28,177,965	-
Culture and recreation	-	-	-	-
Judicial	-	9,737,939	-	-
Community and economic development	-	-	-	9,596,688
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	295,735	9,737,939	28,177,965	9,596,688
Revenues over (under) expenditures	(8,320)	(1,905,252)	(4,645,930)	2,065,028
Other financing sources (uses)				
Transfers in	260,000	1,901,251	4,645,918	-
Transfers out	-	-	-	(1,100,000)
Issuance of refunding bonds	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	1,501	4,000	-	-
Total other financing sources (uses)	261,501	1,905,251	4,645,918	(1,100,000)
Net change in fund balances	253,181	(1)	(12)	965,028
Fund balances, beginning of year	224,096	250,001	700,003	6,454,669
Fund balances, end of year	\$ 477,277	\$ 250,000	\$ 699,991	\$ 7,419,697

Special Revenue Funds						
Early Childhood Millage (253)	Register of Deeds Automation (256)	Indigent Defense (260)	Central Dispatch Collection (261)	Concealed Pistol License (263)	Local Corrections Officers Training (264)	Drug Forfeiture (265)
\$ 5,636,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	174,976	-	-
93,279	-	4,128,336	-	-	-	-
-	519,265	-	9,999,804	-	153,799	-
-	-	-	-	-	-	248,460
114,021	28,394	841	30,122	7,702	6,870	5,065
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,844,192</u>	<u>547,659</u>	<u>4,129,177</u>	<u>10,029,926</u>	<u>182,678</u>	<u>160,669</u>	<u>253,525</u>
-	1,232,452	-	-	90,565	-	-
-	-	-	8,589,856	-	133,900	346,585
503,580	-	-	-	-	-	-
-	-	3,451,228	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>503,580</u>	<u>1,232,452</u>	<u>3,451,228</u>	<u>8,589,856</u>	<u>90,565</u>	<u>133,900</u>	<u>346,585</u>
<u>5,340,612</u>	<u>(684,793)</u>	<u>677,949</u>	<u>1,440,070</u>	<u>92,113</u>	<u>26,769</u>	<u>(93,060)</u>
-	-	4,231,241	-	-	-	22,419
-	(45,000)	-	(1,090,788)	(17,500)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>(45,000)</u>	<u>4,231,241</u>	<u>(1,090,788)</u>	<u>(17,500)</u>	<u>-</u>	<u>22,419</u>
5,340,612	(729,793)	4,909,190	349,282	74,613	26,769	(70,641)
1,111	1,496,992	684,642	433,250	287,076	301,833	199,588
<u>\$ 5,341,723</u>	<u>\$ 767,199</u>	<u>\$ 5,593,832</u>	<u>\$ 782,532</u>	<u>\$ 361,689</u>	<u>\$ 328,602</u>	<u>\$ 128,947</u>

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COUNTY OF KENT, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Special Revenue Funds			
	State Project (272)	Project (279)	LTD Project (280)	Federal Project (282)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,332,057	620,351	71,000	2,081,238
Charges for services	-	9,330,873	65,325	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	1,465	26,295	-
Contributions and reimbursements	-	267,480	483,047	466
Other	-	-	4,000	-
Total revenues	2,332,057	10,220,169	649,667	2,081,704
Expenditures				
Current:				
General government	-	142,163	4,582	-
Public safety	430,477	10,670,401	71,726	566,219
Health and welfare	-	557,752	104,605	131,569
Culture and recreation	-	-	73,352	-
Judicial	2,118,743	-	5,234	3,138,721
Community and economic development	-	-	393,401	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,549,220	11,370,316	652,900	3,836,509
Revenues over (under) expenditures	(217,163)	(1,150,147)	(3,233)	(1,754,805)
Other financing sources (uses)				
Transfers in	217,163	1,176,351	195,805	1,754,807
Transfers out	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	217,163	1,176,351	195,805	1,754,807
Net change in fund balances	-	26,204	192,572	2
Fund balances, beginning of year	-	210,132	1,882,017	56,870
Fund balances, end of year	\$ -	\$ 236,336	\$ 2,074,589	\$ 56,872

Special Revenue Funds			Debt Service Funds	
Community Development Federal Project (283)	Kent County Community Action (284, 285, 286)	Veterans' Millage (293)	General Debt Service (301)	Building Authority (369)
\$ -	\$ -	\$ 1,105,352	\$ -	\$ -
-	-	-	-	-
3,493,242	3,350,073	44,735	-	446,807
-	-	-	-	-
-	-	-	-	-
-	888	33,428	-	-
148,061	8,104	512	-	-
-	-	-	-	6,996,382
<u>3,641,303</u>	<u>3,359,065</u>	<u>1,184,027</u>	<u>-</u>	<u>7,443,189</u>
-	-	-	-	-
-	-	-	-	-
3,641,303	3,383,669	1,011,053	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,409,810	5,200,000
-	-	-	3,396,610	2,243,992
-	-	-	158,579	-
-	-	-	-	-
<u>3,641,303</u>	<u>3,383,669</u>	<u>1,011,053</u>	<u>7,964,999</u>	<u>7,443,992</u>
-	(24,604)	172,974	(7,964,999)	(803)
-	66,821	-	7,081,431	-
-	(418,039)	-	-	-
-	-	-	18,850,000	-
-	-	-	3,396,362	-
-	-	-	(21,974,683)	-
-	-	-	-	-
-	(351,218)	-	7,353,110	-
-	(375,822)	172,974	(611,889)	(803)
-	447,096	825,907	611,889	803
<u>\$ -</u>	<u>\$ 71,274</u>	<u>\$ 998,881</u>	<u>\$ -</u>	<u>\$ -</u>

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COUNTY OF KENT, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Capital Projects Funds		Total
	Bond Capital Improvement (401)	Building Authority Construction (469)	
Revenues			
Taxes	\$ -	\$ -	\$ 18,174,469
Licenses and permits	-	-	1,019,568
Intergovernmental	-	-	36,299,029
Charges for services	-	-	23,741,338
Fines and forfeitures	-	-	570,410
Investment earnings	422,098	2,230	911,460
Contributions and reimbursements	-	-	6,793,496
Other	-	-	8,287,418
Total revenues	422,098	2,230	95,797,188
Expenditures			
Current:			
General government	-	-	1,469,762
Public safety	-	-	21,104,899
Health and welfare	-	-	37,511,496
Culture and recreation	-	-	73,352
Judicial	-	-	18,451,865
Community and economic development	-	-	9,990,089
Debt service:			
Principal	-	-	9,609,810
Interest and fiscal charges	-	-	5,640,602
Bond issuance costs	-	-	158,579
Capital outlay	3,162,315	-	3,162,315
Total expenditures	3,162,315	-	107,172,769
Revenues over (under) expenditures	(2,740,217)	2,230	(11,375,581)
Other financing sources (uses)			
Transfers in	-	-	21,553,207
Transfers out	-	(155,101)	(2,826,428)
Issuance of refunding bonds	-	-	18,850,000
Premium on issuance of refunding bonds	-	-	3,396,362
Payments to refunded bond escrow agent	-	-	(21,974,683)
Proceeds from sale of capital assets	-	-	5,501
Total other financing sources (uses)	-	(155,101)	19,003,959
Net change in fund balances	(2,740,217)	(152,871)	7,628,378
Fund balances, beginning of year	7,453,205	152,871	22,674,051
Fund balances, end of year	\$ 4,712,988	\$ -	\$ 30,302,429

concluded

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Fire Prevention Fund (206) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	250,000	250,000	276,741	26,741
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	1,500	1,500	10,674	9,174
Contributions and reimbursements	167,000	167,000	-	(167,000)
Other	-	-	-	-
Total revenues	418,500	418,500	287,415	(131,085)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	680,143	317,558	295,735	(21,823)
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	680,143	317,558	295,735	(21,823)
Revenues over (under) expenditures	(261,643)	100,942	(8,320)	(109,262)
Other financing sources (uses)				
Transfers in	260,000	260,000	260,000	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	30,806	30,806	1,501	(29,305)
Total other financing sources (uses)	290,806	290,806	261,501	(29,305)
Net change in fund balances	29,163	391,748	253,181	(138,567)
Fund balances, beginning of year	224,096	224,096	224,096	-
Fund balances, end of year	\$ 253,259	\$ 615,844	\$ 477,277	\$ (138,567)

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis Friend of the Court Fund (215) For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,249,522	7,249,522	6,633,791	(615,731)
Charges for services	862,500	862,500	877,154	14,654
Fines and forfeitures	190,000	190,000	187,064	(2,936)
Investment earnings	-	-	-	-
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	8,302,022	8,302,022	7,698,009	(604,013)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	10,441,376	10,441,376	9,544,388	(896,988)
Community and economic development	-	-	-	-
Total expenditures	10,441,376	10,441,376	9,544,388	(896,988)
Revenues over (under) expenditures	(2,139,354)	(2,139,354)	(1,846,379)	292,975
Other financing sources (uses)				
Transfers in	2,136,854	2,136,854	1,842,379	(294,475)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	2,500	2,500	4,000	1,500
Total other financing sources (uses)	2,139,354	2,139,354	1,846,379	(292,975)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual - Budgetary Basis

Health Fund (221)

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	824,630	824,630	823,941	(689)
Intergovernmental	11,875,777	13,280,997	12,528,469	(752,528)
Charges for services	2,746,942	2,746,942	2,855,614	108,672
Fines and forfeitures	158,161	158,161	127,196	(30,965)
Investment earnings	-	-	-	-
Contributions and reimbursements	4,317,949	4,380,006	5,922,639	1,542,633
Other	799,520	1,459,649	1,281,717	(177,932)
Total revenues	20,722,979	22,850,385	23,539,576	689,191
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	28,702,706	30,951,249	27,820,905	(3,130,344)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	28,702,706	30,951,249	27,820,905	(3,130,344)
Revenues over (under) expenditures	(7,979,727)	(8,100,864)	(4,281,329)	3,819,535
Other financing sources (uses)				
Transfers in	7,291,510	7,402,199	4,281,329	(3,120,870)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	7,291,510	7,402,199	4,281,329	(3,120,870)
Net change in fund balances	\$ (688,217)	\$ (698,665)	\$ -	\$ 698,665

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Lodging Excise Tax Fund (229) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 11,000,000	\$ 11,000,000	\$ 11,432,225	\$ 432,225
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	100	100	-	(100)
Fines and forfeitures	10,000	10,000	8,124	(1,876)
Investment earnings	80,000	80,000	221,367	141,367
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	11,090,100	11,090,100	11,661,716	571,616
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	9,526,898	9,603,618	9,596,688	(6,930)
Total expenditures	9,526,898	9,603,618	9,596,688	(6,930)
Revenues over (under) expenditures	1,563,202	1,486,482	2,065,028	578,546
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,100,000)	(1,100,000)	(1,100,000)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(1,100,000)	(1,100,000)	(1,100,000)	-
Net change in fund balances	463,202	386,482	965,028	578,546
Fund balances, beginning of year	6,454,669	6,454,669	6,454,669	-
Fund balances, end of year	\$ 6,917,871	\$ 6,841,151	\$ 7,419,697	\$ 578,546

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Early Childhood Millage Fund (253) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ 5,703,000	\$ 5,636,892	\$ (66,108)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	93,279	93,279
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	114,021	114,021
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	-	5,703,000	5,844,192	141,192
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	4,334,241	503,580	(3,830,661)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	-	4,334,241	503,580	(3,830,661)
Revenues over (under) expenditures	-	1,368,759	5,340,612	3,971,853
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	1,368,759	5,340,612	3,971,853
Fund balances, beginning of year	1,111	1,111	1,111	-
Fund balances, end of year	\$ 1,111	\$ 1,369,870	\$ 5,341,723	\$ 3,971,853

