

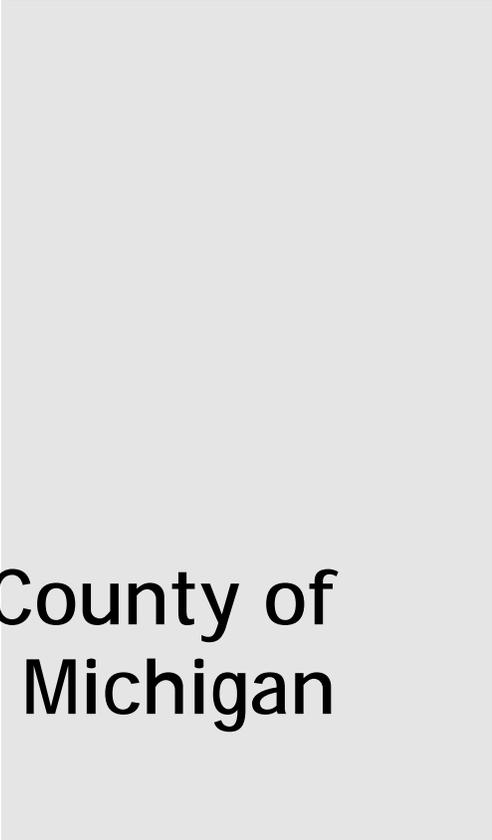


# County of Kalamazoo, Michigan

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**Comprehensive Annual Financial Report  
and Single Audit Act Compliance**

**Year Ended December 31, 2009**



# County of Kalamazoo, Michigan

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Comprehensive Annual Financial Report  
and Single Audit Act Compliance

Year Ended December 31, 2009

Prepared By:

Peter M. Battani,  
County Administrator/Controller

Tracie L. Moored,  
Director, Finance and Administrative Services

# County of Kalamazoo, Michigan

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# Introductory Section



# County of Kalamazoo, Michigan

## List of Officials for 2009

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### County Board of Commissioners

David Buskirk - Chairperson  
Deb Bucholtz-Hiemstra - Vice Chairperson

Carolyn Alford	David Maturen
Nasim Ansari	Ann Nieuwenhuis
Jeff Balkema	John Nieuwenhuis
Robert Barnard	Michael Quinn
Grady Biby	John Taylor
Jeff Heppler	Franklin Thompson
Brian Johnson	Jack Urban
	John Zull

### Circuit Court Judges

Stephen Gorsalitz - Chief Judge

J. Richard Johnson  
Alexander Lipsey  
Gary Giguere, Jr.  
Pamela Lightvoet

### District Court Judges

Richard Santoni - Chief Judge

Anne Blatchford  
Paul Bridenstine  
Carol Husum  
Robert Kropf  
Julie Phillips  
Vincent Westra

### Probate Court Judges

Donald Halstead - Chief Judge

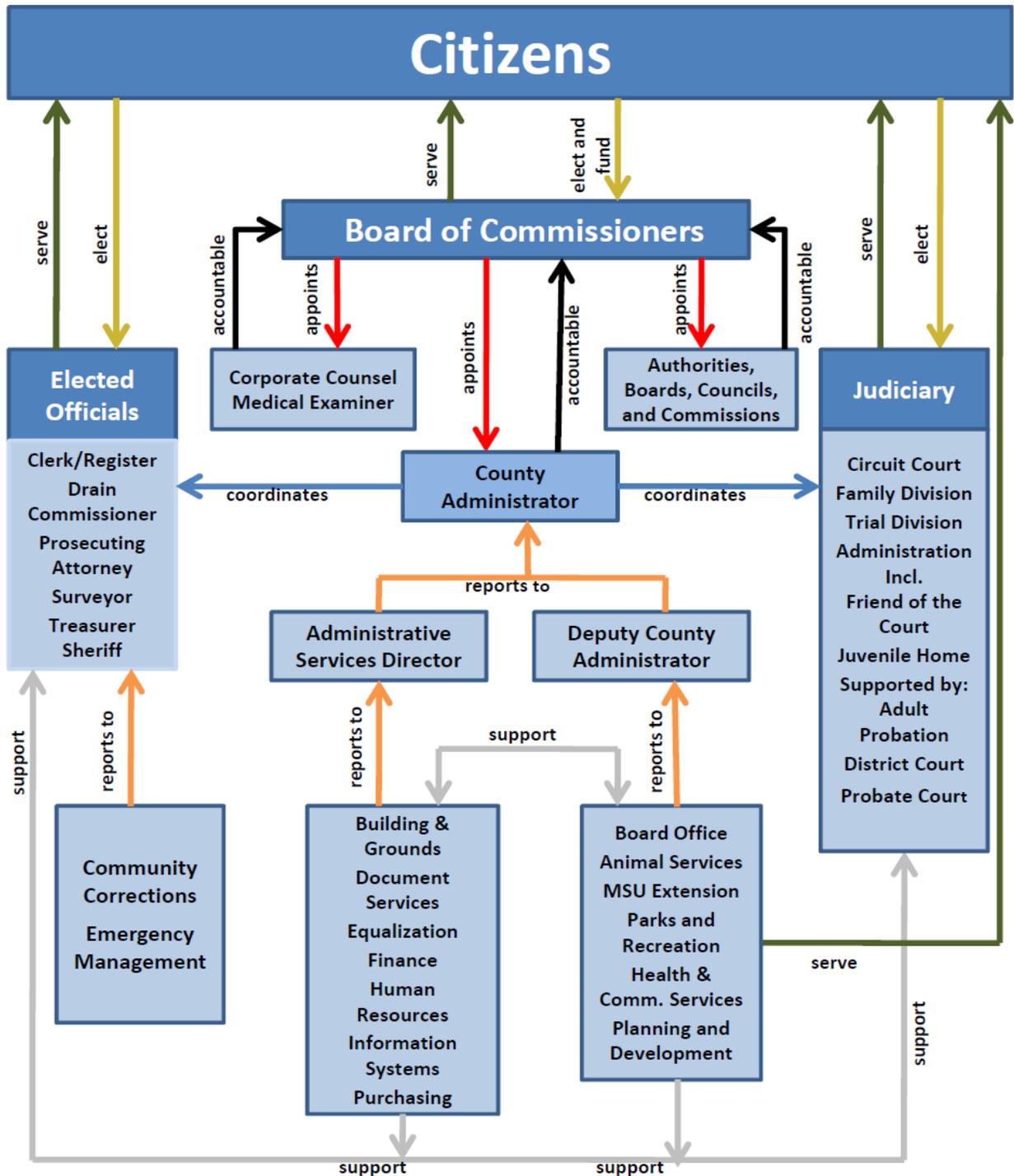
Curtis Bell  
Patricia Conlon

### Others

Prosecutor - Jeffrey Fink  
Sheriff - Richard Fuller  
Treasurer - Mary Balkema  
County Clerk/Register of Deeds - Timothy Snow  
Surveyor - Robert Snell  
Drain Commissioner - Patricia Crowley

# County of Kalamazoo, Michigan

## Organization Chart



# County of Kalamazoo, Michigan

Certificate of Achievement

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## Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Kalamazoo  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



## Office of Finance

201 West Kalamazoo Avenue, Kalamazoo, Michigan 49007

Phone: (269) 384-8090 - Fax: (269) 383-6448 -

[www.kalcounty.com](http://www.kalcounty.com)

Tracie L. Moored, Director, Finance and Administrative Services

Peter M. Battani, County Administrator/Controller

June 4, 2010

Kalamazoo County Board of Commissioners  
County of Kalamazoo, Michigan  
Kalamazoo, Michigan 49007

Members of the Board:

We are pleased to submit the Comprehensive Annual Financial Report of the County of Kalamazoo, Michigan (the County), for the year ended December 31, 2009. The basic financial statements included in this report have been audited by BDO Seidman, LLP, an independent firm of certified public accountants. This report is prepared for the purpose of disclosing the County's financial condition to its electorate, elected officials, and other interested parties.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making those representations, management of the County has established a comprehensive internal control framework designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

One of the goals of the County's audited financial statements is to provide reasonable assurance that the financial statements for the year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures reported in the financial statements; assessing the accounting principles used and any significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the County's financial statements for the year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are found on Pages 136 to 139.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the independent auditors' report.

## Profile of the Government

The County of Kalamazoo, Michigan, the ninth most populous county in the state of Michigan, encompasses an area of approximately 576 square miles with the July 2009 census estimated population of 248,407, and is located in the southwest portion of Michigan's Lower Peninsula. It is approximately 75 miles southwest 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 15 townships, five villages, and four cities. The year 2000 population of the County resides as follows: townships (106,447), cities (125, 966), and villages (6,190). The County seat is located in the City of Kalamazoo, which is the largest municipality in the County. The County was organized as a County by the territorial legislature on July 30, 1830.

The County is governed by the County Board of Commissioners (the County Board), which currently consists of 17 members. The County Board is responsible for establishing policies, adopting the budget, appointing committee memberships, and hiring the County Administrator/Controller and Corporation Counsel. The Administrator/Controller is responsible for carrying out the policies set forth by the County Board and overseeing the day-to-day operations of the County. The County Board is elected on a partisan basis every two years from districts of approximately the same size. The other five elected officers of the County are elected on a partisan basis serving four-year terms.

The County provides a full range of municipal services. These services are either mandated by the state statute or authorized by the County Board. These include legislative, judicial, public works, public safety, health, welfare, cultural, recreation, transportation, public improvements, and general administrative services.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriations to the Administrator/Controller. These requests form the basis for the development of a proposed budget. The Administrator/Controller will present to the County Board a recommended budget for consideration and deliberation. After the review is completed, a public hearing will be held at an annual meeting and the budget will be adopted. The budget is appropriated at the departmental level. The budget is prepared at the fund, department, and account level. Department directors may request transfers within fund appropriations under their administrative control. Transfers of appropriations between departments or fund require approval of the board. Appropriation increases also require approval by the County Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is found on Page 23 as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, this comparison is found starting on Page 85.

## Financial Condition Factors

**Local Economy.** As the entire state experiences declining shifts in the economy, the County has managed to collectively remain sustainable. The area has a diversified employment base adding to the strength of the local economy. In the last several years, the unemployment rate has reported more favorable results than the state or national rates. Major employers in the area are found in the pharmaceutical, banking, health, and education sectors. As economic indicators change, the County will continue to monitor budgetary impacts.

In 2009, the County property tax base increased 1.29%. Forecasting a decline in 2010 allowed the County to proactively make budgetary decisions to minimize reactionary impacts to core services. A large percentage of County revenue comes from the state and local property taxes. With these realities in mind, budget recommendations focuses on continuing the prudent, long-term fiscal policies of the Board of Commissioners, supporting mandated and essential services, and protecting the public safety and welfare.

**Long Term Financial Planning.** The County completes a ten-year analysis during each budget cycle and updates them frequently to ensure that budgetary impacts are considered. Based on these projections and economic indicators, budget policies have been adopted to implement a base line spending reduction. In the past four years, \$3.8 million of operating expenditures have been reduced. The Board of Commissioners are committed to ensure long-term fiscal stability of the County. The County has operated cautiously over the past several years making sound financial decisions.

The County monitors budgetary spending throughout the year. Mid-year projections are prepared and spending goals are revised based on analysis. Future forecasting projects revenues in the next two years to become relatively flat with a potential to decline. The County will continue to align expenditures to these indicators.

**Capital Improvement.** The County has designated 2.5% of general operating to capital improvement initiatives. A Capital Improvement Committee has been designated to review annual funding requests. The committee ensures standard criteria are met before projects are considered. An analysis is completed on each qualifying item. Authorizations are granted based on committee recommendations.

For major capital items, a Facilities Masterplan workgroup has been established. The primary mission of this body is to assess and develop a countywide Facilities Masterplan. This completed project will include a property manual update with physical descriptions of all buildings, a facilities audit with planned maintenance, and projected long-term capital improvement requirements. It is anticipated the plan will be a working document that guides long-term asset construction and renovation projects.

**Relevant Financial Policies.** The Budget Stabilization Policy was adopted in 1980. Currently, this fund retains \$2.5 million. This represents 4% of total expenditures. This reserve was established to ensure an amount was encumbered for an unforeseen situation, which creates an inability to balance revenues and expenditures in future budget adoptions. It is the intent of the policy that any amount utilized for these situations, a plan of action will be outlined to reimburse the fund.

**Major Initiatives.** Budgetary pressures have continued to be placed on the County. In an effort to remain committed to providing essential services, a strategic initiative has been outlined. The County has created a strategic plan that is reviewed monthly to emphasize framework in the following areas: Human Services, Economic and Regional Development, Customer Service and Accountability and Community Safety and Justice. In 2009, the following strategic initiatives were completed.

- ***Kalamazoo County Transportation Authority***

The Kalamazoo County Transportation Authority passed a resolution asking voters to support .4 mills for four years. The millage was designed to support all demand/response transportation in the County, including Care-A-Van service, and various line haul routes. The County, through the KCTA, held the election in 2009 and voters overwhelmingly supported the millage request. This millage generates approximately \$3.4 million.

- ***Kalamazoo County Land Bank Authority***

In 2009, the Board of Commissioners approved the creation of a Kalamazoo County Land Bank Authority, which was also approved subsequently by the Michigan Fast Track Land Bank Authority.

The County Board of Commissioners interviewed and appointed the Land Bank Authority Board. The Michigan State Housing Development Authority organized a Michigan Neighborhood Stabilization Program consortium that consisted of 12 cities working in collaboration with eight land banks in high need and high risk communities. The Land Bank Authority and the City of Kalamazoo were awarded a grant for \$15.6 million for the purchase, rehabilitation and demolition of blighted properties.

This funding will assist the Land Bank in focusing on its core vision of facilitating the transition of tax-reverted properties into viable, livable and marketable properties by creating new property owners in our community and returning these properties to the tax roll.

- ***Economic Development Federal Stimulus Package***

The County actively engaged to secure federal stimulus package dollars for various County services.

- \$4,410,000 for the Weatherization Programs
- \$3,719,000 for the Work Force investment Programs
- \$1,003,000 for the Drug Court Programs
- \$ 859,000 for the Community Services Block Grant Programs
- \$ 256,000 for the Head Start Programs
- \$ 226,000 for the IV- D Cooperative Reimbursement Programs
- \$ 61,000 for the Area Agency on Aging Programs

▪ *Budgetary Reductions*

Mid-year 2009, administration brought a financial analysis to the Board projecting a potential current year \$1.8 million deficit. Budget reductions of \$1.25 million were immediately implemented. These adjustments included the elimination of a potential 1% salary increase for County employees, and accelerating payments of retiree health liabilities in the Employee Benefits Fund (EBF), thus relieving the General Fund. The acceleration of payments for retiree health to the EBF will also have a positive effect on the General Fund bottom line in 2010.

▪ *Benefit Plan Design Changes*

The County Board approved Health Plan design changes in 2009. This included changes to retirees and active employees. The changes included establishing retiree premium sharing, and increased premium sharing for active employees. Added was a short-term disability benefit, increased preventive care for retirees, and a change in pharmacy benefit for active employees.

A Pension Plan design change was implemented for the County's Defined Benefit Plan. A plan change was adopted by the County Board to adjust retirement age for new employees from early retirement at age 55 to age 60 and normal retirement age from age 60 to age 65. This change also significantly affected projected annual required contributions for other post employment benefits (OPEB).

Combined savings for both plan changes are projected to have an annual cash impact of \$300,000 and a \$1 million reduction in annual OPEB liability.

### Awards and Acknowledgements

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kalamazoo, Michigan, for its comprehensive annual financial report for the fiscal year ended 2008. This was the eleventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report on a timely basis would not have been accomplished without the cooperation of all involved in the financial accounting process. We want to thank all involved, especially the entire staff of the Finance Department.

We want to thank members of the Kalamazoo County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

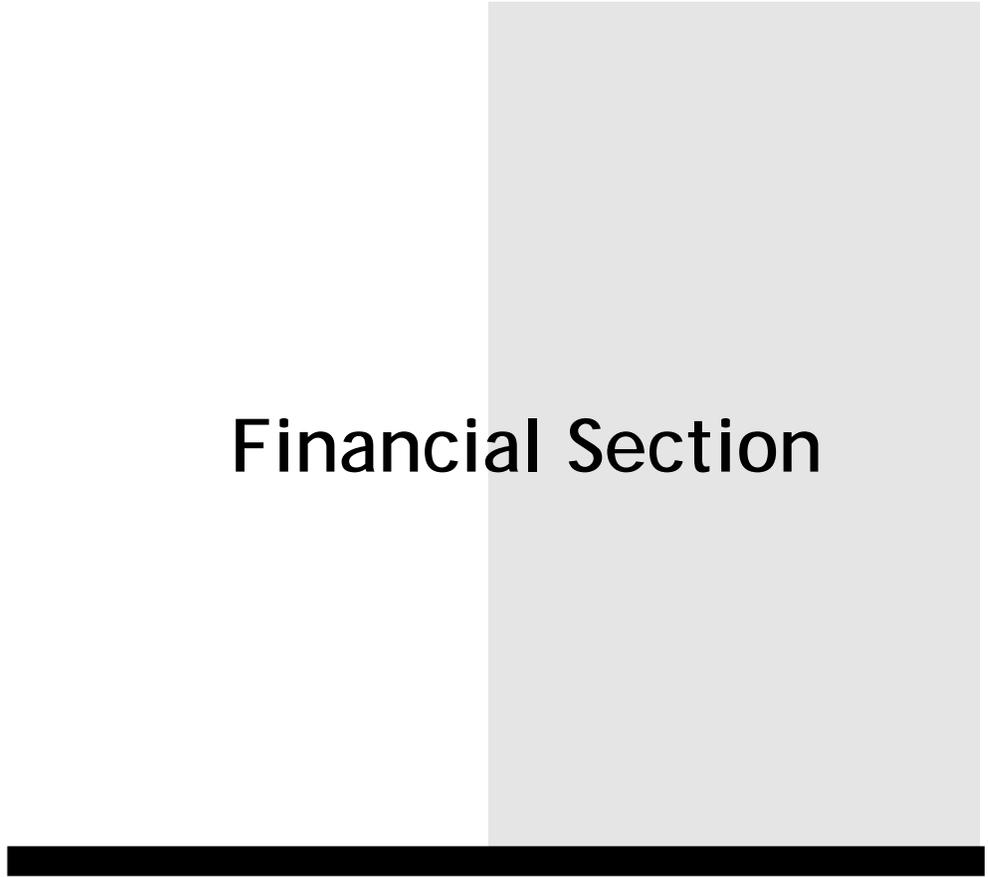


Peter M. Battani  
County Administrator/Controller



Tracie L. Moored  
Director, Finance and Administrative Services

# Financial Section





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49007

## Independent Auditors' Report

Board of Commissioners  
County of Kalamazoo, Michigan  
Kalamazoo, Michigan

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 Kalamazoo, Michigan (the County), as of and for the year ended December 31, 2009 (September 30, 2009, for certain component units), which collectively comprise the County's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Kalamazoo County Road Commission or the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), which represents 97% of the total assets of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for the Kalamazoo County Road Commission and KCMHSAS, 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the basic 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, as of December 31, 2009 (September 30, 2009, for certain component units), and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Law Enforcement Fund, the Revenue Sharing Reserve Fund, and the Health Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

BDO Seidman, LLP, a New York limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on Pages 7 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information listed in the table of contents as well as the accompanying schedule of expenditures of federal awards, as required by *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, as well as the Supplemental Schedule of Expenditures by Service are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the introductory section and portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*BDO Seidman, LLP*

Certified Public Accountants

June 4, 2010

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis

As management of the County of Kalamazoo, 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, 2009. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which may be found on Pages 1 to 4 of this report.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$148,228,417 (net assets). Of this amount, \$90,076,880 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and future creditors.
- The government's total net assets increased by \$6,604,535.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59,324,460 a decrease of \$7,671,416 in comparison with the prior year. Approximately 75% of this total amount, \$44,782,914 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved undesignated fund balance for the General Fund was \$22,867,133 (48%) of the total General Fund expenditures.
- The County's total long-term obligations decreased by \$2,183,026 during the current fiscal year.

### 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, health and welfare, recreation and culture, and judicial. The business-type activities of the County include the Kalamazoo-Battle Creek International Airport, the Tax Revision, and the Delinquent Tax Revolving Funds.

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

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The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate entities: Department of Human Services, Economic Development Corporation, Road Commission, Transportation Authority, Drainage Districts, and a separate authority known as Kalamazoo Community Mental Health and Substance Abuse Services. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Pages 17 and 18 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, similar to 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 are 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 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 funds 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 presents 41 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, Law Enforcement Fund, Revenue Sharing Reserve Fund, Health Fund, and the Justice Facilities Improvement Fund, all of which are considered to be major funds. Data from the other Thirty-six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are found on Pages 19 to 22 of this report.

**Proprietary Funds.** The County maintains three 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 Airport Fund, the Delinquent Tax Revolving Fund, and the Tax Reversion Fund. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses an Internal Service Fund to account for its employee benefits program, information systems activity, technology systems, Nazareth facility lease program, Central Stores activity, and a personnel pool. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport Fund, the Delinquent Tax Revolving Fund, and the Tax Reversion Fund, all of which are considered to be major funds of the County. The County's six internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column. Also, individual fund data for the internal service fund is provided in the form of combining statements elsewhere in this report.

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

**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 similar to proprietary funds.

**Notes to the Basic 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. The notes to the financial statements are found on Pages 35 to 63 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension and other post-retirement benefits to its employees. This required supplementary information is included in the Required Supplementary Information section on Pages 64 and 65.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$148,228,417 at the close of the most recent fiscal year.

A substantial portion of the County's net assets (28%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets still outstanding. 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 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.

### County of Kalamazoo, Michigan - Net Assets

December 31,	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current and other assets	\$ 118,569,609	\$128,501,953	\$31,227,778	\$34,917,639	\$ 149,797,387	\$ 163,419,592
Capital assets, net of accumulated depreciation	41,626,266	30,321,578	36,171,531	27,510,260	77,797,797	57,831,838
<b>Total Assets</b>	<b>\$ 160,195,875</b>	<b>\$158,823,531</b>	<b>\$67,399,309</b>	<b>\$62,427,899</b>	<b>\$ 227,595,184</b>	<b>\$ 221,251,430</b>
<b>Liabilities:</b>						
Long-term liabilities outstanding	\$ 40,410,665	\$ 42,343,691	\$ 8,650,000	\$ 8,900,000	\$ 49,060,665	\$ 51,243,691
Other liabilities	29,943,747	28,259,059	362,355	469,728	30,306,102	28,728,787
<b>Total Liabilities</b>	<b>70,354,412</b>	<b>70,602,750</b>	<b>9,012,355</b>	<b>9,369,728</b>	<b>79,366,767</b>	<b>79,972,478</b>
<b>Net Assets:</b>						
Capital assets, net of related debt	14,661,496	31,973,057	27,521,531	23,914,326	42,183,027	55,887,383
Restricted	15,968,510	20,947,877	-	-	15,968,510	20,947,877
Unrestricted	59,211,457	35,299,847	30,865,423	29,143,845	90,076,880	64,443,692
<b>Total Net Assets</b>	<b>89,841,463</b>	<b>88,220,781</b>	<b>58,386,954</b>	<b>53,058,171</b>	<b>148,228,417</b>	<b>141,278,952</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 160,195,875</b>	<b>\$158,823,531</b>	<b>\$67,399,309</b>	<b>\$62,427,899</b>	<b>\$ 227,595,184</b>	<b>\$ 221,251,430</b>

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

There was a decrease of \$4,979,367 in restricted net assets reported in connection with the County's governmental activities. This decrease was primarily the result of the use of revenue sharing reserves for County operations. These funds are mandated by the state of Michigan whereby counties are provided with the amount allowed for use in county operations. There are no restricted net assets reported in connection with the County's business-type activities.

No portion of the County's net assets represent resources that are subject to external restrictions on how they may be used except for the Revenue Sharing Reserve Fund established during 2004 under Public Act 357 and federal and state grants. The County may use the remaining balance of unrestricted net assets of \$90,076,880 (61%) to meet its ongoing obligations to citizens and creditors.

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

### County of Kalamazoo, Michigan - Changes in Net Assets

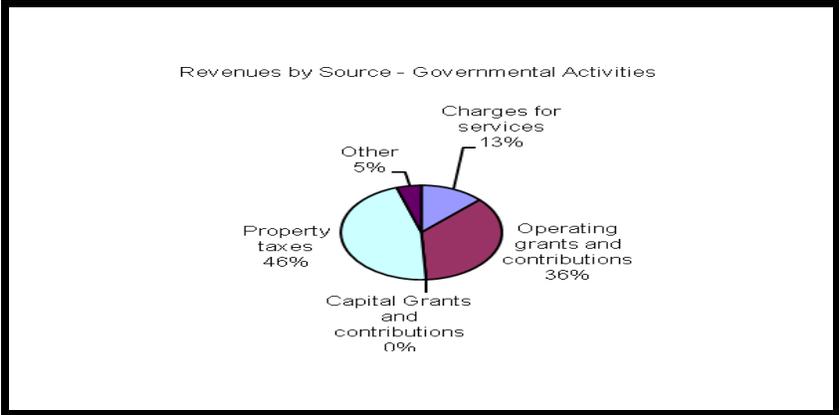
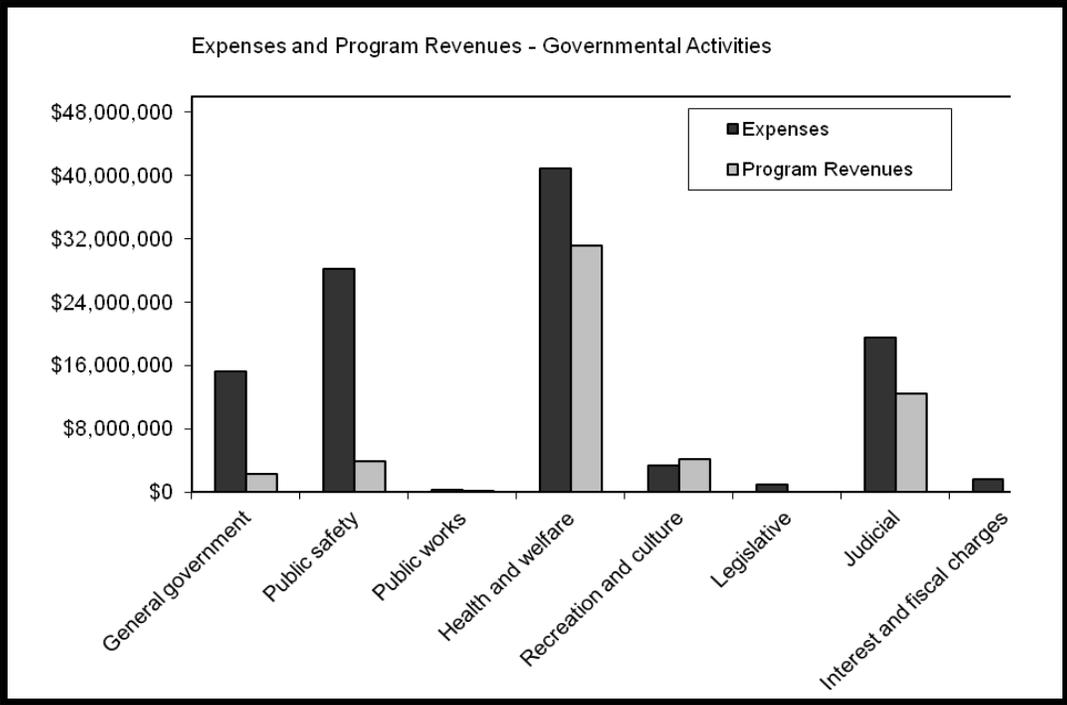
Year Ended December 31,	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 14,265,547	\$ 14,697,010	\$ 7,009,479	\$ 5,964,973	\$ 21,275,026	\$ 20,661,983
Operating grants and contributions	39,904,093	35,507,963	159,178	197,926	40,063,271	35,705,889
Capital grants and contributions	-	-	6,350,499	2,879,337	6,350,499	2,879,337
General revenues:						
Property taxes	50,691,287	50,142,756	-	-	50,691,287	50,142,756
Other	3,833,301	4,217,596	8,170	1,823	3,841,471	4,219,419
Unrestricted investment earnings	1,702,897	3,080,203	313,064	588,058	2,015,961	3,668,261
<b>Total Revenues</b>	<b>110,397,125</b>	<b>107,645,528</b>	<b>13,840,390</b>	<b>9,632,117</b>	<b>124,237,515</b>	<b>117,277,645</b>
<b>Expenses:</b>						
General government	15,304,080	18,716,502	-	-	15,304,080	18,716,502
Public safety	28,190,183	25,185,011	-	-	28,190,183	25,185,011
Public works	302,635	166,934	-	-	302,635	166,934
Health and welfare	40,947,081	36,838,395	-	-	40,947,081	36,838,395
Recreation and culture	3,345,053	3,268,444	-	-	3,345,053	3,268,444
Legislative	938,582	862,396	-	-	938,582	862,396
Judicial	19,477,810	17,665,498	-	-	19,477,810	17,665,498
Interest and fiscal charges	1,615,949	1,797,799	-	-	1,615,949	1,797,799
Delinquent tax operations	-	-	-	800	-	800
Tax reversion	-	-	266,656	-	266,656	-
Airport operations	-	-	7,244,951	6,019,869	7,244,951	6,019,869
<b>Total Expenses</b>	<b>110,121,373</b>	<b>104,500,979</b>	<b>7,511,607</b>	<b>6,020,669</b>	<b>117,632,980</b>	<b>110,521,648</b>
<b>Increase in Net</b>						
Assets Before Transfers	275,752	3,144,549	6,328,783	3,611,448	6,604,535	6,755,997
Transfers In (Out)	1,000,000	1,000,000	(1,000,000)	(1,000,000)	-	-
<b>Change in Net Assets</b>	<b>1,275,752</b>	<b>4,144,549</b>	<b>5,328,783</b>	<b>2,611,448</b>	<b>6,604,535</b>	<b>6,755,997</b>
<b>Net Assets,</b>						
beginning of year	88,565,711	84,076,232	53,058,171	50,446,723	141,623,882	134,522,955
<b>Net Assets,</b>						
end of year	\$ 89,841,463	\$ 88,220,781	\$58,386,954	\$53,058,171	\$ 148,228,417	\$ 141,278,952

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

The County's net assets increased by \$6,604,535 during the current fiscal year. A major portion of this change is attributable to a one-time infusion of resources from capital grants for new airport construction. Another factor attributable to this change are a combination of an increase due to the continuation of a major construction project and an increase due to the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

**Governmental Activities.** Governmental activities increased the County's net assets by \$1,275,752. A key element (43%) of the increase in net assets is the increase in property tax collections due to an increase in property values in the amount of 1.29%. Another factor is an increase in operating grants and contributions. The remaining increase is due to the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenditures. The chart below represents Governmental Activities program revenues and the associated expenses.



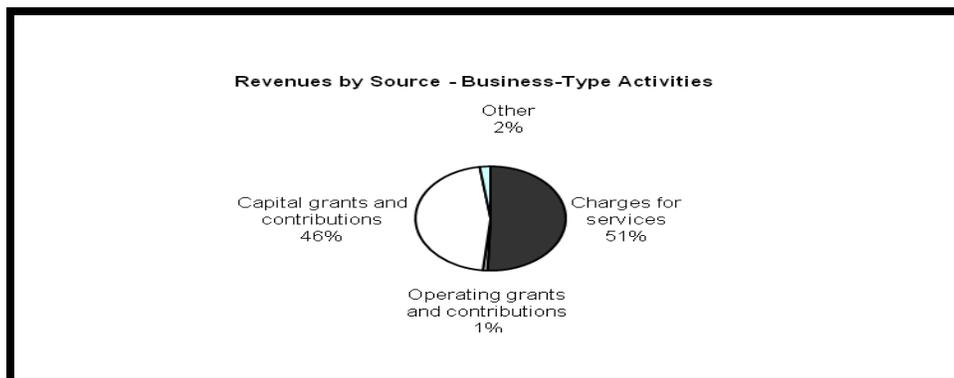
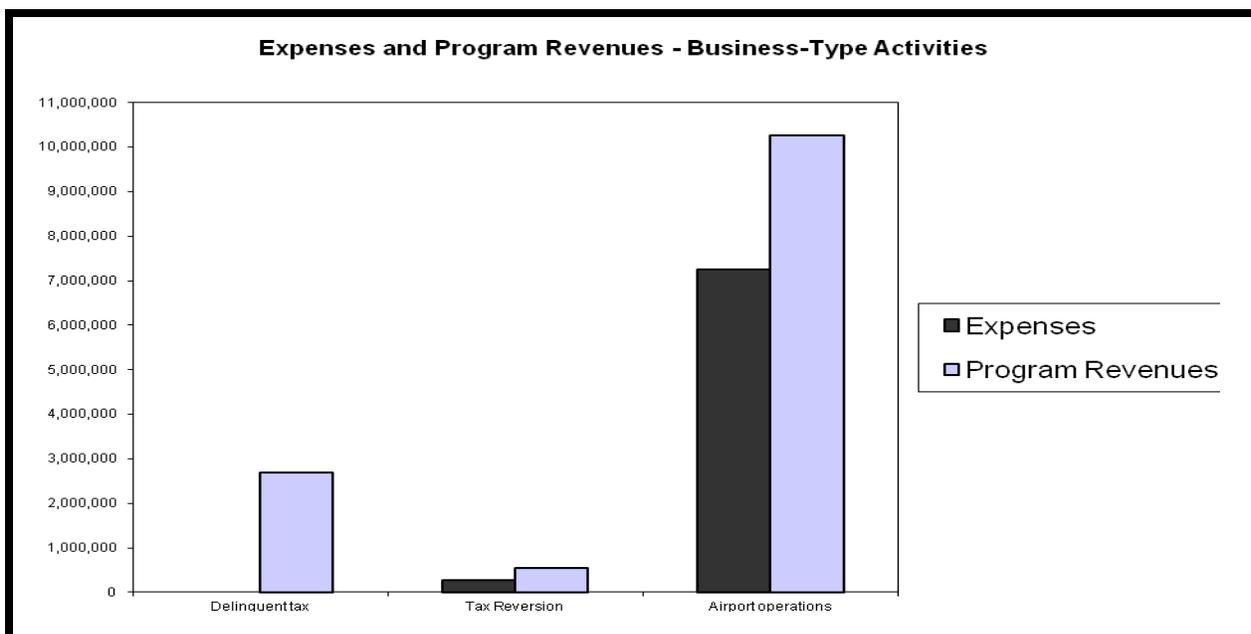
# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

**Business-Type Activities.** Business-type activities increased the County's net assets by \$5,328,783. The key element of this increase consists of the following:

- The Airport operations represent 62.7% of the increase in net assets. This is due to a one-time infusion of resources from capital grants received for new airport construction.
- The Delinquent Tax Revolving Fund represents 31.8% of the increase. This is a result of an increase in collection of delinquent taxes, collections of penalties, interest, and collection fees, as well as a decrease in associated expenses.
- The Tax Reversion Fund represents the remaining 5.5% increase in net assets for business-type activities. In 2009, this fund was created to account for forfeited property recovered for delinquent property taxes. This was previously handled by the state.



# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

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### County of Kalamazoo, Michigan - Financial Analysis of 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, unreserved 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 \$59,324,460, a decrease of \$7,671,416 in comparison with the prior year. Seventy-five percent of the fund balance amount \$44,782,914 constitutes unreserved, which is available for spending at the government's discretion. The remainder of fund balance is invested in capital assets, capital projects, and special revenue grants, and is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$22,867,133, while total fund balance amounted to \$28,180,864. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to total fund expenditures. Unreserved undesignated fund balance represents 38% of total General Fund expenditures and transfers out, while total fund balance represents 46% of that same amount.

The fund balance of the County's General Fund increased by \$3,215,157 during the current fiscal year. Key factors in this change consists of the following:

- Shift in funding for the cost of retiree healthcare from the General Fund to the Employee Benefits Fund (an internal service fund) in the amount of \$2,575,000 with no adjustment to the fringe rate being charged.
- Increase in Federal grants for Friend of the Court operations in the amount of \$346,495.

The Law Enforcement Fund accounts for specific revenue derived from a special voter approved millage, state and federal grants, charges for services, and General Fund appropriations that are to be expended as dictated by legal, regulatory, or administrative requirements. At the end of the current fiscal year, unreserved undesignated fund balance of the Law Enforcement Fund was \$624,792, while total fund balance amounted to \$837,488.

The fund balance of the County's Law Enforcement Fund decreased by \$629,580 during the current fiscal year. The key factor in this change was due to anticipated one-time capital expenditures that required the use of budgeted reserves.

The State Revenue Sharing Fund had a total fund balance of \$8,844,326. This fund mandated by the state of Michigan accounts for accelerated property tax collections pursuant to a change in legislation. Beginning in 2005, and for the next two years hence, the legislation provided for the County's general operating tax levy to be moved from the winter (December 1) to the summer (July 1) billing in one-third increments. In 2007, the County billed its entire general operating tax levy in July. These accelerated property tax collections were deposited into this fund and are intended to provide cash flow to replace state revenue sharing payments that have been temporarily suspended. In 2009, the County was able to draw \$5,176,936 from this fund as allowed by the state of Michigan. No further property tax revenues will be deposited to this fund and the County will draw on these funds until the fund balance is depleted.

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

The Health Fund accounts for special 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. The Health Fund experienced no change in fund balance.

The Justice Facilities Improvement Fund was established to account for renovation/construction projects performed on the County facilities. These projects are funded primarily by the General Fund. In 2006, the County implemented a five-year plan to reduce the general operating budget by a phased-in approach. This was to recognize there was no plan in place at the state level to replace the estimated \$5,300,000 revenue sharing payments scheduled to return to the County in 2011. These funds were transferred into the Justice Facilities Improvement Fund annually to plan for a Jail Improvement Project. The fund balance increased in the amount of \$4,404,295 primarily due to the transfer from the general fund bringing the total in the fund to \$14,041,187.

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

Unrestricted net assets of the Airport Fund at the end of the year amounted to \$13,139,282. Those for the Delinquent Tax Revolving Fund amounted to \$17,300,356 and those for the Tax Reversion Fund totaled \$283,602. The Airport Fund had a total increase in net assets of \$3,193,526, the Delinquent Tax Revolving Fund experienced an increase in net assets of \$1,854,319 and the Tax Reversion saw an increase in net assets in the amount of \$283,602. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$2,766,700 or a 5.4% increase in appropriations and are briefly summarized as follows:

- \$3,446,800 increases in capital outlay.
- \$750,000 decrease in retiree healthcare funding model
- \$323,100 decrease in interest income due to revised projections based on actual experience.
- \$263,800 change in Other Sources (Uses) with increases in transfers in and decreases in transfers out due to revised projections based on actual experience.

The increase was to be funded using fund balance.

Differences between the final amended budget and actual results are briefly summarized as follows:

#### Revenues:

Intergovernmental - \$300,856. This revenue overage resulted from higher than anticipated grant reimbursements for expenditure based programs.

Fines and forfeitures - (\$583,025). This revenue shortfall is the result of a decrease in collections of ordinance fines and WRIT collections.

Other - \$227,381. This revenue overage resulted from higher collection of indirect costs from grant programs due to ability of funding.

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Continued)

### Expenditures:

Public Safety - (\$602,334). This activity was over budget primarily due to contract settlement for bargaining unit employees that included wage adjustments retroactive to 2008.

Other - \$3,387,585. This activity was under budget due to the following:

- Contingencies & Reserves - \$1,014,200. No events occurred to necessitate contingency expenditures.
- Retiree Health Insurance - \$1,250,000. Expenditures for retiree healthcare costs were charged to the Employee Benefits fund. No additional funds were needed from the general fund to support these costs.
- Reserves - \$261,200. This funding was set aside to allow for the possibility to address critical needs which may be identified during the current budget period. No events occurred to necessitate expenditures.
- DD/MI/Other Personnel Costs - \$813,200. The account was under budget because the budget contains reserves for salary and fringe benefit costs. Actual payroll costs were charged to associated activities.

Capital Outlay - \$2,711,322. This favorable budget variance was primarily due to the timing in the completion of the capital projects.

Transfers Out - \$817,493. This is primarily related to the Health Fund and is due to a combination of underutilization of operating budgets because of decreased service needs and higher than anticipated collection of fees.

### Capital Asset and Debt Administration

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to approximately \$77,798,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, furniture, machinery and equipment, vehicles and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 20% (an increase of 30% for governmental activities and an 11% increase for business-type activities).

Major capital asset events during the current fiscal year included improvements made at the airport at a cost of \$5,911,100 and the completion of the County's new Juvenile Home in the amount of \$9,945,911.

### County of Kalamazoo, Michigan - Capital Assets (In thousands and net of depreciation)

<i>December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
Land	\$ 2,442	\$ 1,648	\$ 3,868	\$ 3,868	\$ 6,310	\$ 5,516
Construction in progress	-	18,823	7,176	1,236	7,176	20,059
Capital assets in progress	370	-	-	-	370	-
Land improvements	2,466	2,627	22,298	23,973	24,764	26,600
Buildings	31,598	4,976	1,839	2,075	33,437	7,051
Machinery and equipment	3,543	2,537	991	1,462	4,534	3,999
Motor vehicles	1,207	1,358	-	-	1,207	1,358
<b>Total</b>	<b>\$ 41,626</b>	<b>\$ 31,969</b>	<b>\$ 36,172</b>	<b>\$ 32,614</b>	<b>\$ 77,798</b>	<b>\$ 64,583</b>

# County of Kalamazoo, Michigan

## Management's Discussion and Analysis (Concluded)

Additional information on the County's capital assets are found in Note 5 on Pages 50 to 52 of this report.

**Long-Term Obligations.** At the end of the current fiscal year, the County had total long-term obligations outstanding of \$49,060,665. The County obligations represent bonds secured solely by specified revenue sources (i.e., revenue bonds) and compensated absences to be liquidated by the appropriate fund.

### County of Kalamazoo, Michigan - Outstanding Long-Term Obligations (In thousands)

<i>December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
<b>Primary Government:</b>						
Compensated absences	\$ 3,474	\$ 3,293	\$ -	\$ -	\$ 3,474	\$ 3,293
Revenue bonds	36,937	39,050	8,650	8,900	45,587	47,950
<b>Total</b>	<b>\$ 40,411</b>	<b>\$ 42,343</b>	<b>\$ 8,650</b>	<b>\$ 8,900</b>	<b>\$ 49,061</b>	<b>\$ 51,243</b>

The County's total obligation decreased by \$2,183,026 or 4.3% during the current fiscal year. The net decrease was attributed to making debt service payments as they came due.

The County maintains an "AA" rating from Standard & Poor's "Aa3" 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 \$961,391,969, which is significantly higher than the County's outstanding general obligation debt. Additional information on the County's long-term obligations is found in Note 6 on Pages 52 to 54.

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

- The unemployment rate for the County is currently 10.7%, which is an increase in the rate from a year ago. This compares favorably to the state's average unemployment rate of 14.0% and slightly higher than the national average rate of 9.9%.
- Inflationary trends in the region compare favorably to national indices.
- Property values are expected to decrease by 3.14% in 2010.

These factors were considered in preparing and monitoring the County's budget for the 2010 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$22,867,133. The County has appropriated \$261,700 of this amount for spending in the 2010 fiscal year budget. This would allow the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2010 fiscal year.

### Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director  
County of Kalamazoo, Michigan  
201 West Kalamazoo Avenue  
Kalamazoo, Michigan 49007



# Government-Wide Financial Statements

<i>December 31, 2009</i>	<i>Primary Government</i>			<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	
<b>Assets:</b>				
Cash (Note 3)	\$ 20,775,033	\$ 3,472,366	\$ 24,247,399	\$ 22,258,421
Investments (Note 3)	66,800,879	9,559,073	76,359,952	1,246,783
Receivables:				
Accounts	2,539,823	1,037,803	3,577,626	2,053,942
Taxes, current	13,027,244	-	13,027,244	-
Taxes, delinquent	188,670	9,066,897	9,255,567	-
Interest	558,069	1,326,104	1,884,173	-
Unlevied assessments	83,328	-	83,328	-
Intergovernmental	14,005,539	182,225	14,187,764	3,577,875
Inventories	129,463	24,884	154,347	614,563
Prepaid expenses	134,859	65,654	200,513	1,258,856
Bond discount	166,960	52,647	219,607	-
Bond issuance costs	144,161	54,472	198,633	-
Other assets	15,581	-	15,581	454,205
Restricted assets:				
Cash (Note 3)	-	4,321,710	4,321,710	-
Investments (Note 3)	-	1,999,482	1,999,482	-
Receivables	-	64,461	64,461	-
Land (Note 5)	2,441,868	3,868,097	6,309,965	20,318,081
Construction in progress (Note 5)	-	7,175,668	7,175,668	1,469,953
Capital assets in progress (Note 5)	370,162	-	370,162	-
Capital assets, net of accumulated depreciation (Note 5)	38,814,236	25,127,766	63,942,002	96,147,841
<b>Total Assets</b>	<b>\$ 160,195,875</b>	<b>\$ 67,399,309</b>	<b>\$ 227,595,184</b>	<b>\$ 149,400,520</b>

# County of Kalamazoo, Michigan

## Government-Wide Financial Statements Statement of Net Assets

<i>December 31, 2009</i>	<i>Primary Government</i>			<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	
<b>Liabilities:</b>				
Checks issued against future deposits	\$ 14,314,391	\$ -	\$ 14,314,391	\$ -
Accounts payable	2,868,888	152,374	3,021,262	5,748,082
Accrued liabilities	2,909,228	136,550	3,045,778	1,028,156
Interest payable	368,234	58,000	426,234	-
Intergovernmental payable	1,796,796	-	1,796,796	1,257,261
Liability for estimated claims	782,644	-	782,644	-
Other payables	82,455	11,533	93,988	89,404
Unearned revenue	3,358,762	3,898	3,362,660	3,114,183
Net OPEB obligation (Note 7)	3,462,349	-	3,462,349	-
Noncurrent liabilities (Note 6):				
Due within one year	3,186,014	250,000	3,436,014	688,735
Due in more than one year	37,224,651	8,400,000	45,624,651	-
<b>Total Liabilities</b>	<b>70,354,412</b>	<b>9,012,355</b>	<b>79,366,767</b>	<b>11,925,821</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	14,661,496	27,521,531	42,183,027	117,935,875
Restricted:				
Revenue sharing reserve	8,844,326	-	8,844,326	-
Primary roads	-	-	-	3,910,638
KCMHSAS	-	-	-	5,973,076
Special Revenue grants:				
Law Enforcement Fund	624,792	-	624,792	-
Health Fund	1,499	-	1,499	-
Other	6,497,893	-	6,497,893	-
Unrestricted	59,211,457	30,865,423	90,076,880	9,655,110
<b>Total Net Assets</b>	<b>89,841,463</b>	<b>58,386,954</b>	<b>148,228,417</b>	<b>137,474,699</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 160,195,875</b>	<b>\$ 67,399,309</b>	<b>\$ 227,595,184</b>	<b>\$ 149,400,520</b>

*See accompanying notes to basic financial statements.*

<i>Year Ended December 31, 2009</i>	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 15,304,080	\$ 2,147,274	\$ 207,441	\$ -
Public safety	28,190,183	1,977,075	1,874,351	-
Public works	302,635	-	75,520	-
Health and welfare	40,947,081	2,519,035	28,652,957	-
Recreation and culture	3,345,053	2,527,150	1,689,076	-
Legislative	938,582	-	-	-
Judicial	19,477,810	5,095,013	7,404,748	-
Interest and fiscal charges	1,615,949	-	-	-
<b>Total governmental activities</b>	<b>110,121,373</b>	<b>14,265,547</b>	<b>39,904,093</b>	<b>-</b>
Business-type activities:				
Delinquent tax	-	2,696,334	-	-
Tax reversion	266,656	550,258	-	-
Airport operations	7,244,951	3,762,887	159,178	6,350,499
<b>Total business-type activities</b>	<b>7,511,607</b>	<b>7,009,479</b>	<b>159,178</b>	<b>6,350,499</b>
<b>Total Primary Government</b>	<b>\$ 117,632,980</b>	<b>\$ 21,275,026</b>	<b>\$ 40,063,271</b>	<b>\$ 6,350,499</b>
<b>Component Units:</b>				
Road Commission	\$ 19,085,661	\$ 2,125,690	\$ 12,466,557	\$ 5,622,311
Kalamazoo Community Mental Health and Substance Abuse Services	111,354,517	2,333,137	107,512,788	-
Other	4,516,535	66,955	1,307,928	-
<b>Total Component Units</b>	<b>\$ 134,956,713</b>	<b>\$ 4,525,782</b>	<b>\$ 121,287,273</b>	<b>\$ 5,622,311</b>

**General Revenues:**

Property taxes levied for operating  
Local unit contract revenue  
Other  
Unrestricted investment earnings

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**Total General Revenues**

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**Transfers In (Out)**

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**Total General Revenues and Transfers**

---

**Change in Net Assets**

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**Net Assets, beginning of year**

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**Net Assets, end of year**

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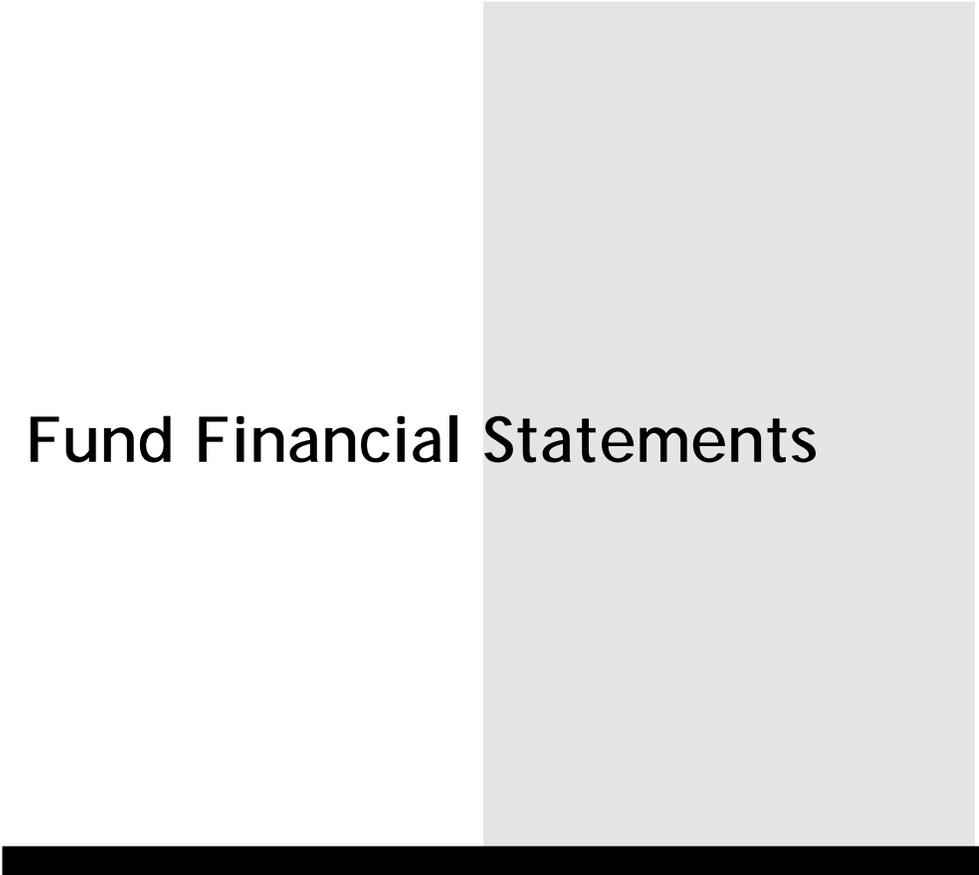
# County of Kalamazoo, Michigan

## Government-Wide Financial Statements Statement of Activities

<i>Net Revenue (Expense) and Changes in Net Assets</i>			
<i>Primary Government</i>			
<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	<i>Component Units</i>
\$ (12,949,365)	\$ -	\$ (12,949,365)	\$ -
(24,338,757)	-	(24,338,757)	-
(227,115)	-	(227,115)	-
(9,775,089)	-	(9,775,089)	-
871,173	-	871,173	-
(938,582)	-	(938,582)	-
(6,978,049)	-	(6,978,049)	-
(1,615,949)	-	(1,615,949)	-
(55,951,733)	-	(55,951,733)	-
-	2,696,334	2,696,334	-
-	283,602	283,602	-
-	3,027,613	3,027,613	-
-	6,007,549	6,007,549	-
(55,951,733)	6,007,549	(49,944,184)	-
-	-	-	1,128,897
-	-	-	(1,508,592)
-	-	-	(3,141,652)
-	-	-	(3,521,347)
50,691,287	-	50,691,287	-
1,642,012	-	1,642,012	-
2,191,289	8,170	2,199,459	3,588,235
1,702,897	313,064	2,015,961	218,431
56,227,485	321,234	56,548,719	3,806,666
1,000,000	(1,000,000)	-	-
57,227,485	(678,766)	56,548,719	3,806,666
1,275,752	5,328,783	6,604,535	285,319
88,565,711	53,058,171	141,623,882	137,189,380
\$ 89,841,463	\$ 58,386,954	\$ 148,228,417	\$ 137,474,699

*See accompanying notes to basic financial statements.*

# Fund Financial Statements

A thick black horizontal line spans the width of the page below the text. To the right of the text, a light gray vertical rectangular block extends from the top of the page down to the level of the horizontal line.

<i>December 31, 2009</i>	<u>Special Revenue</u>				<i>Health</i>	<i>Justice Facilities Improve- ment</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
	<i>General</i>	<i>Law Enforcement</i>	<i>Revenue Sharing Reserve</i>					
<b>Assets:</b>								
Cash (Note 3)	\$ 16,709	\$ 1,694,140	\$ 1,070,260	\$ -	\$ 3,050,510	\$ 6,229,264	\$ 12,060,883	
Investments (Note 3)	40,709,667	2,000,000	7,606,456	-	10,784,290	3,700,466	64,800,879	
Receivables:								
Accounts	163,899	28,987	-	447,616	-	1,426,561	2,067,063	
Taxes, current	3,132,502	9,894,742	-	-	-	-	13,027,244	
Taxes, delinquent	109,483	79,187	-	-	-	-	188,670	
Interest	309,488	8,812	167,610	-	58,242	-	544,152	
Unlevied assessments	-	-	-	-	-	83,328	83,328	
Due from other government units	1,238,671	-	-	31,491	148,145	3,746,473	5,164,780	
Prepaid expenditures	32,380	119	-	13,905	-	-	46,404	
Inventories	28,644	-	-	-	-	-	28,644	
Advances from other funds (Note 4)	78,146	-	-	-	-	-	78,146	
Other	-	-	-	-	-	15,581	15,581	
<b>Total Assets</b>	<b>\$45,819,589</b>	<b>\$13,705,987</b>	<b>\$ 8,844,326</b>	<b>\$ 493,012</b>	<b>\$ 14,041,187</b>	<b>\$ 15,201,673</b>	<b>\$ 98,105,774</b>	

# County of Kalamazoo, Michigan

## Governmental Funds Balance Sheet

December 31, 2009	Special Revenue					Justice Facilities Improve- ment	Other Governmental Funds	Total Governmental Funds
	General	Law Enforcement	Revenue Sharing Reserve	Health				
<b>Liabilities and Fund Balance:</b>								
Liabilities:								
Checks issued against future deposits	\$ 12,262,947	\$ -	\$ -	\$ 61,283	\$ -	\$ 1,990,161	\$ 14,314,391	
Accounts payable	79,201	46,962	-	74,360	-	1,544,599	1,745,122	
Accrued liabilities	1,312,458	567,217	-	110,491	-	472,093	2,462,259	
Liability for estimated claims	158,813	-	-	-	-	-	158,813	
Due to other governmental units	1,212,601	-	-	184,865	-	399,330	1,796,796	
Other payables	36,943	-	-	-	-	-	36,943	
Advances to other funds (Note 4)	-	-	-	-	-	78,146	78,146	
Deferred revenue	2,575,762	12,254,320	-	60,514	-	3,298,248	18,188,844	
<b>Total Liabilities</b>	<b>17,638,725</b>	<b>12,868,499</b>	<b>-</b>	<b>491,513</b>	<b>-</b>	<b>7,782,577</b>	<b>38,781,314</b>	
Fund Balance:								
Reserved:								
Revenue Sharing Reserve Fund	-	-	8,844,326	-	-	-	8,844,326	
Encumbrances	525,197	74,144	-	-	-	170,793	770,134	
Prepaid expenditures/ inventories	61,024	119	-	-	-	-	61,143	
Unreserved - Designated for future expenditures	4,727,510	138,433	-	-	-	-	4,865,943	
Unreserved, reported in:								
General Fund	22,867,133	-	-	-	-	-	22,867,133	
Special Revenue Funds	-	624,792	-	1,499	-	6,516,514	7,142,805	
Debt Service Funds	-	-	-	-	-	483,502	483,502	
Capital Projects Funds	-	-	-	-	14,041,187	248,287	14,289,474	
<b>Total Fund Balance</b>	<b>28,180,864</b>	<b>837,488</b>	<b>8,844,326</b>	<b>1,499</b>	<b>14,041,187</b>	<b>7,419,096</b>	<b>59,324,460</b>	
<b>Total Liabilities and Fund Balance</b>	<b>\$ 45,819,589</b>	<b>\$13,705,987</b>	<b>\$ 8,844,326</b>	<b>\$ 493,012</b>	<b>\$14,041,187</b>	<b>\$15,201,673</b>	<b>\$ 98,105,774</b>	

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Reconciliation of the Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

<i>December 31, 2009</i>	<i>Amount</i>
Total Fund Balance - Total governmental funds (from Page 19)	\$ 59,324,460
<b>Amounts Reported for Governmental Activities in the Statement of Net Assets are different because -</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:	
Capital assets, at cost	69,570,705
Accumulated depreciation	(28,778,417)
Net capital assets	40,792,288
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:	
Deferred taxes	14,830,082
Intergovernmental receivable	8,836,880
Bond discount	166,960
Bond issuance costs	144,161
Internal Service Funds are used by management to charge the costs of certain activities such as Employee Benefits, Information Systems, Central Stores, and Technology Systems to individual funds. These assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets.	9,987,880
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Balances at December 31, 2009, were:	
Bonds payable	(36,892,970)
Net OPEB obligation	(3,462,349)
Compensated absences	(3,474,011)
Bond premium	(43,684)
Accrued interest on bonds	(368,234)
<b>Net Assets of Governmental Activities</b>	<b>\$ 89,841,463</b>

*See accompanying notes to basic financial statements.*

# County of Kalamazoo, Michigan

## Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended December 31, 2009	Special Revenue				Justice Facilities Improve- ment	Other Governmental Funds	Total Governmental Funds
	General	Law Enforcement	Revenue Sharing Reserve	Health			
<b>Revenues:</b>							
Taxes	\$38,440,459	\$ 11,851,786	\$ -	\$ -	\$ -	\$ 1,819,980	\$52,112,225
Licenses and permits	529,929	-	-	378,839	-	-	908,768
Intergovernmental	7,475,556	-	-	1,671,609	-	33,100,091	42,247,256
Charges for services	6,155,304	-	-	2,054,701	-	1,295,855	9,505,860
Fines and forfeitures	2,137,575	109,644	-	-	-	-	2,247,219
Interest	1,159,775	67,589	145,029	-	220,251	110,253	1,702,897
Other	1,796,881	-	-	258	-	394,150	2,191,289
Donations and contributions	6,050	-	-	8,971	-	795,342	810,363
<b>Total Revenues</b>	<b>57,701,529</b>	<b>12,029,019</b>	<b>145,029</b>	<b>4,114,378</b>	<b>220,251</b>	<b>37,515,671</b>	<b>111,725,877</b>
<b>Expenditures:</b>							
Current:							
General government	10,399,593	1,808,235	-	-	-	-	12,207,828
Public safety	16,554,534	8,373,325	-	-	-	1,521,517	26,449,376
Public works	-	-	-	-	15,356	287,269	302,625
Health and welfare	4,551,792	-	-	5,497,316	-	30,101,459	40,150,567
Recreation and culture	291,565	-	-	-	-	2,739,640	3,031,205
Legislative	938,582	-	-	-	-	-	938,582
Judicial	12,161,767	1,450,243	-	-	-	4,592,662	18,204,672
Other	1,030,315	-	-	-	-	305,850	1,336,165
Debt service:							
Principal	379,898	-	-	-	-	1,725,000	2,104,898
Interest and other charges	4,196	-	-	-	-	1,625,266	1,629,462
Capital outlay	1,705,578	515,360	-	-	-	10,979,741	13,200,679
<b>Total Expenditures</b>	<b>48,017,820</b>	<b>12,147,163</b>	<b>-</b>	<b>5,497,316</b>	<b>15,356</b>	<b>53,878,404</b>	<b>119,556,059</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>							
	<b>9,683,709</b>	<b>(118,144)</b>	<b>145,029</b>	<b>(1,382,938)</b>	<b>204,895</b>	<b>(16,362,733)</b>	<b>(7,830,182)</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in	6,355,455	-	-	1,382,938	4,199,400	7,025,424	18,963,217
Transfers out	(12,824,007)	(511,436)	(5,176,936)	-	-	(292,072)	(18,804,451)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,468,552)</b>	<b>(511,436)</b>	<b>(5,176,936)</b>	<b>1,382,938</b>	<b>4,199,400</b>	<b>6,733,352</b>	<b>158,766</b>
<b>Net Change in Fund Balance</b>	<b>3,215,157</b>	<b>(629,580)</b>	<b>(5,031,907)</b>	<b>-</b>	<b>4,404,295</b>	<b>(9,629,381)</b>	<b>(7,671,416)</b>
<b>Fund Balance,</b>							
beginning of year	24,965,707	1,467,068	13,876,233	1,499	9,636,892	17,048,477	66,995,876
<b>Fund Balance, end of year</b>	<b>\$28,180,864</b>	<b>\$ 837,488</b>	<b>\$ 8,844,326</b>	<b>\$ 1,499</b>	<b>\$14,041,187</b>	<b>\$ 7,419,096</b>	<b>\$59,324,460</b>

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

<i>Year Ended December 31, 2009</i>	<i>Amount</i>
Net Change in Fund Balance - Total governmental funds (from Page 21)	\$ (7,671,416)
<b>Amounts Reported for Governmental Activities in the Statement of Net Assets are different because:</b>	
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 as depreciation expense. The amount of capital outlay of \$11,484,925, net of \$1,715,754, of non-capitalized items, exceeds depreciation of \$2,144,208 in the current period.	
	9,340,717
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Deferred taxes	399,042
Intergovernmental receivable	(1,727,834)
Bond proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Repayments	2,104,898
Bond premium amortization	8,737
Bond discount amortization	(7,549)
Bond issuance cost amortization	(7,577)
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:	
Accrued interest	19,942
Compensated absences	(180,609)
Loss on disposal of asset	(74,564)
Net OPEB obligation	(1,147,805)
Internal Service Funds are used by management to charge the costs of certain activities, such as Employee Benefits, Information Systems, Central Stores, and Technology Systems to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.	219,770
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 1,275,752</b>

*See accompanying notes to basic financial statements.*

# County of Kalamazoo, Michigan

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Taxes	\$ 38,566,100	\$ 38,302,400	\$ 38,440,459	\$ 138,059
Licenses and permits	481,500	494,500	529,929	35,429
Intergovernmental	7,265,000	7,174,700	7,475,556	300,856
Charges for services	6,666,600	6,224,200	6,155,304	(68,896)
Fines and forfeitures	2,682,300	2,720,600	2,137,575	(583,025)
Interest	1,308,300	985,200	1,159,775	174,575
Other	1,385,300	1,569,500	1,796,881	227,381
Donations and contributions	6,500	6,500	6,050	(450)
<b>Total Revenues</b>	<b>58,361,600</b>	<b>57,477,600</b>	<b>57,701,529</b>	<b>223,929</b>
<b>Expenditures:</b>				
Current:				
General government	10,520,000	10,555,900	10,399,593	156,307
Public safety	15,889,200	15,952,200	16,554,534	(602,334)
Health and welfare	4,568,400	4,574,500	4,551,792	22,708
Recreation and culture	306,100	305,200	291,565	13,635
Legislative	934,500	949,800	938,582	11,218
Judicial	12,180,100	12,140,600	12,161,767	(21,167)
Other	5,177,900	4,417,900	1,030,315	3,387,585
Debt service:				
Principal	375,700	375,700	379,898	(4,198)
Interest and other charges	7,900	7,900	4,196	3,704
Capital outlay	970,100	4,416,900	1,705,578	2,711,322
<b>Total Expenditures</b>	<b>50,929,900</b>	<b>53,696,600</b>	<b>48,017,820</b>	<b>5,678,780</b>
<b>Excess of Revenues Over Expenditures</b>	<b>7,431,700</b>	<b>3,781,000</b>	<b>9,683,709</b>	<b>5,902,709</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	6,130,400	6,252,200	6,355,455	103,255
Transfers out	(13,783,500)	(13,641,500)	(12,824,007)	817,493
<b>Total Other Financing Uses</b>	<b>(7,653,100)</b>	<b>(7,389,300)</b>	<b>(6,468,552)</b>	<b>920,748</b>
<b>Net Change in Fund Balance</b>	<b>(221,400)</b>	<b>(3,608,300)</b>	<b>3,215,157</b>	<b>6,823,457</b>
<b>Fund Balance, beginning of year</b>	<b>24,965,707</b>	<b>24,965,707</b>	<b>24,965,707</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 24,744,307</b>	<b>\$ 21,357,407</b>	<b>\$ 28,180,864</b>	<b>\$ 6,823,457</b>