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Register of Deeds Automation Fund (256) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	525,000	525,000	519,265	(5,735)
Fines and forfeitures	-	-	-	-
Investment earnings	6,500	6,500	28,394	21,894
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	531,500	531,500	547,659	16,159
Expenditures				
Current:				
General government	556,975	1,474,112	1,232,452	(241,660)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	556,975	1,474,112	1,232,452	(241,660)
Revenues over (under) expenditures	(25,475)	(942,612)	(684,793)	257,819
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(45,000)	(45,000)	(45,000)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(45,000)	(45,000)	(45,000)	-
Net change in fund balances	(70,475)	(987,612)	(729,793)	257,819
Fund balances, beginning of year	1,496,992	1,496,992	1,496,992	-
Fund balances, end of year	\$ 1,426,517	\$ 509,380	\$ 767,199	\$ 257,819

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis Indigent Defense Fund (260) For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	933,761	933,761	933,761	-
Charges for services	168,310	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	2,320	1,452	(868)
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	1,102,071	936,081	935,213	(868)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	3,498,448	3,140,392	3,140,392	-
Community and economic development	-	-	-	-
Total expenditures	3,498,448	3,140,392	3,140,392	-
Revenues over (under) expenditures	(2,396,377)	(2,204,311)	(2,205,179)	(868)
Other financing sources (uses)				
Transfers in	2,396,377	2,399,075	2,396,378	(2,697)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	2,396,377	2,399,075	2,396,378	(2,697)
Net change in fund balances	\$ -	\$ 194,764	\$ 191,199	\$ (3,565)

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Central Dispatch Collection Fund (261) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	8,442,035	9,891,800	9,999,804	108,004
Fines and forfeitures	-	-	-	-
Investment earnings	1,500	1,500	30,122	28,622
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	8,443,535	9,893,300	10,029,926	136,626
Expenditures				
Current:				
General government	-	-	-	-
Public safety	6,749,210	8,802,162	8,589,856	(212,306)
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	6,749,210	8,802,162	8,589,856	(212,306)
Revenues over (under) expenditures	1,694,325	1,091,138	1,440,070	348,932
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,693,975)	(1,090,788)	(1,090,788)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(1,693,975)	(1,090,788)	(1,090,788)	-
Net change in fund balances	350	350	349,282	348,932
Fund balances, beginning of year	433,250	433,250	433,250	-
Fund balances, end of year	\$ 433,600	\$ 433,600	\$ 782,532	\$ 348,932

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Concealed Pistol License Fund (263) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	150,000	150,000	174,976	24,976
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	7,702	7,702
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	150,000	150,000	182,678	32,678
Expenditures				
Current:				
General government	111,234	111,234	90,565	(20,669)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	111,234	111,234	90,565	(20,669)
Revenues over (under) expenditures	38,766	38,766	92,113	53,347
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(17,500)	(17,500)	(17,500)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(17,500)	(17,500)	(17,500)	-
Net change in fund balances	21,266	21,266	74,613	53,347
Fund balances, beginning of year	287,076	287,076	287,076	-
Fund balances, end of year	\$ 308,342	\$ 308,342	\$ 361,689	\$ 53,347

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Local Corrections Officers Training Fund (264) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	180,000	180,000	153,799	(26,201)
Fines and forfeitures	-	-	-	-
Investment earnings	2,000	2,000	6,870	4,870
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	182,000	182,000	160,669	(21,331)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	264,481	264,481	133,900	(130,581)
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	264,481	264,481	133,900	(130,581)
Revenues over (under) expenditures	(82,481)	(82,481)	26,769	109,250
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(82,481)	(82,481)	26,769	109,250
Fund balances, beginning of year	301,833	301,833	301,833	-
Fund balances, end of year	\$ 219,352	\$ 219,352	\$ 328,602	\$ 109,250

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Drug Forfeiture Fund (265) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	478,535	478,535	248,460	(230,075)
Investment earnings	1,200	1,200	5,065	3,865
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	479,735	479,735	253,525	(226,210)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	616,224	668,595	346,585	(322,010)
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	616,224	668,595	346,585	(322,010)
Revenues over (under) expenditures	(136,489)	(188,860)	(93,060)	95,800
Other financing sources (uses)				
Transfers in	-	-	22,419	22,419
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	22,419	22,419
Net change in fund balances	(136,489)	(188,860)	(70,641)	118,219
Fund balances, beginning of year	199,588	199,588	199,588	-
Fund balances, end of year	\$ 63,099	\$ 10,728	\$ 128,947	\$ 118,219

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis State Project Fund (272) For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,705,855	2,712,779	2,260,386	(452,393)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Contributions and reimbursements	-	-	-	-
Other	-	-	-	-
Total revenues	1,705,855	2,712,779	2,260,386	(452,393)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	438,745	461,745	445,705	(16,040)
Health and welfare	-	162,080	-	(162,080)
Culture and recreation	-	-	-	-
Judicial	2,007,724	2,324,012	2,033,500	(290,512)
Community and economic development	-	-	-	-
Total expenditures	2,446,469	2,947,837	2,479,205	(468,632)
Revenues over (under) expenditures	(740,614)	(235,058)	(218,819)	16,239
Other financing sources (uses)				
Transfers in	740,614	235,058	218,819	(16,239)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	740,614	235,058	218,819	(16,239)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Project Fund (279) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	488,831	576,400	620,351	43,951
Charges for services	9,824,933	9,824,295	9,330,873	(493,422)
Fines and forfeitures	-	-	-	-
Investment earnings	200	200	1,465	1,265
Contributions and reimbursements	235,490	235,490	267,480	31,990
Other	-	-	-	-
Total revenues	10,549,454	10,636,385	10,220,169	(416,216)
Expenditures				
Current:				
General government	135,079	142,459	142,163	(296)
Public safety	11,268,388	11,246,773	10,670,401	(576,372)
Health and welfare	454,214	557,752	557,752	-
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	11,857,681	11,946,984	11,370,316	(576,668)
Revenues over (under) expenditures	(1,308,227)	(1,310,599)	(1,150,147)	160,452
Other financing sources (uses)				
Transfers in	1,262,752	1,262,752	1,176,351	(86,401)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,262,752	1,262,752	1,176,351	(86,401)
Net change in fund balances	(45,475)	(47,847)	26,204	74,051
Fund balances, beginning of year	210,132	210,132	210,132	-
Fund balances, end of year	\$ 164,657	\$ 162,285	\$ 236,336	\$ 74,051

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual LTD Project Fund (280) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	10,000	71,000	71,000	-
Charges for services	68,000	65,325	65,325	-
Fines and forfeitures	-	-	-	-
Investment earnings	6,150	5,982	26,295	20,313
Contributions and reimbursements	57,046	407,851	483,047	75,196
Other	4,000	4,000	4,000	-
Total revenues	145,196	554,158	649,667	95,509
Expenditures				
Current:				
General government	130,046	4,582	4,582	-
Public safety	37,500	71,726	71,726	-
Health and welfare	5,124	104,605	104,605	-
Culture and recreation	50,580	73,352	73,352	-
Judicial	78,625	5,234	5,234	-
Community and economic development	40,000	393,401	393,401	-
Total expenditures	341,875	652,900	652,900	-
Revenues over (under) expenditures	(196,679)	(98,742)	(3,233)	95,509
Other financing sources (uses)				
Transfers in	120,000	195,805	195,805	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	120,000	195,805	195,805	-
Net change in fund balances	(76,679)	97,063	192,572	95,509
Fund balances, beginning of year	1,882,017	1,882,017	1,882,017	-
Fund balances, end of year	\$ 1,805,338	\$ 1,979,080	\$ 2,074,589	\$ 95,509

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis Federal Project Fund (282) For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,701,587	2,605,171	1,797,633	(807,538)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Contributions and reimbursements	-	-	494	494
Other	-	-	-	-
Total revenues	1,701,587	2,605,171	1,798,127	(807,044)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	80,000	564,785	273,895	(290,890)
Health and welfare	110,500	131,299	131,299	-
Culture and recreation	-	-	-	-
Judicial	3,397,181	3,795,181	3,086,349	(708,832)
Community and economic development	-	-	-	-
Total expenditures	3,587,681	4,491,265	3,491,543	(999,722)
Revenues over (under) expenditures	(1,886,094)	(1,886,094)	(1,693,416)	192,678
Other financing sources (uses)				
Transfers in	1,886,094	1,886,094	1,693,416	(192,678)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,886,094	1,886,094	1,693,416	(192,678)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual - Budgetary Basis

Community Development Federal Project Fund (283)

For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	4,278,263	4,280,013	2,828,428	(1,451,585)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Contributions and reimbursements	189,679	189,679	108,459	(81,220)
Other	-	-	-	-
Total revenues	4,467,942	4,469,692	2,936,887	(1,532,805)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	4,467,942	4,469,692	3,641,303	(828,389)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	2,936,887	2,936,887
Total expenditures	4,467,942	4,469,692	6,578,190	2,108,498
Revenues over (under) expenditures	-	-	(3,641,303)	(3,641,303)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ (3,641,303)	\$ (3,641,303)

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis Kent County Community Action Fund (284) For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,826,898	2,434,987	1,203,704	(1,231,283)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Contributions and reimbursements	594	1,517	847	(670)
Other	-	-	-	-
Total revenues	1,827,492	2,436,504	1,204,551	(1,231,953)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	1,827,492	2,436,504	1,185,669	(1,250,835)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	1,827,492	2,436,504	1,185,669	(1,250,835)
Revenues over (under) expenditures	-	-	18,882	18,882
Other financing sources (uses)				
Transfers in	-	-	418,039	418,039
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	418,039	418,039
Net change in fund balances	\$ -	\$ -	\$ 436,921	\$ 436,921

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis Kent County Community Action Fund (285) For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	740,275	618,275	399,805	(218,470)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Contributions and reimbursements	-	130,000	129,388	(612)
Other	-	-	-	-
Total revenues	740,275	748,275	529,193	(219,082)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	740,275	748,275	529,795	(218,480)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	740,275	748,275	529,795	(218,480)
Revenues over (under) expenditures	-	-	(602)	(602)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ (602)	\$ (602)

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis Kent County Community Action Fund (286) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	127,137	127,137	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	761	761
Contributions and reimbursements	632,578	553,273	552,650	(623)
Other	-	-	-	-
Total revenues	632,578	680,410	680,548	138
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	632,578	756,458	749,797	(6,661)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	632,578	756,458	749,797	(6,661)
Revenues over (under) expenditures	-	(76,048)	(69,249)	6,799
Other financing sources (uses)				
Transfers in	-	65,000	62,583	(2,417)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	65,000	62,583	(2,417)
Net change in fund balances	\$ -	\$ (11,048)	\$ (6,666)	\$ 4,382

COUNTY OF KENT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Veterans' Millage Fund (293) For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,237,800	\$ 1,125,300	\$ 1,105,352	\$ (19,948)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	44,735	44,735
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	5,000	5,000	33,428	28,428
Contributions and reimbursements	-	-	512	512
Other	-	-	-	-
Total revenues	1,242,800	1,130,300	1,184,027	53,727
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	1,542,800	1,542,800	1,011,053	(531,747)
Culture and recreation	-	-	-	-
Judicial	-	-	-	-
Community and economic development	-	-	-	-
Total expenditures	1,542,800	1,542,800	1,011,053	(531,747)
Revenues over (under) expenditures	(300,000)	(412,500)	172,974	585,474
Other financing sources (uses)				
Transfers in	300,000	300,000	-	(300,000)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	300,000	300,000	-	(300,000)
Net change in fund balances	-	(112,500)	172,974	285,474
Fund balances, beginning of year	825,907	825,907	825,907	-
Fund balances, end of year	\$ 825,907	\$ 713,407	\$ 998,881	\$ 285,474

COUNTY OF KENT, MICHIGAN

Internal Service Funds

Employee Benefits Funds

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

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

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

Risk Management Funds

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

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

Sick and Accident Fund - accounts for the County's sick and accident self-insurance.

Other Internal Service Funds

Motor Pool Fund - accounts for the purchase of capital vehicles and rental to various County departments.

Equipment Pool Fund - accounts for the purchase of capital equipment and rental to various County departments.

COUNTY OF KENT, MICHIGAN

Combining Statement of Net Position Internal Service Funds December 31, 2019

	Employee Benefits		
	Health (677-6711 / 677-6712)	Dental (677-6714)	Unemployment (677-6715)
Assets			
Current assets:			
Cash, investments, and accrued interest	\$ 9,587,303	\$ 163,412	\$ 230,525
Accounts receivable, net	1,115,803	28,544	2,282
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepays	-	-	-
Total current assets	<u>10,703,106</u>	<u>191,956</u>	<u>232,807</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
Total assets	<u>10,703,106</u>	<u>191,956</u>	<u>232,807</u>
Liabilities			
Accounts payable	365,247	42,913	52,792
Accrued liabilities	<u>1,033,592</u>	<u>120,399</u>	<u>-</u>
Total liabilities (all current)	<u>1,398,839</u>	<u>163,312</u>	<u>52,792</u>
Net position			
Investment in capital assets	-	-	-
Unrestricted	<u>9,304,267</u>	<u>28,644</u>	<u>180,015</u>
Total net position	<u>\$ 9,304,267</u>	<u>\$ 28,644</u>	<u>\$ 180,015</u>

Risk Management					
Property and Liability (677-6713)	Workers' Compensation (677-6716)	Sick and Accident Plan (677-6717)	Motor Pool (661)	Equipment Pool (664)	Total
\$ 1,461,988	\$ 1,300,041	\$ 335,747	\$ 429,311	\$ 568,881	\$ 14,077,208
100,000	213,995	12,925	-	-	1,473,549
-	-	19,250	-	-	19,250
200,000	-	-	3,346	-	203,346
557,937	88,881	-	-	-	646,818
<u>2,319,925</u>	<u>1,602,917</u>	<u>367,922</u>	<u>432,657</u>	<u>568,881</u>	<u>16,420,171</u>
-	-	-	211,806	274,080	485,886
<u>2,319,925</u>	<u>1,602,917</u>	<u>367,922</u>	<u>644,463</u>	<u>842,961</u>	<u>16,906,057</u>
107,341	1,950	13,391	-	26,523	610,157
<u>2,170,248</u>	<u>390,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,714,680</u>
<u>2,277,589</u>	<u>392,391</u>	<u>13,391</u>	<u>-</u>	<u>26,523</u>	<u>4,324,837</u>
-	-	-	211,806	274,080	485,886
<u>42,336</u>	<u>1,210,526</u>	<u>354,531</u>	<u>432,657</u>	<u>542,358</u>	<u>12,095,334</u>
<u>\$ 42,336</u>	<u>\$ 1,210,526</u>	<u>\$ 354,531</u>	<u>\$ 644,463</u>	<u>\$ 816,438</u>	<u>\$ 12,581,220</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended December 31, 2019

	Employee Benefits		
	Health (677-6711 / 677-6712)	Dental (677-6714)	Unemployment (677-6715)
Operating revenues			
Charges for services	\$ 18,549,887	\$ 1,667,253	\$ 51,262
Operating expenses			
Salaries and fringes	-	-	52,792
Contractual services	-	62,783	-
Benefit payments and refunds	21,282,152	1,578,875	-
Depreciation	-	-	-
Other	-	-	-
Total operating expenses	21,282,152	1,641,658	52,792
Operating income (loss)	(2,732,265)	25,595	(1,530)
Nonoperating revenues			
Investment earnings	284,608	3,049	5,010
Income (loss) before transfers	(2,447,657)	28,644	3,480
Transfers in	-	-	-
Change in net position	(2,447,657)	28,644	3,480
Net position, beginning of year	11,751,924	-	176,535
Net position, end of year	\$ 9,304,267	\$ 28,644	\$ 180,015

Risk Management					
Property and Liability (677-6713)	Workers' Compensation (677-6716)	Sick and Accident Plan (677-6717)	Motor Pool (661)	Equipment Pool (664)	Total
\$ 1,769,378	\$ 300,855	\$ 742,939	\$ 58,106	\$ 187,603	\$ 23,327,283
112,112	-	-	-	-	164,904
5,017	28,486	35,437	-	-	131,723
2,260,971	495,054	519,331	-	-	26,136,383
-	-	-	30,639	123,935	154,574
1,117,063	92,310	-	-	87,403	1,296,776
3,495,163	615,850	554,768	30,639	211,338	27,884,360
(1,725,785)	(314,995)	188,171	27,467	(23,735)	(4,557,077)
432,871	34,823	5,629	8,997	12,327	787,314
(1,292,914)	(280,172)	193,800	36,464	(11,408)	(3,769,763)
200,000	-	-	300,000	-	500,000
(1,092,914)	(280,172)	193,800	336,464	(11,408)	(3,269,763)
1,135,250	1,490,698	160,731	307,999	827,846	15,850,983
\$ 42,336	\$ 1,210,526	\$ 354,531	\$ 644,463	\$ 816,438	\$ 12,581,220

COUNTY OF KENT, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2019

	Employee Benefits		
	Health (677-6711 / 677-6712)	Dental (677-6714)	Unemployment (677-6715)
Cash flows from operating activities			
Receipts from customers and users	\$ 18,265,137	\$ 1,638,799	\$ 48,980
Payments to vendors	-	(62,783)	-
Payments for personnel services	-	-	(61,701)
Benefit payments	(21,468,070)	(1,552,606)	-
Net cash provided by (used in) operating activities	(3,202,933)	23,410	(12,721)
Cash flows from noncapital financing activities			
Transfers from other funds	-	-	-
Cash flows from capital and related financing activities			
Purchase of capital assets	-	-	-
Cash flows from investing activities			
Interest received on investments	284,608	3,049	5,010
Net change in cash and cash equivalents	(2,918,325)	26,459	(7,711)
Cash and cash equivalents, beginning of year	12,505,628	136,953	238,236
Cash and cash equivalents, end of year	\$ 9,587,303	\$ 163,412	\$ 230,525
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (2,732,265)	\$ 25,595	\$ (1,530)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Change in:			
Accounts receivable	(284,750)	(28,454)	(2,282)
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepays	-	-	-
Accounts payable	132,490	15,889	(8,909)
Accrued liabilities	(318,408)	10,380	-
Due to other funds	-	-	-
Net cash provided by (used in) operating activities	\$ (3,202,933)	\$ 23,410	\$ (12,721)

Risk Management					
Property and Liability (677-6713)	Workers' Compensation (677-6716)	Sick and Accident Plan (677-6717)	Motor Pool (661)	Equipment Pool (664)	Total
\$ 1,470,378	\$ 295,539	\$ 730,014	\$ 66,559	\$ 187,603	\$ 22,703,009
(1,076,211)	(120,418)	(35,437)	-	(70,440)	(1,365,289)
(112,112)	-	-	-	-	(173,813)
(573,649)	(468,401)	(529,866)	-	-	(24,592,592)
(291,594)	(293,280)	164,711	66,559	117,163	(3,428,685)
200,000	-	-	300,000	-	500,000
-	-	-	(142,142)	(119,592)	(261,734)
432,871	34,823	5,629	8,997	12,327	787,314
341,277	(258,457)	170,340	233,414	9,898	(2,403,105)
1,120,711	1,558,498	165,407	195,897	558,983	16,480,313
<u>\$ 1,461,988</u>	<u>\$ 1,300,041</u>	<u>\$ 335,747</u>	<u>\$ 429,311</u>	<u>\$ 568,881</u>	<u>\$ 14,077,208</u>
\$ (1,725,785)	\$ (314,995)	\$ 188,171	\$ 27,467	\$ (23,735)	\$ (4,557,077)
-	-	-	30,639	123,935	154,574
(100,000)	(5,316)	(12,925)	-	-	(433,727)
500	-	-	-	-	500
(199,500)	-	-	8,453	-	(191,047)
13,884	-	-	-	-	13,884
70,920	378	(10,535)	-	19,115	219,348
1,687,322	26,653	-	-	-	1,405,947
(38,935)	-	-	-	(2,152)	(41,087)
<u>\$ (291,594)</u>	<u>\$ (293,280)</u>	<u>\$ 164,711</u>	<u>\$ 66,559</u>	<u>\$ 117,163</u>	<u>\$ (3,428,685)</u>

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COUNTY OF KENT, MICHIGAN

Fiduciary Funds

Pension and Other Postemployment Benefits Trust Funds

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

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

COUNTY OF KENT, MICHIGAN

Combining Statement of Fiduciary Net Position Pension and Other Postemployment Benefits Trust Funds December 31, 2019

	Pension Trust Fund	VEBA Trust Fund	Total
Assets			
Cash and cash equivalents	\$ -	\$ 404,360	\$ 404,360
Contributions receivable	861,806	151,874	1,013,680
Interest receivable	823,058	-	823,058
Due from brokers	505,410	-	505,410
Investments, at fair value:			
U.S. government obligations	38,924,406	-	38,924,406
U.S. government agency obligations	1,442,282	-	1,442,282
Municipal obligations	603,683	-	603,683
Corporate obligations	34,189,173	-	34,189,173
Common stock	389,456,126	-	389,456,126
Foreign obligations	8,443,109	-	8,443,109
Foreign common stock	1,914,195	-	1,914,195
Money market funds	12,257,395	-	12,257,395
International equity mutual funds	185,810,246	6,564,279	192,374,525
Domestic equity mutual funds	-	12,839,327	12,839,327
Domestic fixed income mutual funds	-	6,079,767	6,079,767
International fixed income mutual funds	147,468,325	6,128,554	153,596,879
Real estate and infrastructure securities	67,547,766	1,025,673	68,573,439
Asset-backed securities	10,458,362	-	10,458,362
Mortgage-backed securities fund	52,228,565	-	52,228,565
Total investments	<u>950,743,633</u>	<u>32,637,600</u>	<u>983,381,233</u>
Total assets	<u>952,933,907</u>	<u>33,193,834</u>	<u>986,127,741</u>
Liabilities			
Accounts payable	895,680	458,975	1,354,655
Due to brokers	128,082	-	128,082
Total liabilities	<u>1,023,762</u>	<u>458,975</u>	<u>1,482,737</u>
Net position			
Restricted for:			
Employees' pension benefits	951,910,145	-	951,910,145
Other postemployment benefits	-	32,734,859	32,734,859
Total net position	<u>\$ 951,910,145</u>	<u>\$ 32,734,859</u>	<u>\$ 984,645,004</u>

COUNTY OF KENT, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Postemployment Benefits Trust Funds