*See accompanying notes to basic financial statements.*

# County of Kalamazoo, Michigan

## Law Enforcement Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Taxes - Non-departmental	\$ 11,800,800	\$11,800,800	\$11,851,786	\$ 50,986
Fines and forfeitures	109,800	109,800	109,644	(156)
Interest	120,000	120,000	67,589	(52,411)
<b>Total Revenues</b>	<b>12,030,600</b>	<b>12,030,600</b>	<b>12,029,019</b>	<b>(1,581)</b>
<b>Expenditures:</b>				
Judicial:				
Circuit Court - Trial Division	487,200	490,100	485,130	4,970
Circuit Court - Family Division	578,500	587,100	583,437	3,663
District Court	371,900	379,900	381,676	(1,776)
<b>Total Judicial</b>	<b>1,437,600</b>	<b>1,457,100</b>	<b>1,450,243</b>	<b>6,857</b>
General Government - Prosecuting Attorney	1,781,200	1,825,600	1,808,235	17,365
Public Safety:				
Community Corrections	11,000	11,000	6,500	4,500
Sheriff	7,705,500	7,623,300	7,998,133	(374,833)
Animal Services and Enforcement	372,500	374,000	368,692	5,308
<b>Total Public Safety</b>	<b>8,078,000</b>	<b>7,997,300</b>	<b>8,373,325</b>	<b>(376,025)</b>
Other:				
Contingencies	50,000	50,000	-	50,000
Restricted Reserve	303,200	284,300	-	284,300
<b>Total Other</b>	<b>353,200</b>	<b>334,300</b>	<b>-</b>	<b>334,300</b>
Capital Outlay	273,600	706,500	515,360	191,140
<b>Total Expenditures</b>	<b>11,923,600</b>	<b>12,320,800</b>	<b>12,147,163</b>	<b>173,637</b>
<b>Excess (Deficiency) of</b>				
Revenues Over Expenditures	107,000	(290,200)	(118,144)	172,056
<b>Other Financing Uses -</b>				
Transfers out:				
Friend of the Court Fund	(20,000)	(20,000)	(20,000)	-
Child Care Probate Fund	(174,000)	(174,000)	(179,290)	(5,290)
Public Safety Special Grants Fund	(40,000)	(40,000)	(62,146)	-
General Council Public Improvement	-	(250,000)	(250,000)	-
<b>Total Other Financing Uses</b>	<b>(234,000)</b>	<b>(484,000)</b>	<b>(511,436)</b>	<b>(27,436)</b>
<b>Net Change in Fund Balance</b>	<b>(127,000)</b>	<b>(774,200)</b>	<b>(629,580)</b>	<b>144,620</b>
<b>Fund Balance, beginning of year</b>	<b>1,467,068</b>	<b>1,467,068</b>	<b>1,467,068</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,340,068</b>	<b>\$ 692,868</b>	<b>\$ 837,488</b>	<b>\$ 144,620</b>

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Revenue Sharing Reserve Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Interest	\$ 100,000	\$ 100,000	\$ 145,029	\$ 45,029
Other Financing Uses -				
Transfers out	(5,072,800)	(5,072,800)	(5,176,936)	(104,136)
Net Change in Fund Balance	(4,972,800)	(4,972,800)	(5,031,907)	(59,107)
Fund Balance, beginning of year	13,876,233	13,876,233	13,876,233	-
Fund Balance, end of year	\$ 8,903,433	\$ 8,903,433	\$ 8,844,326	\$ (59,107)

*See accompanying notes to basic financial statements.*

# County of Kalamazoo, Michigan

## Health Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal Grants	\$ 398,600	\$ 406,700	\$ 398,562	\$ (8,138)
State Grants	1,261,100	1,210,800	1,221,317	10,517
Local unit contributions	45,800	53,200	51,730	(1,470)
Donations and contributions	-	11,400	8,971	(2,429)
Charges for services	1,402,700	1,518,500	2,054,701	536,201
Licenses and permits	387,600	372,400	378,839	6,439
Other revenues	-	-	258	258
<b>Total Revenues</b>	<b>3,495,800</b>	<b>3,573,000</b>	<b>4,114,378</b>	<b>541,378</b>
<b>Expenditures:</b>				
Health and welfare	5,826,300	5,740,300	5,497,316	242,984
Capital outlay	2,000	2,000	-	2,000
<b>Total Expenditures</b>	<b>5,828,300</b>	<b>5,742,300</b>	<b>5,497,316</b>	<b>244,984</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,332,500)</b>	<b>(2,169,300)</b>	<b>(1,382,938)</b>	<b>786,362</b>
<b>Other Financing Sources -</b>				
Transfers in:				
General Fund	2,296,100	2,084,600	1,371,131	(713,469)
AIDS Consortia Fund	-	23,300	11,807	(11,493)
Bioterrorism Fund	36,400	25,000	-	(25,000)
EMSS/MIHAS	-	36,400	-	(36,400)
<b>Total Other Financing Sources</b>	<b>2,332,500</b>	<b>2,169,300</b>	<b>1,382,938</b>	<b>(786,362)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>1,499</b>	<b>1,499</b>	<b>1,499</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,499</b>	<b>\$ 1,499</b>	<b>\$ 1,499</b>	<b>\$ -</b>

*See accompanying notes to basic financial statements.*

*Business-Type Activities - Enterprise Funds*

<i>December 31, 2009</i>	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	<i>Governmental Activities - Internal Service Funds</i>
<b>Assets:</b>					
Current assets:					
Cash (Note 3)	\$ 2,359,052	\$ 1,047,618	\$ 65,696	\$ 3,472,366	\$ 8,714,150
Investments (Note 3)	4,041,877	5,517,196	-	9,559,073	2,000,000
Receivables:					
Accounts	312,171	343,430	240,019	895,620	614,943
Taxes, delinquent	-	9,066,897	-	9,066,897	-
Interest	889	1,325,215	-	1,326,104	13,917
Due from state of Michigan	145,582	-	-	145,582	-
Due from federal government	36,643	-	-	36,643	3,879
Inventories	24,884	-	-	24,884	100,819
Prepaid items	65,654	-	-	65,654	88,455
<b>Total current assets</b>	<b>6,986,752</b>	<b>17,300,356</b>	<b>305,715</b>	<b>24,592,823</b>	<b>11,536,163</b>
Noncurrent assets:					
Restricted assets:					
Cash	4,321,710	-	-	4,321,710	-
Investments (Note 3)	1,999,482	-	-	1,999,482	-
Accounts receivable	64,461	-	-	64,461	-
Bond discount	52,647	-	-	52,647	-
Bond issuance costs	54,472	-	-	54,472	-
Land (Note 5)	3,868,097	-	-	3,868,097	-
Construction in progress (Note 5)	7,175,668	-	-	7,175,668	-
Capital assets, net of accumulated depreciation (Note 5)	25,127,766	-	-	25,127,766	833,978
<b>Total noncurrent assets</b>	<b>42,664,303</b>	<b>-</b>	<b>-</b>	<b>42,664,303</b>	<b>833,978</b>
<b>Total Assets</b>	<b>\$ 49,651,055</b>	<b>\$ 17,300,356</b>	<b>\$ 305,715</b>	<b>\$ 67,257,126</b>	<b>\$ 12,370,141</b>

# County of Kalamazoo, Michigan

## Proprietary Funds Statement of Net Assets

<i>December 31, 2009</i>	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	\$ 130,261	\$ -	\$ 22,113	\$ 152,374	\$ 1,076,687
Accrued liabilities	136,550	-	-	136,550	446,969
Liability for estimated claims	-	-	-	-	487,969
Deposits payable	11,533	-	-	11,533	45,512
Accrued interest	58,000	-	-	58,000	-
Due to other funds (Note 4)	-	-	-	-	47,079
Deferred revenues	3,898	-	-	3,898	-
Current maturities of long-term debt (Note 6)	250,000	-	-	250,000	-
<b>Total current liabilities</b>	<b>590,242</b>	<b>-</b>	<b>22,113</b>	<b>612,355</b>	<b>2,104,216</b>
Noncurrent liabilities:					
General obligation limited tax bonds (Note 6)	8,400,000	-	-	8,400,000	-
Estimated claims	-	-	-	-	135,862
<b>Total noncurrent liabilities</b>	<b>8,400,000</b>	<b>-</b>	<b>-</b>	<b>8,400,000</b>	<b>135,862</b>
<b>Total Liabilities</b>	<b>8,990,242</b>	<b>-</b>	<b>22,113</b>	<b>9,012,355</b>	<b>2,240,078</b>
<b>Net Assets:</b>					
Investment in capital assets, net of related debt	27,521,531	-	-	27,521,531	833,978
Unrestricted	13,139,282	17,300,356	283,602	30,723,240	9,296,085
<b>Total Net Assets</b>	<b>40,660,813</b>	<b>17,300,356</b>	<b>283,602</b>	<b>58,244,771</b>	<b>10,130,063</b>
<b>Total Liabilities and Net Assets</b>	<b>\$49,651,055</b>	<b>\$17,300,356</b>	<b>\$305,715</b>	<b>\$ 67,257,126</b>	<b>\$ 12,370,141</b>
<b>Total Net Assets</b>				<b>\$ 58,244,771</b>	
Adjustment Reflecting Consolidation of Internal Service Fund Activities Related to Enterprise Funds				142,183	
<b>Net Assets of Business Type Activities</b>				<b>\$ 58,386,954</b>	

*See accompanying notes to basic financial statements.*

# County of Kalamazoo, Michigan

## Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets

Year Ended December 31, 2009	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
<b>Operating Revenues:</b>					
Charges for services:					
Airport concessions	\$ 585,614	\$ -	\$ -	\$ 585,614	\$ -
Airfield maintenance	629,959	-	-	629,959	-
Airfield terminal maintenance	704,545	-	-	704,545	-
Airport parking	1,302,145	-	-	1,302,145	-
Airport leases site and other income	68,005	-	-	68,005	-
Tax reversion	-	-	550,258	550,258	-
Penalties and interest	-	2,076,713	-	2,076,713	-
Collection fees	-	619,621	-	619,621	23,505,432
<b>Total Operating Revenues</b>	<b>3,290,268</b>	<b>2,696,334</b>	<b>550,258</b>	<b>6,536,860</b>	<b>23,505,432</b>
<b>Operating Expenses:</b>					
Airport administration	1,007,353	-	-	1,007,353	-
Airfield maintenance	1,065,402	-	-	1,065,402	-
Airport building maintenance	530,331	-	-	530,331	-
Airport parking	470,802	-	-	470,802	-
Airport security	541,706	-	-	541,706	-
Depreciation	3,267,616	-	-	3,267,616	194,557
Employee benefits	-	-	-	-	20,585,513
Other	2,509	-	266,656	269,165	3,349,492
<b>Total Operating Expenses</b>	<b>6,885,719</b>	<b>-</b>	<b>266,656</b>	<b>7,152,375</b>	<b>24,129,562</b>
<b>Operating Income (Loss)</b>	<b>(3,595,451)</b>	<b>2,696,334</b>	<b>283,602</b>	<b>(615,515)</b>	<b>(624,130)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Passenger facility charges	472,619	-	-	472,619	-
Interest income	155,079	157,985	-	313,064	-
Federal revenue	159,178	-	-	159,178	-
Miscellaneous	8,170	-	-	8,170	-
Interest expense and charges	(356,568)	-	-	(356,568)	-
<b>Total Nonoperating Revenues</b>	<b>438,478</b>	<b>157,985</b>	<b>-</b>	<b>596,463</b>	<b>-</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(3,156,973)</b>	<b>2,854,319</b>	<b>283,602</b>	<b>(19,052)</b>	<b>(624,130)</b>
<b>Capital Contributions Received</b>	<b>6,350,499</b>	<b>-</b>	<b>-</b>	<b>6,350,499</b>	<b>-</b>
<b>Transfers (Out) In</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>	<b>(1,000,000)</b>	<b>841,234</b>
<b>Change in Net Assets</b>	<b>3,193,526</b>	<b>1,854,319</b>	<b>283,602</b>	<b>5,331,447</b>	<b>217,104</b>
<b>Net Assets, beginning of year</b>	<b>37,467,287</b>	<b>15,446,037</b>	<b>-</b>	<b>52,913,324</b>	<b>9,912,959</b>
<b>Net Assets, end of year</b>	<b>\$ 40,660,813</b>	<b>\$ 17,300,356</b>	<b>\$ 283,602</b>	<b>\$ 58,244,771</b>	<b>\$ 10,130,063</b>
<b>Change in Net Assets</b>				<b>\$ 5,331,447</b>	
<b>Adjustment to Reflect Current Year Effect for Consolidation of Internal Service Fund Activities Related to Enterprise Funds</b>				<b>(2,664)</b>	
<b>Change in Net Assets of Business Type Activities</b>				<b>\$ 5,328,783</b>	

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2009	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
<b>Operating Activities:</b>					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 23,136,265
Cash received from customers and users	3,164,817	129,471	310,239	3,604,527	-
Cash paid to employees	(958,191)	-	-	(958,191)	(1,784,322)
Cash paid for interfund services used	(237,649)	-	-	(237,649)	(1,383,089)
Cash paid to suppliers	(2,600,076)	-	(244,543)	(2,844,619)	(20,318,348)
<b>Cash Provided by (Used in) Operating Activities</b>	<b>(631,099)</b>	<b>129,471</b>	<b>65,696</b>	<b>(435,932)</b>	<b>(349,494)</b>
<b>Capital and Related Financing Activities:</b>					
Capital contributions	6,369,114	-	-	6,369,114	-
Passenger facility charges	472,619	-	-	472,619	-
Acquisition of capital assets	(6,824,821)	-	-	(6,824,821)	(585,327)
Other	8,170	-	-	8,170	-
Principal paid on debt	(250,000)	-	-	(250,000)	-
Interest and fiscal charges paid	(351,975)	-	-	(351,975)	-
<b>Cash Used in Capital and Related Financing Activities</b>	<b>(576,893)</b>	<b>-</b>	<b>-</b>	<b>(576,893)</b>	<b>(585,327)</b>
<b>Non-Capital Financing Activities:</b>					
Cash received from other governmental units	105,120	-	-	105,120	-
Transfers (to) from other funds	-	(1,000,000)	-	(1,000,000)	841,234
<b>Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>105,120</b>	<b>(1,000,000)</b>	<b>-</b>	<b>(894,880)</b>	<b>841,234</b>
<b>Investing Activities:</b>					
Sale of investments	16,075,216	15,514,236	-	31,589,452	-
Purchase of investments	(13,380,446)	(14,218,392)	-	(27,598,838)	1,500,000
Unamortized premium on bonds	-	(22,813)	-	(22,813)	-
Interest received	265,019	157,985	-	423,004	-
<b>Cash Provided by Investing Activities</b>	<b>2,959,789</b>	<b>1,431,016</b>	<b>-</b>	<b>4,390,805</b>	<b>1,500,000</b>
<b>Net Increase in Cash</b>	<b>1,856,917</b>	<b>560,487</b>	<b>65,696</b>	<b>2,417,404</b>	<b>1,406,413</b>
<b>Cash, beginning of year</b>	<b>4,823,845</b>	<b>487,131</b>	<b>-</b>	<b>5,310,976</b>	<b>7,307,737</b>
<b>Cash, end of year</b>	<b>\$ 6,680,762</b>	<b>\$ 1,047,618</b>	<b>\$ 65,696</b>	<b>\$ 7,728,380</b>	<b>\$ 8,714,150</b>
<b>Reconciliation of Cash to Statement of Net Assets:</b>					
Cash	\$ 2,359,052	\$ 1,047,618	\$ 65,696	\$ 3,472,366	\$ 8,714,150
Restricted cash	4,321,710	-	-	4,321,710	-
<b>Total Cash at December 31, 2009</b>	<b>\$ 6,680,762</b>	<b>\$ 1,047,618</b>	<b>\$ 65,696</b>	<b>\$ 7,794,076</b>	<b>\$ 8,714,150</b>

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Proprietary Funds Statement of Cash Flows (Concluded)

<i>Year Ended December 31, 2009</i>	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
<b>Reconciliation of Operating Income (Loss) to Cash Provided by (Used in)</b>					
<b>Operating Activities:</b>					
Operating income (loss)	\$ (3,595,451)	\$ 2,696,334	\$ 283,602	\$ (615,515)	\$ (624,130)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:					
Depreciation and amortization	3,267,616	-	-	3,267,616	194,557
(Increase) decrease in:					
Accounts receivable	(102,886)	(84,677)	(240,019)	(427,582)	(414,775)
Taxes receivable	-	(2,073,195)	-	(2,073,195)	-
Penalties and interest receivable	-	(408,991)	-	(408,991)	-
Due from state of Michigan	(22,565)	-	-	(22,565)	-
Interest	-	-	-	-	45,608
Inventories	(14,813)	-	-	(14,813)	14,723
Prepaid items	(34,764)	-	-	(34,764)	(19,739)
Increase (decrease) in:					
Deposits payable	147	-	-	147	(9,311)
Accounts payable	(163,393)	-	22,113	(141,280)	569,001
Due to other funds	-	-	-	-	17,719
Accrued expenses	31,112	-	-	31,112	80,808
Deferred revenue	3,898	-	-	3,898	-
Liability for estimated claims	-	-	-	-	(203,955)
<b>Cash Provided by (Used in) Operating Activities</b>	<b>\$ (631,099)</b>	<b>\$ 129,471</b>	<b>\$ 65,696</b>	<b>\$ (435,932)</b>	<b>\$ (349,494)</b>

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Fiduciary Funds Statement of Fiduciary Net Assets

<i>December 31, 2009</i>	<i>Primary Government</i>				<i>Agency Funds</i>
	<i>Trust Funds</i>				
	<i>Retiree</i>				
	<i>Health Care Trust Fund</i>	<i>Pension Trust Fund</i>	<i>Cemetery Trust Fund</i>		
<b>Assets:</b>					
Cash and money market funds (Note 3)	\$ 5,799,993	\$ 1,056,707	\$ 4,653		\$ 2,649,333
Receivables:					
Interest and dividends	35,483	993,195	-		-
Employer contributions	-	47,079	-		-
Accounts	378,677	92,630	-		504
Retiree	-	-	-		-
Other assets	10,328	15,000	-		-
Investments, at fair value (Note 3):					
Mutual funds	-	60,412,064	-		-
Common trust funds	-	43,375,842	-		-
Corporate debentures	-	11,326,484	-		-
U.S. government securities	-	21,687,603	-		-
Pooled separate account	-	2,992,349	-		-
Pooled mortgages	-	3,064,323	-		-
<b>Total Assets</b>	<b>\$ 6,224,481</b>	<b>\$ 145,063,276</b>	<b>\$ 4,653</b>		<b>\$ 2,649,837</b>
<b>Liabilities:</b>					
Vouchers and accounts payable	\$ 84,522	\$ 676,000	\$ -		\$ -
Due to other governmental units	-	-	-		480,193
Benefits payable	-	637,080	-		-
Other payables	205,372	-	725		2,169,644
<b>Total Liabilities</b>	<b>289,894</b>	<b>1,313,080</b>	<b>725</b>		<b>2,649,837</b>
<b>Net Assets -</b>					
Held in trust:					
Other post-retirement benefits	5,934,587	-	-		-
Employees' pension benefits	-	143,750,196	-		-
Individuals and organizations	-	-	3,928		-
<b>Total Net Assets</b>	<b>5,934,587</b>	<b>143,750,196</b>	<b>3,928</b>		<b>-</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,224,481</b>	<b>\$ 145,063,276</b>	<b>\$ 4,653</b>		<b>\$ 2,649,837</b>

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Fiduciary Funds Statement of Changes in Fiduciary Net Assets

	<i>Primary Government</i>		
	<i>Trust Funds</i>		
	<i>Retiree Health Care Trust Fund</i>	<i>Pension Trust Fund</i>	<i>Cemetery Trust Fund</i>
<i>Year Ended December 31, 2009</i>			
<b>Additions:</b>			
Investment income:			
Interest and dividends	\$ 83,566	\$ 1,145,512	\$ -
Income on pooled separate accounts	-	151,006	-
Income on mutual funds	-	1,545,441	-
Net appreciation in fair value of investments	-	28,383,362	-
Less investment expense	-	(422,344)	-
<b>Net investment income</b>	<b>83,566</b>	<b>30,802,977</b>	<b>-</b>
<b>Contributions:</b>			
Employer	5,653,663	1,336,949	-
Participant	406,841	7,927	-
<b>Total contributions</b>	<b>6,060,504</b>	<b>1,344,876</b>	<b>-</b>
Stop loss reimbursement	130,820	-	-
<b>Total Additions</b>	<b>6,274,890</b>	<b>32,147,853</b>	<b>-</b>
<b>Deductions:</b>			
Benefit payments	3,243,135	4,663,041	-
Stop loss expense	284,403	-	-
Administrative expenses	275,869	401,326	-
<b>Total Deductions</b>	<b>3,803,407</b>	<b>5,064,367</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>2,471,483</b>	<b>27,083,486</b>	<b>-</b>
<b>Net Assets, beginning of year</b>	<b>3,463,104</b>	<b>116,666,710</b>	<b>3,928</b>
<b>Net Assets, end of year</b>	<b>\$ 5,934,587</b>	<b>\$ 143,750,196</b>	<b>\$ 3,928</b>

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Component Units Combining Statement of Net Assets

<i>December 31, 2009</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services At-Large DHS/Child Care Welfare Transportation Authority</i>					<i>Total</i>
	<i>Kalamazoo County Road Commission</i>	<i>Health and Substance Abuse Services</i>	<i>At-Large Drains</i>	<i>DHS/Child Care Welfare</i>	<i>Transportation Authority</i>	
<b>Assets:</b>						
Cash	\$ 3,892,359	\$15,029,505	\$ 1,039,377	\$ 1,205,173	\$ 1,092,007	\$ 22,258,421
Investments	-	1,246,783	-	-	-	1,246,783
Accounts receivable	115,473	1,370,918	-	-	567,551	2,053,942
Due from state of Michigan	1,977,797	723,947	-	-	-	2,701,744
Due from affiliates	-	817,858	-	-	-	817,858
Due from providers	-	58,273	-	-	-	58,273
Inventory	614,563	-	-	-	-	614,563
Prepaid expenses	175,329	499,234	-	-	584,293	1,258,856
Land	19,647,170	670,911	-	-	-	20,318,081
Construction in progress	-	1,469,953	-	-	-	1,469,953
Capital assets, net of accumulated depreciation	93,889,104	2,258,737	-	-	-	96,147,841
Other assets	421,205	33,000	-	-	-	454,205
<b>Total Assets</b>	<b>\$120,733,000</b>	<b>\$24,179,119</b>	<b>\$ 1,039,377</b>	<b>\$ 1,205,173</b>	<b>\$2,243,851</b>	<b>\$149,400,520</b>
<b>Liabilities:</b>						
Accounts payable	\$ 339,845	\$ 5,388,216	\$ -	\$ -	\$ 20,021	\$ 5,748,082
Accrued liabilities	335,184	688,438	-	-	4,534	1,028,156
Due to state of Michigan	-	281,377	-	-	-	281,377
Due to affiliates	-	450,333	-	-	-	450,333
Due to providers	-	525,551	-	-	-	525,551
Unearned revenue	247,143	1,465,481	-	1,205,173	196,386	3,114,183
Kalamazoo Area Transportation Study	89,404	-	-	-	-	89,404
Noncurrent liabilities - Due within one year	-	688,735	-	-	-	688,735
<b>Total Liabilities</b>	<b>1,011,576</b>	<b>9,488,131</b>	<b>-</b>	<b>1,205,173</b>	<b>220,941</b>	<b>11,925,821</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	113,536,274	4,399,601	-	-	-	117,935,875
Restricted for Road Commission	3,910,638	-	-	-	-	3,910,638
Restricted for KCMHSAS	-	5,973,076	-	-	-	5,973,076
Unrestricted	2,274,512	4,318,311	1,039,377	-	2,022,910	9,655,110
<b>Total Net Assets</b>	<b>119,721,424</b>	<b>14,690,988</b>	<b>1,039,377</b>	<b>-</b>	<b>2,022,910</b>	<b>137,474,699</b>
<b>Total Liabilities and Net Assets</b>	<b>\$120,733,000</b>	<b>\$24,179,119</b>	<b>\$ 1,039,377</b>	<b>\$ 1,205,173</b>	<b>\$2,243,851</b>	<b>\$149,400,520</b>

See accompanying notes to basic financial statements.