For the Year Ended December 31, 2019

	Pension Trust Fund	VEBA Trust Fund	Total
Additions			
Contributions:			
Employer	\$ 9,007,032	\$ 3,201,142	\$ 12,208,174
Employer - implicit rate subsidy	-	1,274,396	1,274,396
Plan members	9,602,636	-	9,602,636
Total contributions	<u>18,609,668</u>	<u>4,475,538</u>	<u>23,085,206</u>
Investment earnings:			
Net appreciation in fair value of securities	145,986,158	4,985,952	150,972,110
Interest	2,761,593	502,400	3,263,993
Dividends	9,765,312	-	9,765,312
Total investment income	<u>158,513,063</u>	<u>5,488,352</u>	<u>164,001,415</u>
Investment expense	(3,495,892)	(66,140)	(3,562,032)
Net investment income	<u>155,017,171</u>	<u>5,422,212</u>	<u>160,439,383</u>
Total additions	<u>173,626,839</u>	<u>9,897,750</u>	<u>183,524,589</u>
Deductions			
Benefit payments	43,444,076	1,718,382	45,162,458
Benefit payments - implicit rate subsidy	-	1,274,396	1,274,396
Administrative expenses	763,201	61,225	824,426
Refunds of contributions	749,644	-	749,644
Total deductions	<u>44,956,921</u>	<u>3,054,003</u>	<u>48,010,924</u>
Change in net position	128,669,918	6,843,747	135,513,665
Net position, beginning of year	<u>823,240,227</u>	<u>25,891,112</u>	<u>849,131,339</u>
Net position, end of year	<u>\$ 951,910,145</u>	<u>\$ 32,734,859</u>	<u>\$ 984,645,004</u>

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COUNTY OF KENT, MICHIGAN

■ Drainage Districts Component Unit

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

COUNTY OF KENT, MICHIGAN

Combining Balance Sheet

Drainage Districts Component Unit

December 31, 2019

	Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash, investments, and accrued interest	\$ 3,157,055	\$ 13,121	\$ 5,220,625	\$ 8,390,801
Accounts receivable	20,000	-	924	20,924
Special assessments receivable	7,882,021	-	-	7,882,021
Due from other governments	182,923	-	-	182,923
Prepays	-	1,000	-	1,000
Total assets	\$ 11,241,999	\$ 14,121	\$ 5,221,549	\$ 16,477,669
Liabilities				
Accounts payable	\$ 104,345	\$ -	\$ 7,546	\$ 111,891
Accrued liabilities	20,000	-	-	20,000
Due to primary government	1,239,716	-	-	1,239,716
Advances from primary government	560,286	-	-	560,286
Unearned revenue	157,506	-	-	157,506
Total liabilities	2,081,853	-	7,546	2,089,399
Deferred inflows of resources				
Unavailable revenue - special assessments receivable	7,882,021	-	-	7,882,021
Fund balances				
Nonspendable	-	1,000	-	1,000
Restricted	-	13,121	5,214,003	5,227,124
Unassigned	1,278,125	-	-	1,278,125
Total fund balances	1,278,125	14,121	5,214,003	6,506,249
Total liabilities, deferred inflows of resources and fund balances	\$ 11,241,999	\$ 14,121	\$ 5,221,549	\$ 16,477,669

COUNTY OF KENT, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Component Units
Drainage Districts Component Unit
December 31, 2019

Fund balances - total governmental funds \$ 6,506,249

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

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

Capital assets not being depreciated	7,191,632
Capital assets being depreciated, net	6,584,186

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

Deferred inflows for special assessments receivable	7,882,021
---	-----------

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

Bonds payable	(11,540,000)
Deferred charge on bond refunding, net	33,246
Bond premiums, net	(1,502,061)
Accrued interest on bonds payable	(84,466)

Net position of component unit \$ 15,070,807

COUNTY OF KENT, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Drainage Districts Component Unit

For the Year Ended December 31, 2019

	Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Intergovernmental:				
Operating grants	\$ 1,504,343	\$ 1,144,731	\$ 172,103	\$ 2,821,177
Capital grants	487,755	-	-	487,755
Investment earnings	54,525	3,264	123,055	180,844
Total revenues	2,046,623	1,147,995	295,158	3,489,776
Expenditures				
Current:				
General government	1,521,262	-	210,176	1,731,438
Debt service:				
Principal	-	775,000	-	775,000
Interest and fiscal charges	9,043	538,332	-	547,375
Total expenditures	1,530,305	1,313,332	210,176	3,053,813
Change in fund balances	516,318	(165,337)	84,982	435,963
Fund balances, beginning of year	761,807	179,458	5,129,021	6,070,286
Fund balances, end of year	\$ 1,278,125	\$ 14,121	\$ 5,214,003	\$ 6,506,249

COUNTY OF KENT, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Component Units
Drainage Districts Component Unit
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ 435,963

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

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

Depreciation expense	(847,646)
Capital assets purchased/constructed	228,859

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

Change in deferred inflows of resources for special assessments receivable	(912,633)
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Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	775,000
Amortization of deferred charge on bond refunding	(39,891)
Amortization of bond premium	96,814
Change in accrued interest payable on bonds payable	4,798

Change in net position of component unit	<u>\$ (258,736)</u>
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STATISTICAL SECTION

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COUNTY OF KENT, MICHIGAN

Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends Tables 1 - 4	These schedules contain trend information to help the reader understand and evaluate how the County’s financial condition, performance and well-being have changed over time.	206
Revenue Capacity Tables 5 - 8	These schedules contain information to help the reader assess the County’s ability to generate its most significant local revenue source, the property tax.	218
Debt Capacity Tables 9 - 12	These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and its ability to issue additional debt in the future.	226
Demographic and Economic Information Tables 13 - 14	These schedules present various demographic and economic indicators to help the reader understand the environment within which the County operates and how they affect the County’s financial activities.	234
Operating Information Tables 15 - 17	These schedules contain information about the County’s operations and resources to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	238

COUNTY OF KENT, MICHIGAN

Net Position By Component Last Ten Fiscal Years (Unaudited)

<i>December 31,</i>	2019	2018	2017 ⁽⁵⁾	2016 ⁽⁴⁾
Governmental Activities				
Net investment in capital assets	\$ 196,646,702	\$ 181,071,887	\$ 166,022,017	\$ 169,625,052
Restricted	42,578,405	26,286,651	22,033,504	15,660,065
Unrestricted	41,562,599	45,368,761	72,207,515	107,209,919
Total Governmental Activities Net Position	280,787,706	252,727,299	260,263,036	292,495,036
Business-type Activities				
Net investment in capital assets	43,039,033	40,470,296	42,330,098	41,693,740
Restricted	6,785,567	7,306,693	7,633,013	7,191,825
Unrestricted	58,074,113	58,748,669	55,618,810	56,181,965
Total Business-type Activities Net Position	107,898,713	106,525,658	105,581,921	105,067,530
Primary Government				
Net investment in capital assets	239,685,735	221,542,183	208,352,115	211,318,792
Restricted	49,363,972	33,593,344	29,666,517	22,851,890
Unrestricted	99,636,712	104,117,430	127,826,325	163,391,884
Total Primary Government Net Position	\$ 388,686,419	\$ 359,252,957	\$ 365,844,957	\$ 397,562,566

- ⁽¹⁾ Beginning with the year ended December 31, 2011, the Department of Public Works was classified as a business-type activity enterprise fund. Prior years were not restated.
- ⁽²⁾ GASB 63 and 65 were implemented for the fiscal year ended December 31, 2012. This resulted in a change renaming net assets to net position and invested in capital assets, net of related debt to net investment in capital assets. As a result of implementation, bond issuance costs have been eliminated. Prior years were not restated.
- ⁽³⁾ GASB 68 was implemented for the fiscal year ended December 31, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.
- ⁽⁴⁾ Effective July 1, 2016, operations of the Kent County Airport were transferred to a legally-separate authority. The Authority is reported as a discretely-presented component unit and is not included in the table above.
- ⁽⁵⁾ GASB 75 was implemented for the fiscal year ended December 31, 2017. This resulted in presentation of the County's net OPEB liability on the statement of net position. Prior years were not restated.

Table 1

2015 ⁽³⁾	2014	2013	2012 ⁽²⁾	2011 ⁽¹⁾	2010
\$ 144,841,222	\$ 137,317,974	\$ 134,749,571	\$ 132,497,037	\$ 132,742,530	\$ 130,574,184
12,429,488	15,008,391	14,939,951	13,656,864	14,617,082	13,959,733
119,734,209	84,106,474	83,654,458	84,608,441	83,495,633	79,994,060
277,004,919	236,432,839	233,343,980	230,762,342	230,855,245	224,527,977
204,739,054	194,890,258	187,333,318	187,567,730	193,838,321	150,726,758
36,058,623	36,074,751	33,112,338	29,953,688	26,260,691	18,096,071
85,352,356	80,190,415	74,976,292	76,767,194	67,636,081	36,573,287
326,150,033	311,155,424	295,421,948	294,288,612	287,735,093	205,396,116
349,580,276	332,208,232	322,082,889	320,064,767	326,580,851	281,300,942
48,488,111	51,083,142	48,052,289	43,610,552	40,877,773	32,055,804
205,086,565	164,296,889	158,630,750	161,375,635	151,131,714	116,567,347
\$ 603,154,952	\$ 547,588,263	\$ 528,765,928	\$ 525,050,954	\$ 518,590,338	\$ 429,924,093

COUNTY OF KENT, MICHIGAN

Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016 ⁽²⁾
Primary Government Expenses				
Governmental activities:				
General government	\$ 37,806,709	\$ 37,702,435	\$ 42,862,570	\$ 38,218,905
Public safety	96,210,088	114,428,078	97,192,006	85,758,049
Health and welfare	85,750,320	71,226,745	70,223,101	77,975,773
Cultural and recreation	18,753,539	17,099,832	15,563,307	9,076,548
Judicial	42,798,692	46,040,382	34,698,720	36,717,659
Community and economic development	11,136,156	14,269,821	12,554,063	11,764,186
Public works	683,478	664,910	-	-
Interest and fiscal charges	4,651,833	5,335,224	6,238,433	5,524,853
Total governmental activities expenses	297,790,815	306,767,427	279,332,200	265,035,973
Business-type activities:				
Airport operations	-	-	-	23,016,276
Public works	40,991,239	37,298,349	35,381,206	36,892,123
Delinquent tax collection and administration	937,812	879,357	824,162	637,425
Total business-type activities expenses	41,929,051	38,177,706	36,205,368	60,545,824
Total Primary Government Expenses	\$ 339,719,866	\$ 344,945,133	\$ 315,537,568	\$ 325,581,797
Primary Government Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 17,280,387	\$ 15,731,621	\$ 16,640,809	\$ 16,717,554
Public safety	29,651,104	27,282,082	14,719,759	10,852,983
Health and welfare	4,323,571	4,201,812	3,623,435	3,663,851
Cultural and recreation	2,363,843	2,341,234	2,322,374	2,228,892
Judicial	5,184,021	5,265,195	5,159,807	6,008,464
Community and economic development	6,655,952	6,546,416	9,007	15,831
Public works	51,903	40,423	-	-
Operating grants and contributions	68,080,880	65,290,979	73,691,229	70,326,431
Capital grants and contributions	6,892,650	850,481	728,376	1,128,144
Total governmental activities program revenues	140,484,311	127,550,243	116,894,796	110,942,150

Table 2

2015	2014	2013	2012	2011 ⁽¹⁾	2010
\$ 37,929,237	\$ 37,821,762	\$ 37,897,662	\$ 39,423,751	\$ 30,356,607	\$ 26,435,503
76,807,751	72,136,071	72,186,534	71,235,993	66,779,986	65,967,470
84,000,390	69,449,438	68,667,812	70,824,320	70,988,245	73,265,722
9,488,048	9,346,586	10,603,153	9,927,214	8,768,185	9,046,460
37,321,998	33,157,928	33,382,950	33,390,049	32,241,005	33,183,859
13,160,594	11,568,226	10,800,313	11,176,196	13,559,429	11,699,242
-	-	-	-	-	-
5,106,216	5,445,115	5,642,451	5,867,337	6,101,253	6,363,990
263,814,234	238,925,126	239,180,875	241,844,860	228,794,710	225,962,246
45,049,985	43,499,655	43,890,966	41,996,655	41,834,242	43,166,627
31,000,535	30,359,452	28,914,109	30,657,439	31,874,739	-
782,829	677,818	842,489	842,964	1,121,577	1,167,236
76,833,349	74,536,925	73,647,564	73,497,058	74,830,558	44,333,863
\$ 340,647,583	\$ 313,462,051	\$ 312,828,439	\$ 315,341,918	\$ 303,625,268	\$ 270,296,109
\$ 14,818,640	\$ 14,080,877	\$ 14,465,624	\$ 13,443,601	\$ 10,570,786	\$ 11,057,765
10,714,765	14,857,858	9,232,063	9,115,580	9,138,839	8,100,498
4,269,416	3,673,754	3,554,912	3,850,232	3,943,509	4,038,117
2,177,498	2,032,421	4,078,062	3,781,659	3,245,124	3,084,844
5,787,836	5,168,180	5,324,415	5,046,223	5,052,987	5,314,414
128,991	17,252	6,597	3,024	8,044	137,914
-	-	-	-	-	-
83,317,159	72,012,278	77,011,338	73,849,257	74,819,127	68,206,234
3,904,476	155,712	1,697,906	4,754,422	-	-
125,118,781	111,998,332	115,370,917	113,843,998	106,778,416	99,939,786

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COUNTY OF KENT, MICHIGAN

Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016 ⁽²⁾
Business-type activities:				
Charges for services:				
Airport operations:				
Passenger airlines	\$ -	\$ -	\$ -	\$ 6,039,754
Ground transportation	-	-	-	8,849,794
Car rental agencies	-	-	-	1,768,293
Cargo airlines	-	-	-	126,669
Other	-	-	-	3,259,864
Public works:				
Charges for services	41,502,362	37,771,639	37,267,654	34,540,752
Intergovernmental	-	-	-	-
Scrap and other	-	-	-	-
Delinquent tax collection and administrative:				
County processing fees	-	-	-	-
Interest and penalties on delinquent taxes	1,897,652	1,857,255	1,760,737	2,075,709
Collection fees	646,087	624,655	669,909	711,907
Title search fees	317,450	350,350	343,175	392,864
Auction proceeds	111,398	369,929	689,707	223,820
Other	262,496	280,659	292,649	258,869
Operating grants and contributions	2,142,981	1,329,814	712,662	653,736
Capital grants and contributions	-	319,946	-	3,498,996
Total business-type activities program revenues	46,880,426	42,904,247	41,736,493	62,401,027
Total Primary Government Program Revenues	\$ 187,364,737	\$ 170,454,490	\$ 158,631,289	\$ 173,343,177
Primary Government Net (Expense) Revenue				
Governmental activities	\$ (157,306,504)	\$ (179,217,184)	\$ (162,437,404)	\$ (154,093,823)
Business-type activities	4,951,375	4,726,541	5,531,125	1,855,203
Total Primary Government Net Expense	\$ (152,355,129)	\$ (174,490,643)	\$ (156,906,279)	\$ (152,238,620)

Table 2

2015	2014	2013	2012	2011 ⁽¹⁾	2010
\$ 12,120,448	\$ 11,475,779	\$ 10,267,491	\$ 10,899,720	\$ 10,296,427	\$ 11,298,424
15,471,428	14,276,394	13,305,649	11,806,870	12,331,820	11,524,855
3,856,055	3,544,348	3,474,840	3,071,542	3,179,463	3,520,866
2,551,693	2,493,862	2,459,388	2,638,184	2,420,444	2,522,360
4,219,582	4,052,047	3,682,551	3,456,829	3,401,526	3,115,577
31,438,816	32,014,002	30,245,817	30,533,380	33,334,823	-
-	-	-	-	111,160	-
-	-	-	489,643	688,439	-
-	-	-	(1,333,409)	(53,033)	170,369
2,376,219	2,939,949	2,959,361	3,661,297	2,972,340	3,828,661
778,238	799,609	947,053	1,757,222	1,229,113	1,293,082
453,950	531,125	602,350	910,123	529,552	485,763
42,063	543,764	677,589	477,279	(258,270)	889,082
270,458	269,288	256,054	561,301	243,165	215,235
435,677	408,902	344,591	435,676	483,823	147,823
18,831,319	21,434,625	10,710,724	15,452,306	7,618,724	11,605,612
92,845,946	94,783,694	79,933,458	84,817,963	78,529,516	50,617,709
\$ 217,964,727	\$ 206,782,026	\$ 195,304,375	\$ 198,661,961	\$ 185,307,932	\$ 150,557,495
\$ (138,695,453)	\$ (126,926,794)	\$ (123,809,958)	\$ (128,000,862)	\$ (122,016,294)	\$ (126,022,460)
16,012,597	20,246,769	6,285,894	11,320,905	3,698,958	6,283,846
\$ (122,682,856)	\$ (106,680,025)	\$ (117,524,064)	\$ (116,679,957)	\$ (118,317,336)	\$ (119,738,614)

continued...

COUNTY OF KENT, MICHIGAN

Changes in Net Position Last Ten Fiscal Years (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016 ⁽²⁾
Primary Government General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 145,121,691	\$ 133,474,951	\$ 128,060,651	\$ 115,262,736
Lodging excise taxes	11,432,225	10,807,009	10,205,658	9,494,361
State revenue sharing	20,349,897	18,026,778	19,237,522	18,408,464
Unrestricted investment earnings	4,323,119	2,791,475	1,592,269	1,095,490
Gain on sale of capital assets	-	2,404,705	-	-
Other revenues	39,979	76,529	243,349	38,813
Transfers	4,100,000	4,100,000	4,100,000	4,100,000
Total governmental activities	185,366,911	171,681,447	163,439,449	148,399,864
Business-type activities:				
Unrestricted investment earnings	395,056	317,196	181,145	142,251
Gain on sale of capital assets	126,624	-	-	30,227
Transfers	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)
Total business-type activities	(3,578,320)	(3,782,804)	(3,918,855)	(3,927,522)
Total Primary Government General Revenues and Other Changes in Net Position	\$ 181,788,591	\$ 167,898,643	\$ 159,520,594	\$ 144,472,342
Primary Government Change in Net Position Before Special and Extraordinary Items				
Governmental activities	\$ 28,060,407	\$ (7,535,737)	\$ 1,002,045	\$ (5,693,959)
Business-type activities	1,373,055	943,737	1,612,270	(2,072,319)
Special items, net	-	-	-	(197,826,108)
Extraordinary item	-	-	-	-
Total Primary Government Change in Net Position	\$ 29,433,462	\$ (6,592,000)	\$ 2,614,315	\$ (205,592,386)

⁽¹⁾ Beginning with the year ended December 31, 2011, the Department of Public Works was classified as a business-type activity enterprise fund. Prior years were not restated retroactively.

⁽²⁾ Effective July 1, 2016, operations of the Kent County Airport were transferred to a legally-separate authority. The Authority is reported as a discretely-presented component unit and is not included in the table above.

Table 2

2015	2014	2013	2012	2011 ⁽¹⁾	2010
\$ 114,415,844	\$ 106,210,619	\$ 104,454,749	\$ 104,359,631	\$ 107,247,129	\$ 109,494,305
8,786,045	7,660,224	6,897,106	6,597,840	5,803,776	4,923,974
12,027,403	10,384,212	9,329,896	9,214,573	10,225,945	-
455,004	412,719	407,043	513,042	698,556	620,987
-	-	-	-	-	-
104,165	142,328	198,649	92,547	(284,009)	197,132
8,758,731	5,205,551	5,104,153	6,096,980	4,652,165	5,181,096
144,547,192	130,015,653	126,391,596	126,874,613	128,343,562	120,417,494
78,625	93,639	90,392	127,387	150,538	24,183
30,895	93,068	477,050	22,793	49,731	22,013
(4,600,000)	(4,700,000)	(5,720,000)	(5,203,000)	(5,000,000)	(5,146,795)
(4,490,480)	(4,513,293)	(5,152,558)	(5,052,820)	(4,799,731)	(5,100,599)
\$ 140,056,712	\$ 125,502,360	\$ 121,239,038	\$ 121,821,793	\$ 123,543,831	\$ 115,316,895
\$ 5,851,739	\$ 3,088,859	\$ 2,581,638	\$ (1,126,249)	\$ 6,327,268	\$ (5,604,966)
11,522,117	15,733,476	1,133,336	6,268,085	(1,100,773)	1,183,247
-	-	-	-	-	-
-	-	-	1,754,167	-	-
\$ 17,373,856	\$ 18,822,335	\$ 3,714,974	\$ 6,896,003	\$ 5,226,495	\$ (4,421,719)

concluded

COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016
General Fund				
Nonspendable	\$ 894,979	\$ 844,968	\$ 1,195,550	\$ 980,017
Committed	27,513,807	26,635,550	25,524,542	26,013,929
Assigned	2,921,941	2,220,558	-	-
Unassigned	49,447,703	44,785,918	44,071,718	42,569,416
Total General Fund	80,778,430	74,486,994	70,791,810	69,563,362
All other governmental funds:				
Nonspendable	403,054	934,539	400,621	99,465
Restricted	42,164,426	27,622,244	42,176,419	30,766,471
Committed	-	-	-	336,064
Assigned	33,053,492	33,403,042	20,717,767	21,613,570
Unassigned	-	-	-	-
Total all other governmental funds	75,620,972	61,959,825	63,294,807	52,815,570
Total Fund Balance for Governmental Funds	\$ 156,399,402	\$ 136,446,819	\$ 134,086,617	\$ 122,378,932

Table 3

2015	2014	2013	2012	2011	2010
\$ 1,196,918	\$ 1,972,795	\$ 1,724,116	\$ 1,222,976	\$ 1,114,383	\$ 1,091,206
24,580,290	23,861,959	23,380,820	23,452,233	23,054,680	22,831,805
47,850	68,871	15,969	16,930	56,318	153,447
43,277,242	42,936,312	43,552,031	43,970,150	44,428,169	44,600,545
69,102,300	68,839,937	68,672,936	68,662,289	68,653,550	68,677,003
102,066	167,430	243,036	193,990	144,497	140,182
12,202,392	13,050,442	11,292,058	15,786,664	25,236,629	36,166,244
336,064	-	-	-	-	-
19,524,030	10,971,700	9,061,379	7,242,328	5,918,423	6,085,105
-	-	(70,036)	-	-	-
32,164,552	24,189,572	20,526,437	23,222,982	31,299,549	42,391,531
\$ 101,266,852	\$ 93,029,509	\$ 89,199,373	\$ 91,885,271	\$ 99,953,099	\$ 111,068,534

COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016
Revenues				
Taxes	\$ 156,237,265	\$ 144,220,328	\$ 138,620,627	\$ 125,254,523
Licenses and permits	1,049,928	988,465	920,977	853,858
Intergovernmental revenues ⁽¹⁾	77,265,050	67,734,097	67,787,833	63,986,277
Charges for service	54,057,789	51,591,122	30,714,783	27,317,220
Grants - private sources	-	-	-	-
Fines and forfeitures	2,126,338	916,355	956,362	1,277,683
Investment earnings	3,585,051	2,224,166	1,209,495	737,968
Contributions and reimbursements ⁽¹⁾	13,012,705	11,917,808	27,144,737	26,269,177
Other ⁽¹⁾	11,912,974	12,420,580	15,208,357	15,223,272
Total revenues	319,247,100	292,012,921	282,563,171	260,919,978
Expenditures				
General government	33,495,272	32,085,439	40,622,907	39,351,341
Public safety	85,587,751	81,106,209	79,877,862	74,745,204
Health and welfare	82,914,380	77,226,809	76,209,699	73,343,748
Cultural and recreation	16,264,910	15,111,676	14,547,986	7,118,024
Judicial	42,277,630	39,836,275	35,159,912	32,728,314
Community and economic development	11,067,526	14,173,344	12,558,039	11,664,297
Public works	683,478	664,910	-	-
Debt principal retirement	9,609,810	9,579,810	8,802,790	8,397,930
Debt interest and fiscal charges	5,640,602	6,345,678	6,604,132	5,635,575
Bond issuance costs	158,579	-	400,679	255,195
Capital outlay	15,803,300	22,694,142	25,584,314	16,016,864
Total expenditures	303,503,238	298,824,292	300,368,320	269,256,492
Revenues over (under) expenditures	15,743,862	(6,811,371)	(17,805,149)	(8,336,514)
Other Financing Sources (Uses)				
Issuance of long-term debt	-	-	21,930,000	20,675,000
Issuance of refunding debt	18,850,000	-	22,780,000	-
Payment to refunded bond escrow agent	(21,974,683)	-	(26,500,894)	-
Premium on issuance of long-term debt	3,396,362	-	7,153,728	4,823,670
Proceeds from sale of capital assets	337,042	5,376,574	50,000	349,924
Transfers in	69,491,389	61,316,876	53,159,368	48,824,626
Transfers out	(65,891,389)	(57,521,877)	(49,059,368)	(45,224,626)
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	4,208,721	9,171,573	29,512,834	29,448,594
Net Change in Fund Balances	\$ 19,952,583	\$ 2,360,202	\$ 11,707,685	\$ 21,112,080
Debt Service as a Percentage of				
Noncapital Expenditures	5.32%	5.62%	5.42%	5.49%

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

Table 4

2015	2014	2013	2012	2011	2010
\$ 123,219,119	\$ 114,062,333	\$ 111,502,155	\$ 111,538,374	\$ 113,186,534	\$ 115,939,475
2,619,680	2,169,687	2,048,435	1,933,261	1,878,410	1,781,554
69,551,746	60,763,335	59,138,391	59,833,761	63,639,002	70,916,802
25,697,103	23,788,612	26,402,338	25,671,343	24,124,366	24,089,582
-	-	-	-	-	551,538
725,444	634,117	595,310	747,800	591,026	592,965
425,839	383,895	376,973	458,822	636,854	563,359
26,873,997	22,505,656	20,725,437	21,419,896	21,514,163	11,791,424
15,982,293	15,986,979	16,148,193	13,766,859	10,381,912	4,236,431
265,095,221	240,294,614	236,937,232	235,370,116	235,952,267	230,463,130
39,791,579	39,429,914	39,917,794	39,802,424	38,189,222	39,085,789
71,789,412	69,129,351	68,006,701	65,998,422	66,134,805	67,835,509
81,767,800	68,130,806	67,103,479	69,789,758	71,262,557	73,195,409
7,208,482	6,940,088	8,474,782	7,915,210	7,593,227	7,581,131
34,426,661	31,392,404	31,335,266	31,811,362	31,433,217	31,731,220
13,104,272	11,538,115	10,796,942	11,174,056	13,571,048	11,699,242
-	-	-	-	-	-
8,146,537	6,982,041	6,516,576	5,220,683	4,989,990	7,386,562
5,414,587	5,616,405	5,918,707	6,139,119	6,323,222	6,641,418
-	112,548	-	-	-	67,195
8,678,718	7,325,207	6,775,034	12,866,888	12,735,600	12,281,275
270,328,048	246,596,879	244,845,281	250,717,922	252,232,888	257,504,750
(5,232,827)	(6,302,265)	(7,908,049)	(15,347,806)	(16,280,621)	(27,041,620)
4,724,050	4,697,811	-	-	243,620	1,007,248
-	4,460,000	-	-	-	6,470,000
-	(4,860,748)	-	-	-	(6,605,076)
-	443,943	-	-	-	214,007
287,389	185,844	117,998	79,039	269,401	161,706
57,414,419	48,823,589	48,511,001	49,529,306	53,160,704	61,641,298
(48,955,688)	(43,618,038)	(43,406,848)	(43,432,326)	(48,508,539)	(56,460,202)
-	-	-	1,103,959	-	-
13,470,170	10,132,401	5,222,151	7,279,978	5,165,186	6,428,981
\$ 8,237,343	\$ 3,830,136	\$ (2,685,898)	\$ (8,067,828)	\$ (11,115,435)	\$ (20,612,639)
5.21%	5.29%	5.25%	4.73%	4.78%	5.91%

COUNTY OF KENT, MICHIGAN

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

Fiscal Year	Real Property				
	Agricultural	Commercial	Industrial	Residential	Developmental
2010	\$ 313,882,100	\$ 4,749,084,700	\$ 1,545,245,000	\$ 14,114,465,475	\$ -
2011	309,355,300	4,628,214,200	1,241,393,670	13,714,614,950	-
2012	313,849,700	4,421,845,250	1,143,589,100	13,212,462,650	-
2013	316,506,600	4,259,065,700	1,058,172,900	13,429,948,693	-
2014	327,526,500	4,255,861,650	1,082,395,400	13,999,731,225	-
2015	340,968,100	4,407,074,300	1,127,884,700	15,094,776,165	-
2016	349,792,700	4,662,215,500	1,158,645,200	16,306,359,600	992,100
2017	359,750,646	5,105,513,010	1,210,706,400	17,638,777,919	-
2018	375,061,400	5,408,307,200	1,316,905,800	18,411,167,221	-
2019	382,120,000	5,911,965,222	1,438,231,200	20,119,508,050	-

⁽¹⁾ For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each parcel of property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

⁽²⁾ Includes tax-exempt property

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

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

Source: Kent County Bureau of Equalization

Table 5

Personal Property	Total Taxable Value ⁽¹⁾	Total Assessed Value ⁽²⁾	Total Estimated Actual Value ⁽³⁾	Percentage of Assessed to Estimated Values	Percent Increase (Decrease) in Estimated Value Over Prior Year	County Direct Rate
\$ 1,855,067,042	\$ 21,009,096,542	\$ 22,577,744,317	\$ 45,445,971,414	49.68%	-5.32%	5.3940
1,841,588,405	20,506,183,649	21,735,166,525	43,749,317,597	49.68%	-3.73%	5.3940
1,897,109,655	20,039,365,841	20,988,856,355	42,212,729,586	49.72%	-3.51%	5.3940
1,929,155,113	20,025,808,959	20,992,849,006	42,230,266,045	49.71%	0.04%	5.3940
1,945,821,829	20,353,174,066	21,611,336,604	43,453,665,525	49.73%	2.90%	5.6196
2,065,745,858	20,989,594,390	23,036,449,123	46,369,630,278	49.68%	6.71%	5.6196
1,651,410,955	21,119,691,880	24,129,416,055	48,495,297,813	49.76%	4.58%	6.0596
1,599,663,700	21,838,346,564	25,914,411,675	52,131,927,299	49.71%	7.50%	6.0518
1,620,522,000	22,889,416,524	27,131,963,621	54,515,199,465	49.77%	4.57%	6.2947
1,650,256,100	24,219,497,487	29,502,080,572	59,255,353,533	49.79%	8.70%	6.2584

COUNTY OF KENT, MICHIGAN

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

	Year Taxes Are Payable			
	2019	2018	2017	2016
County Direct Rates:				
Allocated Operating	4.2571	4.2803	4.2803	4.2803
Correctional Facility	0.7777	0.7828	0.7859	0.7893
Senior Services	0.4926	0.4958	0.4978	0.5000
Veterans Services	0.0491	0.0495	0.0497	0.0500
Zoo/Museum	0.4335	0.4363	0.4381	0.4400
Early Childhood	0.2484	0.2500	0.0000	0.0000
Total County Direct Rate	6.2584	6.2947	6.0518	6.0596
City Rates:				
Cedar Springs	16.4414	16.4414	16.3414	16.3214
East Grand Rapids	14.9649	15.2157	15.6146	15.8366
Grand Rapids	8.9011	8.9710	9.0258	9.1166
Grandville	11.0500	11.0500	10.3000	10.3000
Kentwood	9.6066	9.6066	9.6066	9.6066
Lowell	15.9423	15.9423	15.9423	15.9424
Rockford	12.9000	12.9000	12.9000	10.9000
Walker	1.3360	1.3360	1.3360	1.3360
Wyoming	12.0309	12.1192	12.1192	11.9073
Township Rates	.7100-4.1953	.7100-4.1953	.7100-4.1977	.7100-4.2000
Village Rates	7.9440-18.4561	7.9440-18.4561	7.9440-18.1761	6.4440-19.6261
District Library	1.2661	1.2733	1.2774	1.2800
Interurban Transit Partnership	1.4556	1.4658	1.4632	1.4688
Rockford DDA	1.9226	1.9271	1.9351	1.9628
Ada DDA	1.9724	1.9940	0.0000	0.0000
School Districts ⁽¹⁾	1.7606-33.5116	1.7716-32.5282	1.7788-32.5476	1.7865-38.5476

Source: Kent County Bureau of Equalization

⁽¹⁾ Includes Community Colleges and Intermediate School Districts

Table 6

Year Taxes Are Payable						
2015	2014	2013	2012	2011	2010	
4.2803	4.2803	4.2803	4.2803	4.2803	4.2803	
0.7893	0.7893	0.7893	0.7893	0.7893	0.7893	
0.5000	0.5000	0.3244	0.3244	0.3244	0.3244	
0.0500	0.0500	0.0000	0.0000	0.0000	0.0000	
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5.6196	5.6196	5.3940	5.3940	5.3940	5.3940	
16.3214	16.3214	16.3214	16.3214	16.3214	16.3214	
16.0791	14.2891	14.2287	14.6523	14.7095	14.7296	
9.1515	9.1518	8.1719	8.1716	8.3713	8.3711	
10.3000	10.3000	9.1540	9.1540	9.1540	9.1540	
9.6066	9.6066	9.7064	9.7064	9.7064	9.7064	
15.9424	15.9424	15.9424	16.0724	16.0724	16.0724	
10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	
1.3360	1.3360	1.3360	1.3360	1.3360	1.3360	
11.9073	11.9073	11.6573	11.8873	11.8873	11.8873	
.7100-3.7000	.7100-3.5244	.7100-3.7626	.7100-3.7626	.7100-3.7626	.7100-3.7626	
6.4440-19.6261	6.4440-19.6261	6.4440-18.5761	6.4440-18.5761	6.4440-18.5761	6.4440-18.5761	
1.2800	1.2800	0.8800	0.8800	0.8800	0.8800	
1.4700	1.4700	1.4700	1.4100	1.2900	1.1200	
1.9942	2.0000	2.0000	2.0000	2.0000	2.0000	
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
1.7865-38.5876	1.7865-37.1176	1.7865-35.4765	2.3625-35.4765	2.3625-35.4426	1.3384-35.3976	