*Program Revenues*

<i>Year Ended December 31, 2009</i>	<i>Expenses</i>	<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
<b>Component Units (Note 1):</b>				
Road Commission - Highways and streets	\$ 19,085,661	\$ 2,125,690	\$ 12,466,557	\$ 5,622,311
Kalamazoo Community Mental Health and Substance Abuse Services - Health and Welfare	111,354,517	2,333,137	107,512,788	-
At-Large Drains	51,488	-	-	-
Transportation Authority	2,585,304	-	-	-
DHS/Child Care Welfare	1,879,743	66,955	1,307,928	-
<b>Total Component Units</b>	<b>\$ 134,956,713</b>	<b>\$ 4,525,782</b>	<b>\$ 121,287,273</b>	<b>\$ 5,622,311</b>

**General Revenues:**

Unrestricted investment earnings  
Other

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**Total General Revenues**

**Change in Net Assets**

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**Net Assets, beginning of year**

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**Net Assets, end of year**

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# County of Kalamazoo, Michigan

## Component Units Combining Statement of Activities

<i>Net Revenue (Expense) and Changes in Net Assets</i>					
<i>Road Commission</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>At-Large Drains</i>	<i>DHS/ Child Care Welfare</i>	<i>Transpor- tation Authority</i>	<i>Total</i>
\$ 1,128,897	\$ -	\$ -	\$ -	\$ -	\$ 1,128,897
-	(1,508,592)	-	-	-	(1,508,592)
-	-	(51,488)	-	-	(51,488)
-	-	-	-	(2,585,304)	(2,585,304)
-	-	-	(504,860)	-	(504,860)
1,128,897	(1,508,592)	(51,488)	(504,860)	(2,585,304)	(3,521,347)
-	210,840	7,591	-	-	218,431
115,425	1,543,738	17,159	504,860	1,407,053	3,588,235
115,425	1,754,578	24,750	504,860	1,407,053	3,806,666
1,244,322	245,986	(26,738)	-	(1,178,251)	285,319
118,477,102	14,445,002	1,066,115	-	3,201,161	137,189,380
\$ 119,721,424	\$ 14,690,988	\$ 1,039,377	\$ -	\$ 2,022,910	\$ 137,474,699

See accompanying notes to basic financial statements.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements

### 1. Description of the County

The County of Kalamazoo, Michigan (the County) was organized as a county by the territorial legislation and approved by the governor on July 30, 1830. The County is a municipal corporation governed by the elected 17 member Board of Commissioners (the County Board). The County provides the following services: public safety, health and social services, judicial, recreation and culture, public improvements, and general governmental administrative services.

The Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) and the Kalamazoo County Transportation Authority (the Authority), discretely presented component units, are maintained and included in the accompanying financial statements on a September 30 fiscal year basis.

These funds have adopted a different fiscal year to be consistent with the fiscal period of their grantor agencies.

### 2. Summary of Significant Accounting Policies

#### Reporting Entity

These financial statements present the County (primary government) and its component units. The criteria established by the Governmental Accounting Standards Board (GASB) for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Blended component units, although legally separate entities, are part of the County's operations and data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County. Each blended and discretely presented component unit has a December 31 year-end, except for the KCMHSAS and the Authority, which have September 30 year-ends.

#### Blended Component Unit -

##### Building Authority

The Kalamazoo County Building Authority is governed by a three-member board of directors appointed by the County Board. Although it is legally separate from the County, the Kalamazoo County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County's public buildings.

#### Discretely Presented Component Units:

These component units are reported in a separate column to emphasize that, while legally separate, the County remains financially accountable for the entities or the nature and significance of the relationship between these entities and the County is such that exclusion of these entities would render the financial statements misleading or incomplete. They are not blended component units under Generally Accepted Accounting Principles (GAAP) because the component unit's governing body is not substantially the same as the primary government, and the benefits provided to entities other than the County are significant.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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### Road Commission

The Kalamazoo County Road Commission, established pursuant to the County road law (MCL 224.1), is governed by a County Board appointed three-member Board of County Road Commissioners. The Kalamazoo County Road Commission may not issue debt or levy a tax without the approval of the County Board. If approval is granted, road commission taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy, as well as reported in the County Road Fund. Complete financial statements can be obtained from the County Road Commission's administrative office.

### Economic Development Corporation

The Economic Development Corporation (EDC), established pursuant to the provisions of Public Act 338 of 1974, as amended, is governed by a nine-member board of directors appointed by the County Board. The EDC may not issue debt without the County Board approval. The EDC had no financial activity in 2009 and is therefore excluded from the Component Units Combining Statements of Net Assets and Activities.

### Department of Human Services

The Department of Human Services accounts for assistance provided to eligible recipients and the administering of various county, state, and federal programs. Financing is provided through the various state and federal program grants and General Fund appropriations. The board consists of one member appointed by the director of the State Department of Human Services and two members appointed by the County Board. Separate financial statements are not prepared.

### Transportation Authority

The Kalamazoo County Transportation Authority (the Authority), established pursuant to the provisions of Act No. 196, of the Public Acts of 1986, as amended, is governed by a nine-member board of directors appointed by the County Board. The Authority may issue debt without the approval of the County Board and may levy a tax on all of the taxable property within the jurisdictional limits/boundaries of the Authority, for transportation purposes, with the approval of the registered electors residing in the jurisdictional limits/boundaries. The Authority's fiscal year is September 30. Separate financial statements are prepared and may be obtained from the County of Kalamazoo, Michigan, 201 West Kalamazoo Avenue, Kalamazoo, Michigan 49007.

### County Drain Commission

Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property, etc. The statutory drainage board of Chapter 20 (MCL 280.461 et seq.) drainage districts consists of the drain commissioner, the chair of the County Board, and one other member of the County Board. The statutory drainage board of Chapter 5 (MCL 280.101 et seq.) and Chapter 6 (MCL 280.121 et seq.) drainage districts consists of the state director of agriculture and the drain commissioner of each county involved in the project.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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The County drain commissioner has sole responsibility to administer the drainage district established pursuant to Chapter 3 (MCL 280.51 et seq.) and Chapter 4 (MCL 280.71 et seq.) of the Drain Code. The drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board. The full faith and credit of the County may be given for the debt of the drainage district. Under the provisions of Chapter 21 (MCL 280.511 et seq.) drainage districts, an augmented drainage board is created for each petitioned project, consisting of members of the drainage board together with the chairperson of the County Board. The statutory drainage board of Chapter 8 (MCL 280.191 et seq.) drainage districts consists of the drain commissioner, the state director of agriculture, and commissioners of each county involved. Separate financial statements are not prepared.

### Kalamazoo Community Mental Health and Substance Abuse Services

The Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) was created by the County Board to operate, control, and manage an integrated behavioral healthcare system in order to serve the County. Prior to 1997, revenues and expenses, and the resultant assets, liabilities, and equity were blended with governmental funds of the primary government. KCMHSAS is governed by its board, appointed by the County Board. The primary government also provides financial support annually to KCMHSAS. Their fiscal year end is September 30.

Complete financial statements of the Kalamazoo County Road Commission, the Kalamazoo Community Mental Health and Substance Abuse Services, and the Kalamazoo County Transportation Authority may be obtained from their individual administrative offices.

### Administrative Offices

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Kalamazoo County Road Commission  
3801 East Kilgore Road  
Kalamazoo, Michigan 49002

Kalamazoo Community Mental Health and Substance Abuse Services  
3299 Gull Road, P.O. Box 63  
Nazareth, Michigan 49048

Kalamazoo County Transportation Authority  
201 West Kalamazoo Avenue  
Kalamazoo, Michigan 49007

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### Basis of Presentation

#### Government-Wide Financial Statements

The Statement of Net Assets 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 although interfund services provided and used are not eliminated in the process of consolidation. 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.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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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. 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 and 2) grants and contributions restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

### Fund Financial Statements

The fund financial statements provide information about the County's funds. 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.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available, it is the County's policy to use restricted resources first.

The County reports the following major governmental funds:

*General Fund* - This fund is the County's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

*Law Enforcement Fund* - This fund accounts for specific revenue derived from state and federal grants, charges for services, and General Fund appropriations that are to be expended as dictated by legal, regulatory, or administrative requirements.

*Revenue Sharing Reserve Fund* - This fund accounts for the gradual shift in county property tax millage from a winter tax levy to a summer tax levy as required by the Michigan State Public Act 357 of 2004.

*Health Fund* - This fund was established to account for the costs of providing health protection and health services. Funding is provided through licenses and permits, federal and state grants, charges for services, and interfund transfers.

*Justice Facilities Improvement Fund* - This fund was established to account for renovation/small construction projects performed by General Fund appropriations on the County facilities. These projects are funded primarily by General Fund appropriations.

The County reports the following enterprise funds:

*Airport Fund* - This fund accounts for the operation and maintenance of the Kalamazoo-Battle Creek International Airport. Financing is provided primarily by user charges.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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*Tax Reversion Fund* - This fund accounts for the sale proceeds and the authorized expenditures from the proceeds for forfeited property recovered for delinquent property taxes if the property is not redeemed. Revenues are generated from fees and sales receipts of properties.

*Delinquent Tax Revolving Fund* - This fund accounts for money advanced by the County to other local taxing units and various county funds to pay for their delinquent taxes and fees. Revenues are generated by the collection of the delinquent taxes and fees.

Additionally, the County reports the following fund types:

*Special Revenue Funds* - These funds are used to account for specific revenue derived from state and federal grants, General Fund appropriations, and charges for services that are to be expended for specific purposes as dictated by legal, regulatory, or administrative requirements.

*Debt Service Funds* - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, including payments made in connection with the County administration building under a lease purchase arrangement with the Kalamazoo County Building Authority.

*Capital Projects Funds* - These funds are used to account for the acquisition or construction of major facilities other than those financed by Proprietary Fund operations.

*Internal Service Funds* - These funds account for the employee benefits, employee wages, technology, document, and facility activities provided to other departments or funds on a cost reimbursement basis.

*Pension Trust Fund* - This fund accounts for the accumulation of resources to be used for annuity payments for the County's Defined Benefit Plan.

*Cemetery Trust Fund* - This fund accounts for money held in trust by the County for the perpetual care of certain cemetery lots. The principal must be maintained intact and invested.

*Retiree Healthcare Trust Fund* - This fund accounts for the accumulation of resources to be used for payments for the County's post-employment healthcare benefits.

*Agency Funds* - These funds account for money collected and held by the County in a custodian capacity. Funds primarily represent taxes and court fees to be distributed to other governmental units or private entities.

### Measurement Focus and Basis of Accounting

*Government-Wide, Proprietary, and Fiduciary Fund* financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds account for net assets held on behalf of others are purely custodial (assets equal liabilities and do not include the measurement of results of operations). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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*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 available if they are collected within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the County considers revenues available if they are collected within 90 days of the end of the current fiscal period except taxes, which must be collected within 60 days. Taxes, intergovernmental revenues, and interest associated with the current period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the County follow applicable accounting and financial reporting standards of the Financial Accounting Standards Board issued through November 30, 1989, unless those pronouncements conflict with Governmental Accounting Standards Board pronouncements. The County has elected not to apply FASB pronouncements issued after November 30, 1989, to enterprise funds.

### Cash, Cash Equivalents, and Investments

Cash includes both individual and pooled accounts. Within the pooled accounts, certain funds have a negative balance. This practice allows the County to borrow internally instead of externally. Generally, these borrowings are short-term and will be reimbursed through current taxes receivable collections and reimbursements from the state of Michigan, therefore, interest is not charged on these interfund borrowings.

For purposes of the Statement of Cash Flows, demand deposits and certain liquid investment pools are considered cash equivalents.

All investments are reported at fair value, with changes in value recognized in the operating statement of each fund. Realized gains and losses are included in earnings. Currently, investments of all funds, except those of the Kalamazoo County Employees' Retirement System (the System), a trust fund type, consist of money market funds, certificate of deposits, government securities, and commercial paper, maturing not more than 270 days after date of purchase.

### Interfund Transactions

All outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the non-current portion of advances that are not available for appropriation and are not expendable available financial resources.

### Inventories and Prepaid Expenditures

Inventories reported in the Proprietary Funds are valued at the lower of cost or market. Cost is determined under the first-in, first-out (FIFO) method. Inventories of the discretely presented component units are presented at average cost. The cost of governmental fund type inventories is recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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### Capital Assets

Capital assets, which include property, buildings, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets having a useful life in excess of three years and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at their market value as of the donation date. Infrastructure assets, including roads, bridges, and traffic signals have been included as current year acquisitions by the Kalamazoo County Road Commission. Retroactive reporting of infrastructure by the Kalamazoo County Road Commission was implemented in 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value.

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

Land improvements	20 years
Infrastructure	5-50 years
Building and improvements	15-50 years
Furniture, machinery, and equipment	5-20 years
Vehicles	5 years

### Restricted Assets

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

Restricted assets in the Airport Fund relate to grant proceeds and bond proceeds restricted for airport construction and passenger facility charges restricted for capital improvements.

### Property Taxes

Local Units of the County assess property values on December 31 annually. Due to the implementation of State of Michigan Public Act 357 of 2004, the County's general operating tax was levied on July 1, 2009 (summer tax). The remaining Law Enforcement Fund and Juvenile Home Building Project Fund property taxes were levied on December 1, 2008 (winter tax). An enforceable lien is attached on the property on the date which the taxes were levied. Taxes not paid by February 28 of the following year are added to the County's delinquent tax rolls. Summer and winter property taxes were levied for the General Fund, Law Enforcement Fund, and Juvenile Home Fund, based on a rate of approximately 6.3212 mills and a total taxable value of real and personal property of \$8,372,294,102.

The County levied \$39,380,351 for the General Fund summer property tax. Amounts collected prior to December 31, 2009, were available for use and recorded as property tax revenues in 2009. Any amounts not collected were deferred for use for the year ended December 31, 2009.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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The County levied winter property taxes of \$1,661,319 and \$12,037,086 for the Juvenile Home Fund and Public Safety Fund, respectively. Winter property taxes for the Juvenile Home Fund and Public Safety Fund are deferred and budgeted for use for the year ended December 31, 2009. The County collected a total of approximately \$1,431,847 of the Juvenile Home Fund and Public Safety Fund winter taxes in 2008, which were recorded in revenues in January, 2009.

### Contributions and Appropriations

Contributions and appropriations between funds are accounted for as transfers.

### Compensated Absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination or retirement, employees are paid for unused vacation and sick leave reduced to the maximum amount allowed. Vacation and sick pay is accrued when incurred in the government-wide and Proprietary Fund financial statements. Only the matured liability is reported in the governmental funds financial statements.

### Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations from other governments.

### 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 types statement of net assets.

In the fund financial statements, governmental fund types recognized bond premiums and discounts as well as issuance costs during the current period. The face amount of debt is reported as other financing sources. Premiums and discounts are reported as other financing sources (uses) while issuance costs are reported as expenditures.

Long-term obligations consist of special assessment debt and general obligation debt where the full faith, credit, and resources of the County have been pledged. The purpose for which the debt was issued includes local unit water, sewage, and drain systems where the County does not own the assets and the County capital projects where the County does own the assets. The County does not include debt in the calculation of net assets invested in capital assets, net of related debt if the assets are not owned.

### Budgets and Budgetary Accounting

The County Board annually adopts budgets on a basis consistent with GAAP for its General Fund and Special Revenue Funds. State statutes do not require legally adopted budgets for Debt Service Funds or Capital Projects Funds.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

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The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the department or activity level. Budgetary accounts are formally integrated within the accounting records and are used to control expenditures so that budget limitations are not exceeded. Management is not authorized to make budget adjustments between categories of budgets. All budget amendments must be approved by the County Board. Budget amendments, both individually and in total, were not material in relation to the original appropriations. All unexpended appropriations lapse at year-end.

No budget was adopted for the HIV/AIDS Consortium Special Revenue Fund. No revenues or expenditures were expected since this fund is no longer active. Activity in this fund is due to state grant adjustments for prior years. The County expects to close the HIV/AIDS Consortium Special Revenue Fund in 2010.

### Use of Estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Risk Management

The County and its component units are exposed to various risks of loss related to general liability, property and crime, workers' compensation, and employee health and medical claims.

The County reports risk management related to general liability, property, and crime incidents primarily in its General Fund. To the extent possible, the General Fund recovers a portion of its risk management costs from all other funds through an indirect cost allocation plan. Risk management related to the operation of the Kalamazoo-Battle Creek International Airport, is reported in the Enterprise Fund of the County.

The County reports risk management related to workers' compensation and employee health and medical incidents in the Employee Benefit Fund (an Internal Service Fund). All funds of the County participate in the Internal Service Funds. This fund allocates the cost of purchasing commercial insurance and sets aside assets for claim settlement by charging a "premium" to each fund based on the level of payroll recorded.

The Kalamazoo County Road Commission and the Kalamazoo Community Mental Health and Substance Abuse Services report all risk management in their operating (general) fund. All other component units participate, to the extent possible, in the indirect cost allocation plan of the primary government.

### New Accounting Standards

Effective December 31, 2009, the County adopted guidance under ASC Topic 855-10 (formerly SAS No. 165, Subsequent Event) that establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Management has evaluated the period from December 31, 2009, through June 4, 2010, the date the financial statements were available for issuance, for subsequent events requiring recognition or disclosure in the financial statements. During the period, no material recognizable subsequent events were identified.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### 3. Deposits and Investments

#### Primary Government

The County's treasurer has custody and authority to make investment decisions for the County Road Commission, Child Care Welfare, At-Large Drains, and Transportation Authority component units. As such, the deposits and investments of these component units are subject to the County's investment policy. The Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) has custody over its deposits and investments that are subject to KCMHSAS' investment policy.

**Deposits** - State statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts are made with banks doing and having a place of business in the state of Michigan that are also insured by an agency of the United States.

The County's investment policy complies with state statutes and has no additional limitations on deposits.

**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 recovered. The County does not have a policy for mitigating custodial credit risk over deposits.

At December 31, 2009, \$60,133,828 of the County's bank balances of \$64,633,828 which includes deposits of the component units under the control of the County's treasurer, were exposed to custodial credit risk as follows:

	<i>Checking and Savings</i>	<i>Certificates of Deposit</i>	<i>Total</i>
<b>Uninsured and Uncollateralized:</b>			
County	\$ 21,296,366	\$ 32,850,000	\$ 54,146,366
County Road Commission	3,928,794	-	3,928,794
Transportation	1,022,491	-	1,022,491
At-Large Drains	1,036,177	-	1,036,177
<b>Total Uninsured and Uncollateralized</b>	<b>\$ 27,283,828</b>	<b>\$ 32,850,000</b>	<b>\$ 60,133,828</b>

At September 30, 2009, \$5,640,507 of KCMHSAS' bank balances of \$11,409,342 were exposed to custodial credit risk.

**Investments** - State statutes authorize the County to invest in obligations and certain repurchase agreements of the U.S Treasury and related governmental agencies, commercial paper, bankers' acceptances of the United States banks, obligations of the state of Michigan or any of its political subdivisions, and mutual funds composed entirely of the above investments.

The County's investment policy complies with the state statutes and has no additional investment restrictions that would limit its investment choices. As of December 31, 2009, the County had the following investments and maturities:

	<i>Investment Maturities - In Years</i>				
	<i>Fair Value</i>	<i>Less Than 1</i>	<i>1-5</i>	<i>6-10</i>	<i>10+</i>
Debt Securities	\$ 31,567,842	\$ 8,818,947	\$ 16,121,521	\$ 1,386,648	\$ 5,240,726
Money Market	12,085,011	12,085,011	-	-	-
Commercial Paper	1,999,982	1,999,982	-	-	-
<b>Total</b>	<b>\$ 45,652,835</b>	<b>\$ 22,903,940</b>	<b>\$ 16,121,521</b>	<b>\$ 1,386,648</b>	<b>\$ 5,240,726</b>

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

KCMHSAS' investment policy complies with the state statutes and has no additional investment restrictions that would limit its investment choices. As of September 30, 2009, KCMHSAS had the following investments and maturities:

	<i>Fair Value</i>	<i>Investment Maturities Less Than One Year</i>
Money Market	\$ 3,735,017	\$ 3,735,017
Commercial Paper	1,248,455	1,248,455
<b>Total</b>	<b>\$ 4,983,472</b>	<b>\$ 4,983,472</b>

**Interest Rate Risk - Investments** - Under state statutes, investment in commercial paper is limited to maturities of not more than 270 days after the date of purchase. The County's investment policy does not place any further limitations on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

KCMHSAS' investment policy complies with the state guidelines and seeks to minimize interest rate risk by investing primarily in short-term securities, liquid assets, money market funds or similar investment pools and limiting average maturities. The policy does not place specific limitations on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk - Investments** - Custodial credit risk is the risk that, in the event of a failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County requires all security transactions to be held by a third party custodian to be evidenced by safekeeping receipts. The County does not have any additional policies for mitigating custodial credit risk over investments.

KCMHSAS requires securities held by a third party custodian to be evidenced by safekeeping receipts. KCMHSAS does not have any additional policies for mitigating custodial credit risk over investments.

**Credit Risk** - Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. State statutes limits investments in commercial paper to be rated at the time of purchase within the three highest classifications established by not less than two standard rating services. Investments in obligations of the state of Michigan or its political subdivisions must be rated as investment grade by not less than one rating service. Investments in bonds, obligations, or repurchase agreements must be made with the U.S. Treasury and bankers' acceptances with United States banks. The County's investment policy limits investments to be made with prudent judgment as to the safety of the invested capital and probable outcome of income.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

At December 31, 2009, the County's investments had the following credit ratings:

<i>Debt Investments</i>	<i>Fair Value</i>	<i>S&amp;P Rating</i>			
		<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>No Rating</i>
Federal Home Loan Bank (FHLB)	\$ 6,243,376	\$ 6,243,376	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation (FHLMC)	7,970,061	7,970,061	-	-	-
Federal National Mortgage Association (FNMA)	1,002,800	1,002,800	-	-	-
Gaylord Community Schools	303,030	303,030	-	-	-
Allen Pk TXB-A	1,044,469	-	-	1,044,469	-
First Empire Securities Inc	249,456	-	249,456	-	-
Kalamazoo Schs-B	487,880	-	487,880	-	-
Lansing Tax Incr	238,815	-	238,815	-	-
Michigan State	300,737	-	300,737	-	-
Milan Mich Area Schools	507,605	-	507,605	-	-
Michigan Taxable Service	255,815	-	255,815	-	-
Oakland County MI Ctfs Partn	1,883,673	-	1,883,673	-	-
Wayne Charter County	8,139,510	882,852	-	138,840	7,117,818
Detroit City SD	1,205,814	-	1,205,814	-	-
Michigan Municipal Bond	1,232,097	1,232,097	-	-	-
Oakland County MI Ctfs Partn	253,080	-	253,080	-	-
Van Buren SD-TXB	249,624	-	249,624	-	-
<b>Totals by Rating</b>	<b>\$ 31,567,842</b>	<b>\$ 17,634,216</b>	<b>\$ 5,632,499</b>	<b>\$ 1,183,309</b>	<b>\$ 7,117,818</b>

<i>Commercial Paper</i>	<i>Fair Value</i>	<i>S&amp;P Rating</i>
		<i>A-2</i>
Fountain Square	\$ 1,999,982	\$ 1,999,982

KCMHSAS' investment policy limits investments to be made with prudent judgment as to the safety of the invested capital and probable outcome of income. At September 30, 2009, the General Electric commercial paper had a Standard & Poor's rating of A-1+ and the AIG commercial paper had a Standard & Poor's rating of A-1.

**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. The County's investment policy requires the treasurer to diversify investments by security type and institution. With the exception of U.S. Treasury securities, no more than 60% of the total investment portfolio will be invested in a single security type or with a single financial institution. As of December 31, 2009, the County had no concentration of credit risk.

Except for U.S. Treasury securities and authorized investment pools, KCMHSAS limits the amount invested in a single security type or single financial institution to be no more than 60% of the total portfolio. At September 30, 2009, KCMHSAS had no concentration of credit risk.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### Retirement System

**Deposits** - State statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts are made with banks doing and having a place of business in the state of Michigan that are also insured by an agency of the United States.

The Kalamazoo County Employees' Retirement System's (the System's) investment policy complies with state statutes and has no additional limitations on deposits.

**Custodial Credit Risk - Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits might not be recovered. The System does not have a policy for mitigating custodial credit risk over deposits. At December 31, 2009, the System had deposit balances of \$1,056,707, all of which were uninsured and uncollateralized.

**Investments - Interest Rate Risk** - The fixed income portfolio is structured to provide stability and cash flow to the System. To minimize interest rate risk, the weighted average duration of fixed income investments are to be within .05 years of the respective Lehman Brothers benchmark. In addition, the System limits maturity in commercial paper to no more than 270 days after issue.

As of December 31, 2009, the System had the following investments and maturities:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Investment Maturities - in Years</i>			
		<i>Less Than 1</i>	<i>1-5</i>	<i>6-10</i>	<i>10+</i>
<b>Debt Securities:</b>					
Asset Backed Corporate Bonds	\$ 2,765,759	\$ -	\$ 1,807,869	\$ 514,810	\$ 443,080
Corporate Bonds	8,560,725	101,345	2,601,678	1,098,715	4,778,987
Federal Home Loan Mortgage Corporation (FHLMC)	1,113,669	-	-	439,736	673,933
Federal National Mortgage Association (FNMA)	1,950,654	-	204,056	464,364	1,282,234
Government Issue FICO Strip Securities	7,752,052	-	808,116	1,204,395	5,739,541
U.S. Treasury Bonds	13,935,552	-	4,168,088	-	9,767,464
<b>Total</b>	<b>36,078,411</b>	<b>\$101,345</b>	<b>\$9,589,807</b>	<b>\$3,722,020</b>	<b>\$22,685,239</b>
<b>Other Investments:</b>					
Equity Index Collective Trust Fund	43,375,841				
Mutual Real Estate Securities Fund	1,015,025				
Mutual International Small Cap Fund	14,308,907				
Mutual Emerging Markets Fund	14,769,381				
U.S. Large Cap Equity Mutual Fund	7,312,859				
U.S. Small Cap Equity Mutual Fund	15,346,040				
U.S. Micro Cap Equity Mutual Fund	7,659,852				
Real Estate Pooled Separate Account	2,992,349				
<b>Total Investments</b>	<b>\$ 142,858,665</b>				

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

**Credit Risk** - The state limits investments in commercial paper rated at the time of purchase within the two highest ratings issued by nationally recognized statistical rating organizations. In addition, investments in investment companies are limited to those that have been in operation for at least five years and have assets under management of more than \$500,000,000. The System also requires the average fixed income portfolio quality rating to be an "A" or better. Bonds owned by the system are limited to those with a "BBB" or better rating by Standard & Poor's or an equivalent rating agency at the time of purchase.

As of December 31, 2009, the System's investments had the following credit ratings:

<i>Debt Investments</i>	<i>Fair Value</i>	<i>S&amp;P Rating</i>				
		<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>BAA</i>	<i>Unrated</i>
Asset Backed						
Corporate Bonds	\$ 2,765,760	\$ 2,658,196	\$ 107,564	\$ -	\$ -	\$ -
Corporate Bonds	8,560,725	331,556	2,172,681	4,287,322	1,721,587	47,579
Federal Home						
Loan Mortgage						
Corporation (FHLMC)	1,113,670	1,113,670	-	-	-	-
Federal National Mortgage						
Association (FNMA)	1,950,653	1,596,978	-	-	-	353,675
Governmental Issue FICO						
Strip Securities	7,752,052	5,928,275	-	-	-	1,823,777
U.S. Treasury Bonds	13,935,551	13,935,551	-	-	-	-
<b>Totals by Rating</b>	<b>\$36,078,411</b>	<b>\$ 25,564,226</b>	<b>\$ 2,280,245</b>	<b>\$ 4,287,322</b>	<b>\$ 1,721,587</b>	<b>\$ 2,225,031</b>

<i>Funds</i>	<i>Fair Value</i>	<i>Morningstar Rating</i>		
		<i>★★</i>	<i>★★★</i>	<i>★★★★</i>
Equity Index Collective Trust Fund	\$ 43,375,841	\$ -	\$ 43,375,841	\$ -
Real Estate Securities Mutual Fund	1,015,025	-	1,015,025	-
International Small Cap Mutual Fund	14,308,907	-	14,308,907	-
Emerging Markets Mutual Fund	14,769,381	-	-	14,769,381
U.S. Large Cap Equity Mutual Fund	7,312,859	-	7,312,859	-
U.S. Small Cap Equity Mutual Fund	15,346,040	15,346,040	-	-
U.S. Micro Cap Equity Mutual Fund	7,659,852	7,659,852	-	-
Real Estate Pooled Separate Account	2,992,349	-	2,992,349	-
<b>Totals by Rating</b>	<b>\$ 106,780,254</b>	<b>\$23,005,892</b>	<b>\$ 69,004,981</b>	<b>\$ 14,769,381</b>

**Concentration of Credit Risk** - The state generally limits investments in a single issuer to no more than 5% of the total portfolio assets, with exception to obligations issued, assumed, or guaranteed by the United States. To minimize concentration of credit risk and increase portfolio diversification, the System places the following additional limits to investments:

- Investments in common stock are limited to 65% of the total portfolio.
- Investments in equity real estate are limited to 5% of the total portfolio.
- 100% of investments may be comprised of U.S. government and agency issues, but only up to 50% may be invested in government agencies.
- Investments in issues in utilities, oils, industrials, and direct placements are limited to 30% of the portfolio.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

As of December 31, 2009, no single holding within this portfolio represented more than 5% of the total fund.

**Custodial Credit Risk** - This portfolio will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to those permitted by Act 485 of the Public Acts of 1996 as amended (Michigan Compiled Laws 38.1132 et seq.) and the following: a) common stock; b) real estate investments in equity positions or convertible to equity positions; c) issues by the U.S. Treasury and agencies; d) corporate bonds; e) commercial paper; f) derivatives that derive values from external source (interest rate benchmark, commodity benchmark, underlying mortgage pools, etc.); and g) mutual funds consisting of the allowable investments.

In addition, the System will only conduct business with investment management firms that will: comply with all relevant provisions contained in Act 485 of the Public Acts of 1996 as amended (Michigan Compiled Laws 38.1132 et seq.); support the overall investment policies of the System; understand and accept their designated "role" within the System's investment structure; construct a portfolio of securities that reflect the execution of their assigned investment strategy; and adhere to the guidelines of this document and/or any additional written instructions that amend this Investment Policy Statement. The following criteria is used to evaluate each investment manager's performance: a) achievement of fund objectives as outlined in the investment policy; b) comparisons with other managers, indexes, etc.; c) subjective observations regarding the manager's organization, professionalism, administrative skills, etc.; and d) biannual due diligence meetings.

As of December 31, 2009, the System had no investments exposed to custodial credit risk.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The state permits investments in investment grade, dollar denominated obligations issued in the United States by foreign governments, banks, or corporations. Investments in foreign securities are limited to and not to exceed more than 20% of the System's assets. It is the System's policy to not purchase foreign investments except those listed in the United States.

As of December 31, 2009, the System invested \$14,309,000 in an international small company equity mutual fund that exposes the System's portfolio to foreign currency risk.

#### 4. Advances/Interfund Transfers

##### General Fund Advance to the Drain Fund

The long-term advances represent cash working capital advances consisting of the following:

<i>Fund</i>	<i>Advances to Other Funds</i>	<i>Fund</i>	<i>Advances from Other Funds</i>
General Fund	\$ 78,146	Capital Projects Fund - Drains	\$ 78,146

To accommodate the payment of Drain Fund related expenditures prior to assessments levied, the General Fund has advanced \$78,146 to the Drain Fund. A 2007 budget policy adopted by the board of commissioners established the advance at a level of \$100,000 with the recognition that appropriate drain assessments occur in order to bring the advance to a more appropriate level.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### Interfund Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

	<i>General Fund</i>	<i>Law Enforce- ment</i>	<i>Revenue Sharing Reserve</i>	<i>Nonmajor Governmental</i>	<i>All Others</i>	<i>Total Transfers In</i>
<i>Transfer to:</i>						
General Fund	\$ -	\$ -	\$ 5,176,936	\$ 178,519	\$ 1,000,000	\$ 6,355,455
Health Fund	1,371,131	-	-	11,807	-	1,382,938
Justice Facilities Improvement	4,199,400	-	-	-	-	4,199,400
Nonmajor Governmental	6,412,242	511,436	-	101,746	-	7,025,424
Internal Service	841,234	-	-	-	-	841,234
<b>Total Transfers Out</b>	<b>\$ 12,824,007</b>	<b>\$ 511,436</b>	<b>\$ 5,176,936</b>	<b>\$ 292,072</b>	<b>\$ 1,000,000</b>	<b>\$ 19,804,452</b>

Interfund transfers are used as sources of financing the funds receiving the transfers and do not require a repayment to the fund making the payment.

## 5. Capital Assets

Capital asset activity for the year ended December 31, 2009, consists of the following:

<i>Primary Government</i>	<i>Balance, January 1, 2009</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2009</i>
<b>Government Activities:</b>				
Capital assets not depreciated:				
Land	\$ 1,647,767	\$ 794,101	\$ -	\$ 2,441,868
Construction in progress	18,822,878	8,632,823	27,455,701	-
Capital assets in progress	-	370,162	-	370,162
Capital assets depreciated:				
Land improvements	5,143,070	59,150	-	5,202,220
Buildings and improvements	27,356,783	27,598,443	702,613	54,252,613
Furniture, machinery, and equipment	9,497,280	1,693,684	60,402	11,130,562
Vehicles	4,072,163	377,587	500,379	3,949,371
Law library books	405,392	-	-	405,392
<b>Totals at Historical Cost</b>	<b>66,945,333</b>	<b>39,525,950</b>	<b>28,719,095</b>	<b>77,752,188</b>
Less accumulated depreciation:				
Land improvements	2,515,766	220,527	-	2,736,293
Buildings and improvements	22,380,638	975,720	702,613	22,653,745
Furniture, machinery, and equipment	6,960,354	670,735	43,067	7,588,022
Vehicles	2,713,838	471,782	443,150	2,742,470
Law library books	405,392	-	-	405,392
<b>Total accumulated depreciation</b>	<b>34,975,988</b>	<b>2,338,764</b>	<b>1,188,830</b>	<b>36,125,922</b>
<b>Total Governmental Activities - Net Capital Assets</b>	<b>\$ 31,969,345</b>	<b>\$ 37,187,186</b>	<b>\$ 27,530,265</b>	<b>\$ 41,626,266</b>

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

Depreciation expense charged to governmental functions consisted of the following:

General government	\$	415,240
Public safety		1,033,877
Health and welfare		195,640
Recreation and culture		396,143
Judicial		296,760
Other		1,104
<b>Total Depreciation Expense</b>	<b>\$</b>	<b>2,338,764</b>

<i>Primary Government</i>	<i>Balance, January 1, 2009</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2009</i>
<b>Business-Type Activities:</b>				
Capital assets not depreciated:				
Land	\$ 3,868,097	\$ -	\$ -	\$ 3,868,097
Construction in progress (estimated costs to complete \$36,250,000)	1,235,969	5,939,699	-	7,175,668
Capital assets depreciated:				
Land improvements	42,254,872	885,123	-	43,139,995
Buildings and improvements	9,620,350	-	-	9,620,350
Furniture, machinery, and equipment	6,565,098	1,990	-	6,567,088
<b>Totals at Historical Cost</b>	<b>63,544,386</b>	<b>6,826,812</b>	<b>-</b>	<b>70,371,198</b>
Less accumulated depreciation:				
Land improvements	18,281,676	2,559,957	-	20,841,633
Buildings and improvements	7,545,389	236,393	-	7,781,782
Furniture, machinery, and equipment	5,102,995	472,180	(1,077)	5,576,252
<b>Total accumulated depreciation</b>	<b>30,930,060</b>	<b>3,268,530</b>	<b>(1,077)</b>	<b>34,199,667</b>
<b>Total Business-Type Activities - Net Capital Assets</b>	<b>\$32,614,326</b>	<b>\$ 3,558,282</b>	<b>\$ 1,077</b>	<b>\$ 36,171,531</b>

Capital asset activity for the Kalamazoo Community Mental Health and Substance Abuse Services for the year ended December 31, 2009, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, October 1, 2008</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, September 30, 2009</i>
<b>Kalamazoo Community Mental Health and Substance Abuse Services:</b>				
<b>Capital Assets:</b>				
Capital assets not depreciated:				
Land	\$ 445,911	\$ 225,000	\$ -	\$ 670,911
Construction in progress	1,503,465	228,842	262,354	1,469,953
Capital assets depreciated:				
Buildings and improvements	2,819,283	102,125	62,978	2,858,430
Equipment and furniture	1,399,848	150,453	456,251	1,094,050
Motor vehicles	183,896	-	101,371	82,525
<b>Total Capital Assets</b>	<b>6,352,403</b>	<b>706,420</b>	<b>882,954</b>	<b>6,175,869</b>
Less accumulated depreciation	2,139,685	250,318	613,735	1,776,268
<b>Total Kalamazoo Community Mental Health and Substance Abuse Services Capital Assets, net</b>	<b>\$ 4,212,718</b>	<b>\$ 456,102</b>	<b>\$ 269,219</b>	<b>\$ 4,399,601</b>

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

Capital asset activity for the Kalamazoo County Road Commission for the year ended December 31, 2009, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, January 1, 2009</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2009</i>
<b>Road Commission Capital Assets:</b>				
Capital assets not depreciated:				
Land and improvements, infrastructure	\$ 16,442,889	\$ 2,005,882	\$ -	\$ 18,448,771
Land and improvements	1,198,399	-	-	1,198,399
Capital assets depreciated:				
Buildings and improvements	3,594,979	29,232	-	3,624,211
Road equipment	6,363,884	333,372	(111,961)	6,809,217
Other equipment	1,249,669	28,281	352,730	925,220
Infrastructure and improvements	204,372,196	5,783,253	85,644	210,069,805
<b>Total Capital Assets</b>	<b>233,222,016</b>	<b>8,180,020</b>	<b>326,413</b>	<b>241,075,623</b>
Less accumulated depreciation	120,042,756	7,823,006	326,413	127,539,349
<b>Total Kalamazoo County Road Commission Capital Assets, net</b>	<b>\$113,179,260</b>	<b>\$ 357,014</b>	<b>\$ -</b>	<b>\$113,536,274</b>

## 6. Long-Term Debt

Changes in long-term liabilities consists of the following:

<i>Primary Government</i>	<i>Balance, January 1, 2009</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance, December 31, 2009</i>	<i>Due Within One Year</i>
<b>Government Activities:</b>					
Bonds and notes payable -					
General obligation debt	\$ 38,997,868	\$ -	\$ 2,104,898	\$ 36,892,970	\$ 2,028,010
Other liabilities -					
Compensated absences	3,293,402	2,697,334	2,516,725	3,474,011	1,158,004
	42,291,270	2,697,334	4,621,623	40,366,981	3,186,014
<b>Net Bond Premium</b>	<b>52,421</b>	<b>-</b>	<b>8,737</b>	<b>43,684</b>	<b>-</b>
<b>Total Long-Term Liabilities - Governmental Activities</b>	<b>\$ 42,343,691</b>	<b>\$ 2,697,334</b>	<b>\$ 4,630,360</b>	<b>\$ 40,410,665</b>	<b>\$ 3,186,014</b>
<b>Business-Type Activities -</b>					
Bonds payable -					
General obligation debt	\$ 8,900,000	\$ -	\$ 250,000	\$ 8,650,000	\$ 250,000
<b>Discretely Presented Component Units</b>					
<b>Total Long-Term Liabilities - Business-Type Activities:</b>					
Mortgage payable	\$ 418,295	\$ -	\$ 418,295	\$ -	\$ -
Compensated absences	655,832	962,877	929,974	688,735	688,735
<b>Total Long-Term Liabilities - Business-Type Activities</b>	<b>\$ 1,074,127</b>	<b>\$ 962,877</b>	<b>\$ 1,348,269</b>	<b>\$ 688,735</b>	<b>\$ 688,735</b>

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

Long-term bonds and notes at December 31, 2009, consists of the following:

<i>Primary Government</i>	<i>Final Maturity Dates</i>	<i>Interest Rates</i>	<i>Outstanding Balance</i>
<b>Governmental Activities:</b>			
1982 Water Supply System No. 1 Bonds	5/1/2020	5.00%	\$ 130,000
1996 Sewage Disposal System No. 7 Bonds	5/1/2016	4.75-5.88%	875,000
1998 Indian Lake/Pickerel Lake Sewage Disposal System Bonds	6/1/2017	4.15-4.30%	3,000,000
2001 Cooper Township Sanitary Sewage Disposal System Bonds	5/1/2021	3.45-6.38%	1,900,000
2004 Texas Township Refunding Sanitary Sewage Disposal System Bonds	5/1/2013	2.50-4.00%	1,140,000
2005 Comstock Sewage Disposal System Bonds	5/1/2013	2.50-3.50%	650,000
2005 Village of Augusta Water Supply	5/1/2025	2.13%	640,000
2006 Gilbert Drain Drainage District Note	7/1/2010	3.88%	240,000
2007 Austin Lake Bond	5/1/2010	4.00%	220,000
2008 Townline Drain	3/1/2018	2.4-4.55%	390,000
<b>Total Governmental Activities - without associated assets</b>			<b>\$ 9,185,000</b>
2007 Juvenile Home Facilities Bond	10/1/2032	4.50-5.00%	\$ 27,700,000
2008 John Deere Tractor Lease	9/11/2012	7.50%	7,970
<b>Total Governmental Activities - with associated assets</b>			<b>\$ 27,707,970</b>
<b>Business-Type Activities -</b>			
2003 Building Authority Airport Facilities Bonds	5/1/2028	2.60-4.60%	\$ 8,650,000

The County has entered into agreements to lease certain facilities acquired and constructed by the Kalamazoo County Building Authority. The agreements are, in substance, lease purchases. Upon termination of the lease agreements, titles to the facilities and equipment will pass to the County.