COUNTY OF KENT, MICHIGAN

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

Taxpayer	Principal Product or Service	2019 Taxable Valuation	Rank	Percent of 2019 Taxable Valuation
Consumers Energy	Public utility	\$ 363,890,887	1	1.50%
Amway Corp/Alticor	Household products	151,170,284	2	0.62%
DTE Energy/Gas Co.	Utility	130,193,830	3	0.54%
Meijer / Goodwill / Seedling	Retail sales	125,348,393	4	0.52%
PR Woodland LP	Retail shopping center	78,133,507	5	0.32%
Brookfield Properties Retail	Real estate	57,318,400	6	0.24%
Hearthside Food Solutions, Inc.	Food distributor/retailer	53,068,964	7	0.22%
Holland Home	Senior citizens residence	49,533,631	8	0.20%
Steelcase, Inc.	Office equipment/furniture	45,269,103	9	0.19%
Centerpoint Owner, LLC	Real estate	31,260,366	10	0.13%
Michigan Consolidated Gas Co.	Utility			
Fifth Third / Old Kent Bank	Banking services			
General Growth Properties, Grandville	Retail shopping center			
Keebler Company	Food distributor/retailer			
		\$ 1,085,187,365		4.48%

Source: County of Kent

Table 7

	2010 Taxable Valuation	Rank	Percent of 2010 Taxable Valuation
\$	221,717,692	1	1.06%
	167,642,363	2	0.80%
	109,061,221	3	0.52%
	56,864,631	6	0.27%
	49,672,019	7	0.24%
	60,320,821	5	0.29%
	95,456,854	4	0.45%
	46,097,876	8	0.22%
	44,326,746	9	0.21%
	41,403,500	10	0.20%
\$	892,563,723		4.26%

COUNTY OF KENT, MICHIGAN

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

Tax Year	Fiscal Year	Total Tax Levy ⁽¹⁾	Current Tax Collections ⁽²⁾	Percent of Levy Collected Current	Delinquent Tax Collections
2010	2011	\$ 112,116,149	\$ 104,044,458	92.80%	\$ 8,071,021
2011	2012	109,643,936	101,685,742	92.74%	7,957,136
2012	2013	106,659,819	99,398,868	93.19%	7,259,620
2013	2014	107,089,614	100,710,662	94.04%	6,374,142
2014	2015	113,079,325	106,850,820	94.49%	6,226,018
2015	2016	117,005,336	109,543,141	93.62%	7,457,817
2016	2017	127,153,181	118,842,367	93.46%	8,295,747
2017	2018	131,664,667	123,510,169	93.81%	8,065,486
2018	2019	143,744,229	134,267,071	93.41%	9,083,153
2019	2020	150,915,274	140,644,952	93.20%	-

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

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

Table 8

	Total Tax Collections	Total Collections As Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent as Percent of Current Levy
\$	112,115,479	100.00%	\$ 670	0.00%
	109,642,878	100.00%	1,058	0.00%
	106,658,488	100.00%	1,331	0.00%
	107,084,804	100.00%	4,810	0.00%
	113,076,838	100.00%	2,487	0.00%
	117,000,958	100.00%	4,378	0.00%
	127,138,114	99.99%	15,067	0.01%
	131,575,655	99.93%	89,012	0.07%
	143,350,224	99.73%	394,005	0.27%
	140,644,952	93.20%	10,270,322	6.81%

COUNTY OF KENT, MICHIGAN

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

Fiscal Year	Governmental Activities ⁽¹⁾		Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Debt	Capital Leases / Contracts Payable	Revenue Bonds	General Obligation Debt	Delinquent Tax Notes			
2010	\$136,076,010	\$ 810,686	\$196,325,324	\$ -	\$ 44,500,000	\$377,712,020	1.80%	\$ 626.78
2011 ⁽²⁾	131,026,449	794,316	203,745,155	2,074,733	40,795,267	378,435,920	1.70%	627.98
2012	126,054,680	468,633	187,389,536	12,406,028	36,563,972	362,882,849	1.52%	590.57
2013	119,546,567	127,057	181,726,240	11,430,000	31,500,000	344,329,864	1.39%	553.85
2014	115,818,825	1,237,827	175,527,055	10,454,860	26,408,586	329,447,153	1.12%	523.57
2015	108,818,005	4,455,340	190,200,516	9,322,790	24,640,935	337,437,586	1.09%	530.25
2016 ⁽³⁾	126,940,166	2,932,410	-	8,810,721	22,917,827	161,601,124	0.51%	251.65
2017	143,791,730	1,889,620	-	8,705,151	21,701,452	176,087,953	0.52%	271.49
2018	134,090,708	944,810	-	8,074,757	20,148,301	163,258,576	0.46%	249.71
2019	122,072,670	-	-	7,419,363	20,229,678	149,721,711	N/A	227.90

⁽¹⁾ Includes information from blended component units

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

⁽³⁾ Effective July 1, 2016, operations of the Kent County Airport were transferred to a legally-separate authority. The Authority is reported as a discretely-presented component unit and is not included in the table above.

N/A Data is Not Available

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COUNTY OF KENT, MICHIGAN

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

Fiscal Year	Population ⁽¹⁾	Estimated Actual Value in (000's)	Gross Bonded Debt	Debt Payable By Others	Net General Bonded Debt
2010	602,622	\$ 45,445,971	\$ 376,901,334	\$ 255,606,100	\$ 121,295,234
2011 ⁽³⁾	602,622	43,749,318	377,641,604	258,279,550	119,362,054
2012	614,462	42,212,730	362,414,216	228,770,000	133,644,216
2013	621,700	42,230,266	344,202,807	217,510,000	126,692,807
2014	629,237	43,453,666	328,209,326	212,390,501	115,818,825
2015	636,369	46,369,630	332,982,246	224,164,241	108,818,005
2016	642,173	48,495,298	158,668,714	31,728,548	126,940,166
2017	648,594	52,131,927	174,198,333	30,406,603	143,791,730
2018	653,786	54,515,199	162,313,766	28,223,058	134,090,708
2019	656,955	59,255,354	149,721,711	27,649,041	122,072,670

⁽¹⁾ Source: U.S. Census Bureau

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

⁽³⁾ Beginning with the year ended December 31, 2011, the Department of Public Works was classified as a business-type activity enterprise fund. Prior years were not restated retroactively.

⁽⁴⁾ This balance excludes restricted assets from the business-type activities as the amounts will not be used to liquidate general bonded debt.

Table 10

Debt Service Funds Available ⁽⁴⁾	Net Bonded Debt ⁽²⁾	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
\$ 430,063	\$ 120,865,171	0.27%	\$ 200.57
433,945	118,928,109	0.27%	197.35
255,336	133,388,880	0.32%	217.08
-	126,692,807	0.30%	203.78
50,267	115,768,558	0.27%	183.98
51,369	108,766,636	0.23%	170.92
55,841	126,884,325	0.26%	197.59
601,900	143,189,830	0.27%	220.77
612,692	133,478,016	0.24%	204.16
-	122,072,670	0.21%	185.82

COUNTY OF KENT, MICHIGAN

Computation of Direct and Overlapping Debt
December 31, 2019
(Unaudited)

DEBT STATEMENT

The following table reflects a breakdown of the County's direct and overlapping debt as of December 31, 2019.
Bonds designated as LTGO are limited tax pledge bonds or notes.

Direct Debt	Gross	Self Supporting or Portion Paid by Benefitting Municipality	Net	Per Capita	Percent of Estimated Actual Value
CIP Bond Series	\$ 93,921,395	\$ 12,309,560	\$ 81,611,835		
Contracts Payable	-	-	-		
Kent County Building Authority (LTGO)	28,151,275	-	28,151,275		
Total Direct Debt	\$ 122,072,670	\$ 12,309,560	\$ 109,763,110	\$ 185.82	0.21%
County Overlapping Debt ^{(1) (2)}					
Cities, Villages and Townships	216,121,283		\$ 216,121,283		
School Districts	1,410,373,700		1,410,373,700		
Community College and Intermediate School Districts	32,561,992		32,561,992		
Total Overlapping Debt	\$ 1,659,056,975		\$ 1,659,056,975	\$ 2,525.37	2.80%
Total County Direct Debt and Overlapping Debt	\$ 1,781,129,645	\$ 12,309,560	\$ 1,768,820,085	\$ 2,711.19	3.01%

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

⁽²⁾ Outstanding balances are reported as of December 31, 2019

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COUNTY OF KENT, MICHIGAN

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

Constitutional Debt Limitation

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

Statement of Legal Debt Margin (as of December 31,)	2019	2018	2017	2016
State Equalized Valuation	\$29,502,080,572	\$27,131,963,621	\$25,914,411,675	\$24,129,416,055
Legal Debt Limit (10% of SEV)	2,950,208,057	2,713,196,362	2,591,441,168	2,412,941,606
Debt Outstanding	314,606,601	341,085,551	364,750,203	368,252,897
Margin of additional debt which could be incurred subject to debt limit	\$ 2,635,601,456	\$ 2,372,110,811	\$ 2,226,690,965	\$ 2,044,688,709
Percentage of debt outstanding to SEV	1.07%	1.26%	1.41%	1.53%

Source: County of Kent

Table 12

2015	2014	2013	2012	2011	2010
\$23,036,449,123	\$21,611,336,604	\$20,992,849,006	\$20,988,856,355	\$21,735,166,525	\$22,577,744,317
2,303,644,912	2,161,133,660	2,099,284,901	2,098,885,636	2,173,516,653	2,257,774,432
360,196,633	374,926,731	392,130,961	416,883,904	437,868,904	459,568,904
<u>\$ 1,943,448,279</u>	<u>\$ 1,786,206,929</u>	<u>\$ 1,707,153,940</u>	<u>\$ 1,682,001,732</u>	<u>\$ 1,735,647,749</u>	<u>\$ 1,798,205,528</u>
1.56%	1.73%	1.87%	1.99%	2.01%	2.04%

COUNTY OF KENT, MICHIGAN

Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ⁽¹⁾⁽²⁾	Personal Income Thousands of Dollars ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ^{(3), (5), (6)}	Unemployment ⁽⁴⁾
2010	602,622	\$ 20,996,576	\$ 34,819	119,606	10.2%
2011	602,622	22,262,941	36,589	119,372	8.0%
2012	614,462	23,856,032	38,824	106,774	6.5%
2013	621,700	24,747,216	39,806	110,268	6.5%
2014	629,237	29,328,952	46,610	109,106	4.9%
2015	636,369	30,861,524	48,496	108,981	3.6%
2016	642,173	31,850,853	49,599	108,768	3.4%
2017	648,594	33,597,704	51,801	108,708	3.5%
2018	653,786	35,262,035	53,935	108,376	3.0%
2019	656,955	N/A	N/A	106,176 ⁽⁷⁾	2.9%

⁽¹⁾ Source: U.S. Census Bureau

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

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

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

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

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

⁽⁷⁾ Preliminary amount

N/A Data is Not Available

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COUNTY OF KENT, MICHIGAN

Principal Employers Current and Nine Years Ago (Unaudited)

<i>Fiscal Year Ended December 31,</i>	2019		
Employer	Employees ⁽¹⁾	Rank	Percentage of Total Employment
Spectrum Health	25,000	1	6.95%
Meijer, Inc.	10,340	2	2.87%
Mercy Health/St. Mary's Health	6,200	3	1.72%
Amway Corp./Alticor, Inc.	4,000	4	1.11%
Steelcase, Inc.	3,500	5	0.97%
Lacks Enterprises	2,800	6	0.78%
Grand Rapids Public Schools	2,800	7	0.78%
Farmers Insurance Group	2,700	8	0.75%
Spartan Nash/Stores	2,585	9	0.72%
Gordon Food Service	2,544	10	0.71%
Herman Miller Inc.			
Axios, Inc.			
Perrigo Company			
Wal-Mart			
Total	62,469		17.36%

⁽¹⁾ Source: The Right Place, Inc.