The County has debt that is being repaid by special assessments. This debt is the responsibility of the local unit using the special assessment. If the local unit defaults on the debt, it is the County's responsibility.

The full faith, credit, and resources of the County have been pledged for the prompt payment of all long-term debt requirements.

Governmental activities without associated assets are for debt issuances related to local units water, sewage, and drain systems where the County does not own the assets. This debt is not included in the calculation of net assets invested in capital assets, net of related debt.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

Governmental activities with associated assets are for debt issuances related to the County capital projects where the County does own the assets. This debt is included in the calculation of net assets invested in capital assets, net of related debt.

There are a number of limitations and restrictions contained in the various debt issues. At December 31, 2009, the County complied with all significant limitations and restrictions.

The compensated absence liability attributable to the governmental activities will be liquidated by the County's General, Law Enforcement, Nazareth Facility, Parks, FOC, Health, Child Care, Sheriff Road Patrol, HSD Pooled Costs, and Head Start Funds.

The annual requirements to pay principal and interest on long-term bonds and notes outstanding for the primary government consists of the following:

<i>Year Ending December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2010	\$ 2,028,010	\$ 1,557,824	\$ 250,000	\$ 343,938
2011	1,733,244	1,481,765	500,000	331,438
2012	1,656,716	1,412,445	500,000	314,250
2013	1,695,000	1,344,462	500,000	296,750
2014	1,440,000	1,280,183	500,000	278,750
2015-2019	7,465,000	5,447,908	3,000,000	1,058,600
2020-2024	6,830,000	3,956,501	2,600,000	438,550
2025-2029	8,045,000	2,297,228	800,000	73,600
2030-2032	6,000,000	414,000	-	-
	<b>\$ 36,892,970</b>	<b>\$ 19,192,315</b>	<b>\$ 8,650,000</b>	<b>\$ 3,135,875</b>

From time to time, the County, through its Economic Development Corporation, has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the private-sector entities. Neither the County, the state of Michigan, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2009, there was one Industrial Revenue Bond outstanding: W.B.C. Properties Limited Partnership Project, 5.75% \$6,500,000 Series, issued September 1, 1985, due in full in 2015.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### 7. Retirement Commitments

#### Kalamazoo County Employees' Retirement System (the System)

##### *Plan Description*

The System is an agent multiple-employer, defined benefit pension plan, which provides retirement and disability benefits to eligible plan members and beneficiaries. The System was established by the Kalamazoo County Board of Commissioners and is administered by the Kalamazoo County Retirement Investment Committee. The Kalamazoo County (County), Kalamazoo Road Commission (Road Commission), and Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) are participating employers of the System and are required to contribute to the System under the state of Michigan statutes. Employees of participating employers holding regular positions, either full time or part time of twenty hours or more per week, are included by law in the System. Employees of the Sheriff's Department Fraternal Order of Police, certain District Court employees, and the County Administrator are excluded from the System pursuant to past negotiations.

The System issues a publicly available financial report that includes financial statements and required supplemental information of the System. The financial report may be obtained by writing to the Office of Finance, County of Kalamazoo, Michigan, 201 West Kalamazoo Avenue, Kalamazoo, Michigan 49007, or by calling 269-384-8088.

##### *Summary of Significant Accounting Policies*

##### *Basis of Accounting*

The accompanying financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the System are recognized when due and the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the System.

##### *Method Used to Value Investments*

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Pooled separate accounts are stated primarily at current appraised value, which approximates market. Investments that do not have an established market are reported at estimated fair value.

##### *Annual Pension Cost and Net Pension Obligation*

The annual required contribution (ARC) for the current year was determined as part of the December 31, 2009, actuarial valuation using the entry age normal cost method for each employer. The actuarial assumptions included (a) a rate of return of 7.75%, b) projected salary increases ranging from 4.5% to 9.5%, including pay inflation of 4.5%, and c) no cost of living adjustments. The actuarial value of the System's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued asset is amortized over a closed period of 10 years for the County and KCMHSAS, and 12 years for the Road Commission as a level percent of payroll.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

Annual pension costs of the primary government and its discretely-presented component units, which were equal to the required contributions at December 31, 2009, consists of the following:

<u>Year Ended December 31,</u>		<i>Annual Pension Cost (APC)</i>	<i>Percentage of APC Contributed</i>
<b>Primary Government:</b>	2007	\$ 858,753	100.0%
	2008	\$ 696,028	100.0%
	2009	\$ 935,075	100.0%
<b>Kalamazoo County Road Commission:</b>	2007	\$ -	100.0%
	2008	\$ -	100.0%
	2009	\$ -	100.0%
<b>Kalamazoo Community Mental Health and Substance Abuse Services:</b>	2007	\$ 262,234	100.0%
	2008	\$ 225,405	100.0%
	2009	\$ 401,875	100.0%

The Schedule of Funding Progress immediately following these notes, as required supplementary information, presents multi-year information pertaining to whether the actuarial valuation of the plan's assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Defined Contribution Plans

#### *Primary Government - Sheriff's Department*

The County provides pension benefits for all of its full-time employees of the Sheriff's Department not covered by the Kalamazoo County Employees' Retirement System through a defined contribution plan, established and administered by the Fraternal Order of Police, Lodge No. 98 (FOP). In a defined contribution plan, benefits depend solely on amounts contributed to the System, plus investment earnings. Employees are eligible to participate from the date of employment. The County contributes an amount equal to 16.0% of the employee's base salary each pay period. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested upon deposit into a participant's account. The County made the required 2009 contribution of \$2,010,294. The County is not a fiduciary with respect to this plan and, accordingly, assets and liabilities of the System have been excluded from these financial statements. Contribution requirements are established or amended under the authority of the County Board of Commissioners and collective bargaining.

#### **Primary Government - Other**

Currently, one Probate Court Judge and four District Court employees have elected not to participate in the County's defined benefit plan described above. The probate judge is considered a state of Michigan employee and has elected to participate in a state of Michigan retirement plan under which the state and participant share in the cost of the state of Michigan retirement plan. The Probate Court Judges and the District Court employees who have opted not to participate in the County's defined benefit plan are eligible to be included in the Health Trust.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

The County has agreed to contribute, on behalf of the District Court employees, to defined contribution plans that are administered by unrelated third parties. The County made the required 2009 contributions on behalf of the District Court employees of \$26,877. The County is not a fiduciary with respect to these plans and, accordingly, the assets and liabilities of these plans have been excluded from these financial statements.

### *Component Unit, Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS)*

When KCMHSAS became a separate legal entity, its employees elected not to participate in the Social Security System. To provide its employees with a similar retirement benefit, KCMHSAS sponsored a 401(h) Plan (the Plan). Under the terms of this plan, which is a defined contribution plan, both KCMHSAS and its employees are required to contribute the same amounts that would be due if KCMHSAS had elected to participate in the Social Security System. For the year ended September 30, 2009, KCMHSAS and its employees each contributed \$541,913. KCMHSAS is not a fiduciary with respect to the Plan and, accordingly, assets and liabilities of the Plan have been excluded from these financial statements.

### Other Post Employment Benefits - Retiree Health Trust

#### *Plan Description*

In addition to the pension benefits described above, the County provides post employment health benefits through an agent multiple-employer OPEB plan. The system was established by the County Board of Commissioners and is administered by the Retiree Health Trust. The County of Kalamazoo, Michigan (the County), the Kalamazoo County Road Commission (Road Commission), and the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) are participating employers of the Retiree Health Trust.

Active participants of the defined benefits pension plan with a hire date prior to January 1, 2009, who retire at age 55 with eight or more years of service, are eligible for this benefit. Employees hired after January 1, 2009, must be age 60 with eight or more years of service to be eligible. Active participants of the FOP defined contribution plan are eligible under the terms of their collective bargaining agreement. Currently, there are 283 retirees of the primary government, 56 retirees of the FOP, 49 retirees of the Road Commission, and 37 retirees of KCMHSAS. Separate financial statements are not prepared. The District Court employees who have opted not to participate in the County Employee Retirement System are included in the Retiree Health Trust counts above.

The County's self-funded health insurance provides this benefit, which is provided for the life of the retiree. The insurance policy provides coverage for medical expense and costs for all pre-Medicare age retirees similar to the benefit available for active employees. At age 65, the County requires the retiree and his/her covered dependents to obtain Medicare Parts A and B, at which point the County will provide supplemental coverage. Dependent coverage, if requested, is financed by retiree contributions.

### *Summary of Significant Accounting Policies*

#### *Basis of Accounting*

In 2008, the County adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*. Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expenditures and related assets/liabilities as well as note disclosures in the reports of government employers.

The accompanying financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Retiree Health Trust are recognized when due and the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the Retiree Health Trust.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### *Method Used to Value Investments*

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Pooled separate accounts are stated primarily at current appraised value, which approximates market. Investments that do not have an established market are reported at estimated fair value.

### *Actuarial Methods and Assumptions*

The annual contribution rate (ARC) for the current year was determined as part of the December 31, 2009, actuarial valuation using the entry age normal cost method for each employee. The actuarial assumptions included (a) rate of return of 7.75%, (b) initial health cost trend of 9%, and (c) an ultimate health cost trend of 4.5%. The amortization method is level percent open and for a 30 year period.

The actuarial valuation involves estimates of reported amounts and assumptions are made which are based on the probability of future events. As a result, the valuation must be revised continually to incorporate changes that have occurred which impact the past expectations.

The actuarial calculations are based upon benefits that are provided at the time of the valuation, and do not include assumptions of future changes. A long-term perspective was used in the employment of actuarial techniques and methods, resulting in the smoothing of short-term volatility in actuarial accrued liabilities and asset values.

### *Funding Policy and Contributions*

The Retiree Health Trust currently funds the plan under the authority defined by the Kalamazoo County Board of Commission. Plan members are charged contributions at a set rate per member depending on years of service over eight years and the type of optional coverage elected. The County is currently contributing 75% of the fixed rate determined in the most recent actuarial valuation adjusted for plan design changes made during the year. The Road Commission and KCMHSAS are contributing based on the percentage of payroll determined in the most recent actuarial valuation.

The annual other post employment health benefit contributions of the primary government and its discretely-presented component units as of December 31, 2008 and 2009, are as follows:

		<i>Annual OPEB Cost</i>	<i>Actual Contributions</i>	<i>Percentage of OPEB Cost Contributed</i>
Kalamazoo County Government	2008	\$ 6,380,571	\$ 4,066,027	63.73%
	2009	\$ 5,556,719	\$ 4,408,914	79.34%
Kalamazoo Community Mental Health and Substance Abuse Services	2008	\$ 565,517	\$ 712,070	125.91%
	2009	\$ 431,772	\$ 681,572	157.85%
Kalamazoo County Road Commission	2008	\$ 782,146	\$ 733,240	93.75%
	2009	\$ 347,068	\$ 563,177	157.85%
Totals	2008	\$ 7,728,234	\$ 5,511,337	71.31%
	2009	\$ 6,335,559	\$ 5,653,663	89.24%

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### Calculation of Net OPEB Obligation

GASB 45 requires the disclosure of the components of the Net OPEB obligation calculation. This information is shown as follows:

<i>Year Ended December 31, 2009</i>	<i>Kalamazoo</i>	<i>Kalamazoo</i>	<i>Kalamazoo</i>
	<i>County</i>	<i>County</i>	<i>Community</i>
	<i>Government</i>	<i>Road</i>	<i>Mental</i>
		<i>Commission</i>	<i>Health and</i>
			<i>Substance</i>
			<i>Abuse</i>
			<i>Services</i>
Annual Required Contribution (ARC)	\$ 5,497,891	\$ 345,825	\$ 435,497
Interest on new OPEB obligation	-	-	-
Adjustment to ARC	-	-	-
Annual OPEB cost	5,497,891	345,825	435,497
Interest on NET OPEB contribution	179,377	3,790	(11,358)
Adjustment to Annual Required Contribution	(120,549)	(2,547)	7,633
Annual OPEB cost	5,556,719	347,068	431,772
Contributions made	4,408,914	563,177	681,572
Increase (decrease) in net OPEB obligation	1,147,805	(216,109)	(249,800)
Net OPEB Obligation (Asset), December 31, 2008	2,314,544	48,906	(146,553)
Net OPEB Obligation (Asset), December 31, 2009	\$ 3,462,349	\$ (167,203)	\$ (396,353)
Percentage of Annual OPEB Cost Contributed	79.34%	162.27%	157.85%

The funded status of the plan as of December 31, 2009, was as follows:

<i>Year Ended December 31, 2009</i>	<i>Kalamazoo</i>	<i>Kalamazoo</i>	<i>Kalamazoo</i>	<i>Total</i>
	<i>County</i>	<i>County</i>	<i>Community</i>	
	<i>Government</i>	<i>Road</i>	<i>Mental</i>	
		<i>Commission</i>	<i>Health and</i>	
			<i>Substance</i>	
			<i>Abuse</i>	
			<i>Services</i>	
Actuarial Accrued Liability (AAL)	\$ 64,557,503	\$ 4,936,576	\$ 5,259,827	\$ 74,753,906
Actuarial value of plan assets	3,071,475	1,233,280	1,629,832	5,934,587
Unfunded Actuarial Accrued Liability (UAAL)	\$ 61,486,028	\$ 3,703,296	\$ 3,629,995	\$ 68,819,319
Funded ratio (actuarial value of plan assets/AAL)	4.8%	25.0%	31.0%	7.9%
Covered payroll (active plan members)	\$ 48,606,973	\$ 3,103,798	\$ 10,417,170	\$ 62,127,941
UAAL as a percentage of covered payroll	126.5%	119.3%	34.8%	110.8%

The Schedule of Funding Progress immediately following the notes to the basic financial statements, as required supplementary information, presents multi-year information pertaining to whether the actuarial valuation of the plan's assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### 8. Claims Arising from Risks of Loss

#### *Primary Government (the County)*

The risks of loss arising from general liability, property, and crime, not associated with operation of the airport, are managed through a combination of purchased commercial insurance, through the Michigan Municipal Risk Management Authority, and the set aside of assets. Assets have been set aside for the coverage of up to a maximum of \$100,000 for each general liability claim, and \$1,000 for each property and crime claim (also, 10% of next \$100,000 of each property and crime claim). Purchased commercial insurance provides coverage in excess of these limits and for all other risks of loss. With regard to vehicle physical damage claims, the County is entirely self-insured due to the prohibitive cost of commercial insurance for such losses.

Risks of loss associated with operation of the airport (general, contractual, personal injury, and hangar-keepers' liabilities) are managed through the purchase of commercial insurance.

The Employee Benefit Fund provides coverage for up to a maximum of \$350,000 for each workers' compensation claim. The County purchases commercial insurance for claims in excess of this coverage up to a maximum of \$1,000,000 for each claim and \$10,000,000 for aggregate claims. Workers' compensation claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss may be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period are not significant, as the County prefers to liquidate such liabilities immediately.

The County manages its risk of loss arising from health and medical claims through a combination of purchased commercial insurance and a set aside of assets for claims settlements. For those claims (up to an annual maximum of \$100,000 per individual) financed from the set aside of assets, the County reports claim expenditures and liabilities when it is probable that a loss has occurred and the amount of loss may be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Health and medical claim liabilities are subject to the same estimation limitations and periodic reevaluation as workers' compensation claims. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. In addition, in the past three fiscal years, settlements did not exceed insurance coverage.

Changes in the balances of claim liabilities for 2009 and 2008, consists of the following:

<i>General Fund</i>	<i>Beginning of Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>End of Year Liability</i>
<i>General liability and crime:</i>				
2008	\$ 238,388	\$ (73,618)	\$ 62,275	\$ 102,495
2009	\$ 102,495	\$ 142,746	\$ 86,428	\$ 158,813

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

The County considers property and vehicle damage claims arising from natural disasters, catastrophes, or other extraordinary events as subject to the provisions of the accounting standards governing risk management and, therefore, reportable. Expenditures incurred in connection with asset repairs or replacements not associated with such causes are considered outside the measurement and reporting standards.

Changes in the balances of health and welfare claim liabilities for 2009 and 2008, consists of the following:

<i>Internal Service Funds</i>	<i>Beginning of Year Liability</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claim Payments</i>	<i>End of Year Liability</i>
<i>Workers' compensation:</i>				
2008	\$ 1,229,144	\$ (172,015)	\$ (747,576)	\$ 309,553
2009	\$ 309,553	\$ 309,294	\$ (447,856)	\$ 170,991
<i>Employee health and medical:</i>				
2008	\$ 514,756	\$ 3,675,202	\$ (3,711,851)	\$ 478,107
2009	\$ 478,107	\$ 3,868,479	\$ (3,926,250)	\$ 420,336
<i>Employee dental:</i>				
2008	\$ 37,473	\$ 395,618	\$ (392,964)	\$ 40,127
2009	\$ 40,127	\$ 503,760	\$ (511,383)	\$ 32,504

### *Kalamazoo County Road Commission (the Road Commission)*

The Road Commission participates in the Michigan County Road Commission Self-Insurance Pool (SIP) and the County Road Association Self-Insurance Fund (SIF); both are public entity risk pools operating as a common risk management program for road commissions in the state of Michigan. The Road Commission pays annual premiums to the SIP and SIF for general insurance coverage and workers' compensation claims, respectively. In the event of unusually high claims, both the SIP and SIF may assess member road commissions on a retroactive basis. The Road Commission purchases commercial insurance for risks of loss arising from employee health and accident claims.

### *Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS)*

The risks of loss arising from general liability, property, and crime are managed through participation in the Michigan Municipal Risk Management State Pool, a public entity risk pool currently operating as a common risk management program for government entities in the state of Michigan. KCMHSAS pays annual premiums to the state pool for insurance coverage up to a maximum of \$10,000,000 for aggregate general liability claim, and \$5,205,000 for property and crime claims. In the event of unusually high claims, the state pool may assess member government units on a retroactive basis. KCMHSAS purchases commercial insurance for risks of loss arising from employee health, medical, and workers' compensation claims.

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Continued)

### 9. Compliance

#### *Expenditures Over Appropriations*

P.A. 621 of 1978 Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures have been shown on a functional basis. The County incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated consists of the following:

<i>Year Ended December 31, 2009</i>	<i>Excess Expenditures</i>
<b>General Fund:</b>	<b>\$</b>
<i>Judicial:</i>	
Circuit Court - Administration	(34,099)
Circuit Court - Trial Division	(223)
District Court	(31,460)
<i>General Government:</i>	
Human Resources	(31,010)
Security	(49,071)
Appropriation to SW Michigan First	(11,300)
<i>Public Safety:</i>	
Sheriff	(620,246)
Emergency Management	(22,792)
<i>Health and Welfare - Veteran's Burial</i>	(42,900)
<i>Transfers Out:</i>	
Law Library Fund	(1,615)
Child Care Probate Fund	(23,794)
<b>Special Revenue Funds:</b>	
<i>Law Enforcement Fund:</i>	
Judicial - District Court	(1,776)
Public Safety - Sheriff	(374,833)
Transfers Out - Child Care Probate Fund	(5,290)
Revenue Sharing Reserve Fund - Transfers Out	(104,136)
<i>Parks and Recreation - Transfers Out - Parks Improvement Fund</i>	(5,259)
<i>Accommodation Tax - Recreation and Culture</i>	(83,137)
<i>Law Library - Judicial</i>	(1,615)
<i>Child Care Probate - Capital Outlay</i>	(138,103)
<i>Head Start - Health and Welfare</i>	(38,191)
<i>Public Safety - Capital Outlay</i>	(33,638)
<i>Health and Welfare Special Grants - Transfers Out - NFP Grant</i>	(24,639)
<i>Capital Outlay Special Grants - Capital Outlay</i>	(14,791)

# County of Kalamazoo, Michigan

## Notes to Basic Financial Statements (Concluded)

### *Investments of the Defined Benefit Pension Plan (Pension Trust Fund) (the Plan)*

Effective October 16, 2000, a state of Michigan law was enacted limiting retirement plan's investment in common stocks to 70% of a plan's assets at market value. At December 31, 2009, the Plan's investment in common stocks was 71.2% of plan assets at market value, thereby exceeding the limit allowed by law.