Table 14

2010		
Employees ⁽¹⁾	Rank	Percentage of Total Employment
16,092	1	5.21%
7,421	2	2.40%
4,000	5	1.30%
4,800	3	1.55%
3,463	8	1.12%
4,200	4	1.36%
3,800	6	1.23%
3,522	7	1.14%
3,200	9	1.04%
3,131	10	1.01%
53,629		17.36%

COUNTY OF KENT, MICHIGAN

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

<i>December 31,</i>	2019	2018	2017	2016
Function/Program				
General Government:				
Administrator's Office	23	32	32	32
Bureau of Equalization	14	14	14	14
County Clerk	45	45	44	45
Drain Commissioner	5	6	6	5
Facilities Management	27	30	30	30
Fiscal Services	37	33	33	31
Human Resources	15	15	15	16
Information Technology	37	37	37	39
Kent/MSU Cooperative Extension	1	2	2	3
Prosecutor's Office - Criminal/Juvenile	60	59	59	57
Treasurer's Office	12	12	12	12
 Public Safety:				
Sheriff's Department	617	604	594	557
 Judicial:				
17th Circuit Court	230	228	228	222
63rd District Court	33	33	33	32
Community Corrections	2	3	3	3
Probate Court	15	15	15	15
Prosecutor's Office - Cooperative Reimbursement	19	19	19	19

Table 15

2015	2014	2013	2012	2011	2010
32	31	31	31	31	31
15	16	15	15	17	17
44	44	44	44	47	48
6	7	7	6	6	7
21	21	21	21	21	37
31	31	33	33	34	34
16	16	17	16	16	16
38	38	36	36	36	37
3	3	3	3	4	5
57	57	57	57	57	61
12	12	12	12	12	13
550	547	547	540	549	546
223	223	225	225	228	232
32	32	32	33	35	35
3	3	3	3	3	3
15	15	15	15	15	15
19	19	19	19	19	19

continued...

COUNTY OF KENT, MICHIGAN

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

<i>December 31,</i>	2019	2018	2017	2016
Community and Economic Development:				
Community Development	4	6	6	6
Housing Commission	4	4	4	4
Lodging Excise Tax	1	1	1	2
Cultural and Recreation:				
John Ball Zoological Gardens	-	-	-	-
Parks	64	64	63	59
Health and Welfare:				
Child Care	146	132	132	133
Health Department	254	247	245	240
Veteran's Affairs Department	8	7	7	7
Community Action Agency(2)	23	21	21	-
Enterprise Activities:				
Aeronautics ⁽¹⁾	-	-	-	-
Public works	60	54	54	54
Other:				
Risk Management	1	1	1	1
Total	1,757	1,724	1,710	1,638

⁽¹⁾ Effective July 1, 2016, operations of the Kent County Airport were transferred to a legally-separate authority. The Authority is reported as a discretely-presented component unit and is not included in the table above.

⁽²⁾ During 2017 an agreement with Area Community Services Employment & Training Council was executed to create a joined Community Action Agency within the County, adding employees to the County.

Source: County of Kent

Table 15

2015	2014	2013	2012	2011	2010
4	5	7	8	8	8
5	4	4	4	3	3
2	2	2	2	2	2
-	47	47	45	44	44
57	57	57	57	59	56
132	132	133	134	135	136
245	244	248	246	250	249
7	3	3	1	1	1
-	-	-	-	-	-
99	99	108	106	125	120
53	52	62	64	66	62
1	1	1	2	2	2
1,722	1,761	1,789	1,778	1,825	1,839

concluded

COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016
Function/Program				
General Government:				
County bond rating (Per S&P/Moody's)	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
Dollars saved or leveraged due to collaboration with other agencies	N/A ⁽⁵⁾	\$ 3,699,840	\$ 163,000	\$ 711,785
Number of programs or collaborative partnerships developed	N/A ⁽⁵⁾	4	3	7
General Fund cost per resident for all County services	\$ 275	\$ 260	\$ 252	\$ 254
Number of voter registrations processed	12,060	15,089	9,467	29,340
Number of invoices processed ⁽¹⁾	57,258	58,693	57,402	60,578
Number of vehicles in County fleet	291	288	236	239
Number of tax receipts processed ⁽¹⁾	16,637	17,255	19,812	20,186
General Fund investment income ⁽¹⁾	\$ 2,009,372	\$ 1,595,335	\$ 837,799	\$ 524,165
Public Safety:				
Percentage of 911 calls answered within 15 seconds	96	95	94	96
Percentage of 911 calls answered within 40 seconds	100	100	100	100
Neighborhood Watch satisfaction rating ⁽²⁾	N/A	N/A	N/A	N/A
Judicial:				
Number of case filings District Court trials ⁽¹⁾	37	47	50	62
Number invoices processed ⁽¹⁾	N/A	N/A	N/A	72
Amount of Restitution Awarded via the Crime Victims Compensation Board	\$ 128,841	\$ 175,538	\$ 246,689	\$ 273,896
Community and Economic Development:				
Percent of clients enrolled in financial literacy classes ⁽¹⁾	N/A	N/A	N/A	N/A
Percent of clients enrolled in the Family Self Sufficiency program ⁽¹⁾	17%	23%	24%	25%
Percent of participants who are referred to financial literacy and homeownership classes	100%	100%	100%	100%

Table 16

2015	2014	2013	2012	2011	2010
AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
\$ 3,140,421	\$ 3,985,000	\$ 1,050,000	\$ 1,689,644	\$ 1,158,240	\$ 2,545,516
8	6	5	5	5	6
\$ 253	\$ 255	\$ 259	\$ 211	\$ 217	\$ 215
10,044	14,820	26,244	N/A	N/A	N/A
62,448	61,542	61,240	61,298	65,534	65,046
239	230	200	229	210	208
22,306	22,937	24,808	24,318	25,856	25,863
\$ 274,733	\$ 275,759	\$ 232,607	\$ 285,886	\$ 459,384	\$ 761,632
97	98	97	N/A	N/A	N/A
100	100	100	N/A	N/A	N/A
N/A	4.8	4.6	4.7	4.7	4.4
88	112	89	128	147	121
72	79	57	76	75	86
\$ 218,826	\$ 295,674	\$ 540,897	\$ 465,832	\$ 279,372	\$ 334,009
N/A	20%	20%	27%	18%	8%
24%	20%	20%	27%	N/A	N/A
95%	N/A	N/A	N/A	N/A	N/A

continued...

COUNTY OF KENT, MICHIGAN

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

<i>Fiscal Year Ended December 31,</i>	2019	2018	2017	2016
Cultural and Recreation:				
Staff participation in conservation management programs	N/A	N/A	N/A	N/A
Beach/splash pad attendance through SPLASH program	12,885	12,393	13,368	16,997
Total Millennium Park beach/splash pad attendance	85,204	83,642	89,995	101,709
Number of project collaborations with outside agencies	86	83	87	81
Number of Action Plan items completed from				
Parks Action Plan	9	7	9	8
Acres of park land acquired	164	-	12.80	170.50
Health and Welfare:⁽³⁾				
Percent of children aged 19-35 months who are fully immunized	81%	82%	83%	82%
Number of children receiving Hearing/Vision screenings	93,724	93,698	91,804	92,927
Number of outreach programs participated in	N/A	N/A	N/A	39
Enterprise Activities:				
Airfield operations-takeoffs and landings ⁽⁴⁾				
Airline passengers ⁽⁴⁾				
General aviation: total based aircraft ⁽⁴⁾				
Number of households served/year	5,981	5,500	5,039	4,563
Solid waste landfilled (in tons)	328,183	347,121	347,464	312,256
Electricity sold (Mwh)	96,332	102,288	99,570	100,944
Tons of solid waste processed (Waste to Energy)	188,182	185,413	185,209	182,470
Recyclable materials processed (in tons)	31,089	33,133	32,132	34,821

⁽¹⁾ 2019 Amount is Estimated

⁽²⁾ Five Point Scale

⁽³⁾ Children within Kent County

⁽⁴⁾ Effective July 1, 2016, operations of the Kent County Airport were transferred to a legally-separate authority. The Authority is reported as a discretely-presented component unit and is not included in the table above.

⁽⁵⁾ Due to the COVID-19 crisis this data was not available for inclusion in the 2019 CAFR

N/A Data is Not Available

Source: County of Kent

Table 16

2015	2014	2013	2012	2011	2010
N/A	N/A	N/A	N/A	N/A	55
40,388	24,825	12,203	12,746	N/A	N/A
135,908	90,780	63,431	87,141	N/A	N/A
90	55	73	13	13	13
9	13	8	6	N/A	N/A
-	-	22.00	-	10.44	0.15
82%	82%	83%	81%	82%	77%
89,490	84,360	89,677	93,503	91,733	89,635
32	14	13	12	23	9
76,256	75,128	75,998	85,306	87,545	86,750
2,550,193	2,335,105	2,237,979	2,134,956	2,275,332	2,180,000
92	89	86	86	86	84
3,930	3,500	3,284	3,117	2,877	2,761
289,410	N/A	N/A	N/A	N/A	251,107
100,234	100,000	104,438	96,640	101,549	104,000
178,434	189,000	189,321	183,849	185,998	188,000
33,396	32,000	30,000	25,364	23,600	14,940

concluded

COUNTY OF KENT, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years
(Unaudited)

<i>December 31,</i>	2019	2018	2017	2016
Function/Program				
General Government:				
Number of buildings	15	15	15	15
Video conferencing sites	2	2	2	2
Computer training facilities	1	1	1	1
Public Safety:				
Fire engines	15	15	15	15
Patrol vehicles/motorcycles	90	89	82	70
Jail	1	1	1	1
Sheriff's stations/substations	4	4	4	4
Communications towers	6	7	7	7
Training facilities	-	-	-	-
Video arraignment stations	8	8	8	8
Judicial:				
Video arraignment stations	48	48	49	53
Cultural and Recreation:				
Number of parks	42	42	42	42
Number of golf courses	1	1	1	1
Number of zoos	1	1	1	1
Acres of public space	7,077	6,923	6,921	6,906
Health and Welfare:				
Number of clinics	5	5	5	5
Enterprise Activities:				
Number of landfills	4	4	4	4
Number of recycling facilities	1	1	1	1
Airports ⁽¹⁾	-	-	-	-

⁽¹⁾ Effective July 1, 2016, operations of the Kent County Airport were transferred to a legally-separate authority. The Authority is reported as a discretely-presented component unit and is not included in the table above.

Source: County of Kent

Table 17

2015	2014	2013	2012	2011	2010
15	14	14	14	14	14
2	2	2	2	2	2
1	1	1	1	1	1
16	16	16	18	19	17
70	68	69	70	67	69
1	1	1	1	1	1
5	6	8	6	6	7
7	7	8	8	8	8
-	-	-	-	1	1
8	8	8	7	7	8
53	53	52	52	52	51
42	42	42	42	42	42
1	1	1	1	1	1
1	1	1	1	1	1
6,735	6,708	6,739	6,948	7,372	7,362
5	5	6	6	6	7
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1