On November 18, 2009, the Retirement Investment Committee met and directed staff to review the asset holdings as of November 30, 2009. The System was brought into compliance in December, 2009; however, the market appreciation during December, 2009, caused the System to exceed the 70% limit at December 31, 2009.

The System was brought into compliance during 2010.

## 10. Commitments and Contingencies

At December 31, 2009, the County had the following contractual construction commitments:

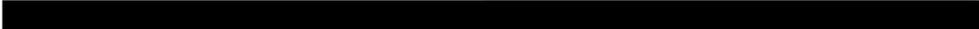
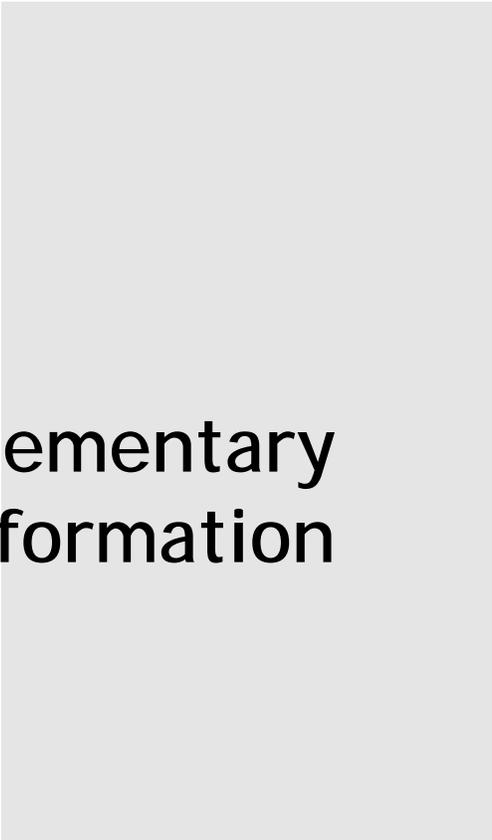
	<i>Project Authorization</i>	<i>Expended Through December 31, 2009</i>	<i>Committed</i>	<i>Required Future Financing</i>
Airport improvements	\$ 19,050,396	\$ 5,725,674	\$ 13,324,722	\$ *
Juvenile Home	29,250,000	29,115,048	134,952	-
Fixed assets in progress	-	370,162	424,452	-
	<b>\$ 48,300,396</b>	<b>\$ 35,210,884</b>	<b>\$ 13,884,126</b>	<b>\$ -</b>

\* The majority of these projects are administered by the state of Michigan, funded by a combination of federal and state grants, and local monies, in the following ratio: 95%, 2.5%, and 2.5%, respectively.

The County leases several facilities under non-cancelable agreements that have been classified as operating leases. Total cost for such leases were \$432,584 in 2009. The future minimum lease payments for these leases consists of the following:

<i>Year Ending December 31,</i>	<i>Amount</i>
2010	\$ 384,005
2011	335,553
2012	302,697
	<b>\$ 1,022,255</b>

# Required Supplementary Information



# County of Kalamazoo, Michigan

## Schedules of Funding Progress

### Kalamazoo County Employees' Retirement System

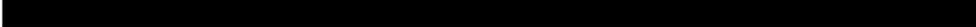
<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL) - Entry Age</i>	<i>Unfunded AAL (UAAL)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll</i>
<i>Employer</i>	(A)	(B)	(B)-(A)	(A)/(B)	(C)	[(B)-(A)]/(C)
	\$	\$	\$		\$	
<b>Primary Government:</b>						
12/31/2007	117,536,641	87,542,664	(29,993,977)	134.3%	27,705,539	-108.3%
12/31/2008	120,174,139	95,531,315	(24,642,824)	125.8%	29,132,398	-84.6%
12/31/2009	121,700,436	104,800,076	(16,900,360)	116.1%	30,836,049	-54.8%
<b>Kalamazoo County Road Commission:</b>						
12/31/2007	18,307,775	12,714,350	(5,593,425)	144.0%	3,062,522	-182.6%
12/31/2008	18,388,721	13,052,992	(5,593,425)	140.9%	3,114,099	-171.3%
12/31/2009	18,277,106	13,398,414	(5,593,425)	136.4%	2,842,241	-171.6%
<b>Kalamazoo Community Mental Health and Substance Abuse Services:</b>						
12/31/2007	21,371,724	14,384,271	(6,987,453)	148.6%	8,551,466	-81.7%
12/31/2008	21,662,970	16,201,152	(5,461,818)	133.7%	9,049,076	-60.4%
12/31/2009	22,528,833	17,509,842	(5,018,991)	128.7%	9,538,315	-52.6%
<b>Totals:</b>						
12/31/2007	157,216,140	114,641,285	(42,574,855)	137.1%	39,319,527	-108.3%
12/31/2008	160,225,830	124,785,459	(35,698,067)	128.4%	41,295,573	-85.8%
12/31/2009	162,506,375	135,708,332	(27,512,776)	119.7%	43,216,605	-62.0%

# County of Kalamazoo, Michigan

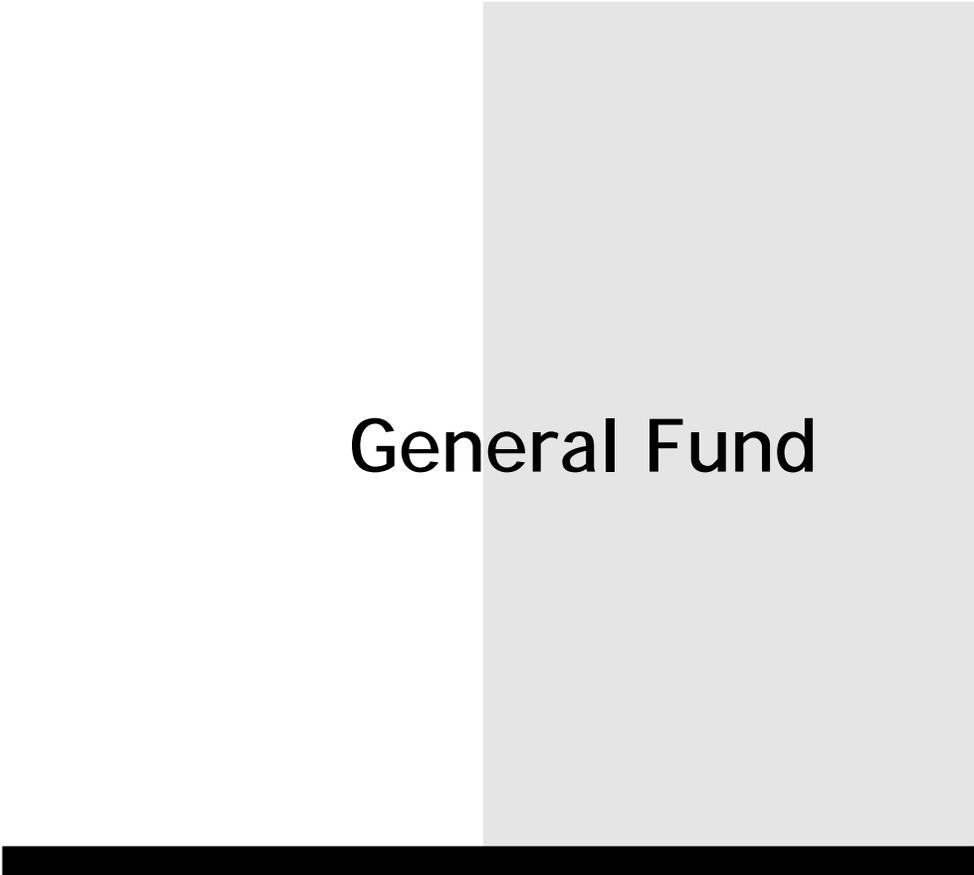
## Schedules of Funding Progress (Concluded)

### Other Post Employment Benefits - Retiree Health Trust

<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL) - Entry Age</i>	<i>Unfunded AAL (UAAL)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll</i>
<i>Employer</i>	(A)	(B)	(B)-(A)	(A)/(B)	(C)	[(B)-(A)]/(C)
	\$	\$	\$		\$	
<b>Kalamazoo County Government:</b>						
12/31/2007	-	68,274,028	68,274,028	0.0%	46,236,021	147.7%
12/31/2008	1,514,332	77,583,594	76,069,262	2.0%	47,085,151	161.6%
12/31/2009	3,071,475	64,557,503	61,486,028	4.8%	48,606,973	126.5%
<b>Kalamazoo County Road Commission:</b>						
12/31/2007	-	9,215,977	9,215,977	0.0%	3,381,525	272.5%
12/31/2008	841,850	5,179,901	4,338,051	16.3%	3,400,674	127.6%
12/31/2009	1,233,280	4,936,576	3,703,296	25.0%	3,103,798	119.3%
<b>Kalamazoo Community Mental Health and Substance Abuse Services:</b>						
12/31/2007	-	5,765,260	5,765,260	0.0%	7,931,526	72.7%
12/31/2008	1,106,923	5,666,374	4,559,451	19.5%	9,881,817	46.1%
12/31/2009	1,629,832	5,259,827	3,629,995	31.0%	10,417,170	34.8%
<b>Totals</b>						
12/31/2007	-	83,255,265	83,255,265	0.0%	57,549,072	144.7%
12/31/2008	3,463,105	88,429,869	84,966,764	3.9%	60,367,642	140.7%
12/31/2009	5,934,587	74,753,906	68,819,319	7.9%	62,127,941	110.8%



# Combining and Individual Fund Statements and Schedules



**General Fund**

# County of Kalamazoo, Michigan

## General Fund

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The General Fund is the principal operating fund of the County. It is used to account for all revenues, expenditures, and activities not specifically accounted for in another fund. Revenues are derived primarily from property taxes, intergovernmental revenues, and charges for services.

# County of Kalamazoo, Michigan

## General Fund Schedule of Sources and Uses of Financial Resources

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
<i>Taxes:</i>				
Non-departmental - Property taxes	\$ 38,486,100	\$ 38,222,400	\$ 38,349,742	\$ 127,342
Treasurer	80,000	80,000	90,717	10,717
<b><i>Total Taxes</i></b>	<b><i>38,566,100</i></b>	<b><i>38,302,400</i></b>	<b><i>38,440,459</i></b>	<b><i>138,059</i></b>
<i>Licenses and Permits:</i>				
County Clerk/Register of Deeds	24,500	47,500	49,189	1,689
Animal Services and Enforcement	403,000	403,000	434,073	31,073
Treasurer	5,000	5,000	11,573	6,573
Soil Erosion and Sedimentation Control	40,000	30,000	22,714	(7,286)
Medical Examiner	9,000	9,000	12,380	3,380
<b><i>Total Licenses and Permits</i></b>	<b><i>481,500</i></b>	<b><i>494,500</i></b>	<b><i>529,929</i></b>	<b><i>35,429</i></b>
<i>Federal Grants:</i>				
Friend of the Court	1,720,500	1,911,400	2,072,263	160,863
Sheriff	66,000	18,000	42,491	24,491
Emergency Management	45,400	45,400	50,085	4,685
Prosecuting Attorney	88,800	63,600	103,322	39,722
<b><i>Total Federal Grants</i></b>	<b><i>1,920,700</i></b>	<b><i>2,038,400</i></b>	<b><i>2,268,161</i></b>	<b><i>229,761</i></b>
<i>State Grants:</i>				
State Court Fund Distribution	1,408,100	1,295,900	1,301,184	5,284
Convention and Tourism	1,541,300	1,449,700	1,449,683	(17)
Cigarette Tax	76,500	51,500	59,412	7,912
Elections	3,000	3,000	3,971	971
Friend of the Court	20,000	39,900	40,210	310
Circuit Court - Trial Division	186,300	186,300	185,329	(971)
Circuit Court - Family Division	341,700	341,700	342,268	568
District Court	404,100	404,100	408,169	4,069
Prosecuting Attorney	25,000	25,000	38,438	13,438
Probate Court	147,800	147,800	148,189	389
Sheriff	30,000	30,900	31,908	1,008
County Clerk/Register of Deeds	2,500	2,500	2,248	(252)
<b><i>Total State Grants</i></b>	<b><i>4,186,300</i></b>	<b><i>3,978,300</i></b>	<b><i>4,011,009</i></b>	<b><i>32,709</i></b>

# County of Kalamazoo, Michigan

## General Fund Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues (Continued):</b>				
<i>Local Unit Contributions:</i>				
Sheriff	\$ 1,152,000	\$ 1,152,000	\$ 1,191,757	\$ 39,757
Veteran's Affairs	6,000	6,000	4,629	(1,371)
<i>Total Local Unit Contributions</i>	<i>1,158,000</i>	<i>1,158,000</i>	<i>1,196,386</i>	<i>38,386</i>
<i>Charges for Services:</i>				
Circuit Court - Trial Division	829,200	606,700	577,103	(29,597)
Circuit Court - Family Division	118,800	107,600	102,361	(5,239)
District Court	2,149,100	2,149,100	2,080,394	(68,706)
Friend of the Court	145,000	169,000	158,712	(10,288)
Probate Court	70,400	70,400	69,178	(1,222)
Elections	175,000	175,000	179,894	4,894
County Clerk/Register of Deeds	1,821,800	1,573,500	1,647,284	73,784
Equalization	-	-	1,500	1,500
Prosecuting Attorney	28,000	28,000	31,950	3,950
Treasurer	124,000	124,000	93,284	(30,716)
Drain Commissioner	7,000	7,000	(27,280)	(34,280)
Sheriff	1,125,600	1,141,700	1,148,572	6,872
Animal Services and Enforcement	59,700	59,700	79,976	20,276
HCS Administration	-	-	11	11
MSU Extension	11,500	11,500	11,500	-
Planning	1,500	1,000	865	(135)
<i>Total Charges for Services</i>	<i>6,666,600</i>	<i>6,224,200</i>	<i>6,155,304</i>	<i>(68,896)</i>
<i>Fines and Forfeitures:</i>				
Circuit Court - Trial Division	20,000	35,000	36,920	1,920
District Court	2,600,000	2,600,000	1,964,354	(635,646)
Prosecuting Attorney	55,800	79,100	65,221	(13,879)
Treasurer	6,000	6,000	71,080	65,080
Soil Erosion and Sedimentation Control	500	500	-	(500)
<i>Total Fines and Forfeitures</i>	<i>2,682,300</i>	<i>2,720,600</i>	<i>2,137,575</i>	<i>(583,025)</i>
<i>Interest and Rents</i>	<i>1,308,300</i>	<i>985,200</i>	<i>1,159,775</i>	<i>174,575</i>

# County of Kalamazoo, Michigan

## General Fund Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues (Concluded):</b>				
<i>Other:</i>				
Non-departmental Revenue	\$ -	\$ -	\$ 1,159	\$ 1,159
Circuit Court - Trial Division	700	1,500	1,554	54
Circuit Court - Family Division	1,000	1,000	54	(946)
District Court	50,000	50,000	47,807	(2,193)
Friend of the Court	100	100	273	173
Probate Court	3,000	3,000	3,536	536
Family Counseling Services	22,900	22,900	24,835	1,935
County Clerk/Register of Deeds	5,000	9,000	8,355	(645)
Finance	8,500	21,200	21,999	799
Indirect Costs	862,900	964,200	1,206,357	242,157
Prosecuting Attorney	1,000	1,000	1,404	404
Treasurer	200	200	6,167	5,967
Drain Commissioner	1,700	1,700	218	(1,482)
Sheriff	409,200	474,600	449,519	(25,081)
Animal Services and Enforcement	15,100	15,100	17,322	2,222
Emergency Management	-	-	3,393	3,393
Veteran's Affairs	1,000	1,000	929	(71)
Medical Examiner	3,000	3,000	2,000	(1,000)
<b>Total Other</b>	<b>1,385,300</b>	<b>1,569,500</b>	<b>1,796,881</b>	<b>227,381</b>
<i>Contributions and Donations:</i>				
County Clerk/Register of Deeds	-	-	50	50
Sheriff	2,000	2,000	-	(2,000)
Veteran's Affairs	-	-	1,500	1,500
MSU Extension	4,500	4,500	4,500	-
<b>Total Contributions and Donations</b>	<b>6,500</b>	<b>6,500</b>	<b>6,050</b>	<b>(450)</b>
<b>Total Revenues</b>	<b>58,361,600</b>	<b>57,477,600</b>	<b>57,701,529</b>	<b>223,929</b>

# County of Kalamazoo, Michigan

## General Fund Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Expenditures:</b>				
<i>Legislative:</i>				
Board of Commissioners	\$ 296,200	\$ 296,200	\$ 290,126	\$ 6,074
County Administration	463,400	474,600	473,052	1,548
Legal Services	174,900	179,000	175,404	3,596
<i>Total Legislative</i>	<i>934,500</i>	<i>949,800</i>	<i>938,582</i>	<i>11,218</i>
<i>Judicial:</i>				
Circuit Court - Administration	4,925,700	4,894,000	4,928,099	(34,099)
Circuit Court - Trial Division	446,400	450,100	450,323	(223)
Circuit Court - Family Division	832,400	844,400	841,698	2,702
District Court	5,072,300	5,038,100	5,069,560	(31,460)
Jury Board	3,300	3,300	3,249	51
Probate Court	900,000	910,700	868,838	41,862
<i>Total Judicial</i>	<i>12,180,100</i>	<i>12,140,600</i>	<i>12,161,767</i>	<i>(21,167)</i>
<i>General Government:</i>				
Elections	220,600	222,300	191,726	30,574
County Clerk/Register of Deeds	651,600	661,000	622,647	38,353
Resource Development	106,300	108,300	108,073	227
Finance	962,800	1,061,300	1,050,008	11,292
Equalization	444,200	409,100	404,255	4,845
Human Resources	826,100	813,800	844,810	(31,010)
Prosecuting Attorney	2,302,400	2,253,900	2,226,160	27,740
Purchasing	115,700	118,100	117,491	609
Treasurer	605,900	663,600	658,469	5,131
Building and Grounds	2,276,400	2,228,000	2,169,506	58,494
Utilities	938,800	938,800	909,793	29,007
Security	598,300	562,300	611,371	(49,071)
Drain Commissioner	206,100	242,700	211,972	30,728
Soil Erosion and Sedimentation Control	77,600	77,200	76,313	887
Planning and Community Development	112,200	120,500	110,699	9,801
Appropriation to SW Michigan First	75,000	75,000	86,300	(11,300)
<i>Total General Government</i>	<i>10,520,000</i>	<i>10,555,900</i>	<i>10,399,593</i>	<i>156,307</i>

# County of Kalamazoo, Michigan

## General Fund Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Expenditures (Continued):</b>				
<i>Public Safety:</i>				
Sheriff	\$ 15,065,600	\$ 15,123,600	\$ 15,743,846	\$ (620,246)
Animal Services and Enforcement	550,600	554,800	544,283	10,517
Emergency Management	200,900	201,700	224,492	(22,792)
Adult Probation	72,100	72,100	41,913	30,187
<b>Total Public Safety</b>	<b>15,889,200</b>	<b>15,952,200</b>	<b>16,554,534</b>	<b>(602,334)</b>
<i>Health and Welfare:</i>				
Human Services Administration	993,600	996,300	982,342	13,958
Veteran's Affairs	134,200	136,800	133,938	2,862
Medical Examiner	425,500	426,300	423,867	2,433
Veteran's Burial	53,100	53,100	96,000	(42,900)
Soldier and Sailor Relief	9,800	9,800	9,303	497
<i>Appropriations to:</i>				
Kalamazoo Community Mental Health and Substance Abuse Services	2,321,100	2,321,100	2,275,242	45,858
Michigan Department of Human Services	19,000	19,000	19,000	-
Child Care Welfare	612,100	612,100	612,100	-
<b>Total Health and Welfare</b>	<b>4,568,400</b>	<b>4,574,500</b>	<b>4,551,792</b>	<b>22,708</b>
<i>Recreation and Culture - MSU Extension</i>	<i>306,100</i>	<i>305,200</i>	<i>291,565</i>	<i>13,635</i>
<i>Other:</i>				
Contingencies	375,500	1,014,200	-	1,014,200
Reserves	261,200	261,200	-	261,200
At-Large Drains	44,300	44,300	34,333	9,967
Retiree Health Insurance	2,000,000	1,250,000	-	1,250,000
DD/MI/Other Personnel Costs	1,336,900	813,200	-	813,200
Insurance and Surety Bonds	1,000,000	1,000,000	979,482	20,518
Strategic Issues	160,000	35,000	16,500	18,500
<b>Total Other</b>	<b>5,177,900</b>	<b>4,417,900</b>	<b>1,030,315</b>	<b>3,387,585</b>

# County of Kalamazoo, Michigan

## General Fund Schedule of Sources and Uses of Financial Resources (Concluded)

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Expenditures (Concluded):</b>				
<i>Debt Service:</i>				
Principal	\$ 375,700	\$ 375,700	\$ 379,898	\$ (4,198)
Interest and other charges	7,900	7,900	4,196	3,704
<i>Total Debt Service</i>	<i>383,600</i>	<i>383,600</i>	<i>384,094</i>	<i>(494)</i>
<i>Capital Outlay</i>	<i>970,100</i>	<i>4,416,900</i>	<i>1,705,578</i>	<i>2,711,322</i>
<b>Total Expenditures</b>	<b>50,929,900</b>	<b>53,696,600</b>	<b>48,017,820</b>	<b>5,678,780</b>
<b>Excess of Revenues Over Expenditures</b>	<b>7,431,700</b>	<b>3,781,000</b>	<b>9,683,709</b>	<b>5,902,709</b>
<b>Other Financing Sources (Uses):</b>				
<i>Transfers In:</i>				
Revenue Sharing Reserve Fund	5,087,600	5,087,600	5,176,936	89,336
Accommodation Tax Fund	30,800	10,800	27,286	16,486
Family Planning	-	17,600	17,600	-
Juvenile Home Building Project	-	124,200	123,383	(817)
Internal Delinquent Tax Revolving Fund	1,000,000	1,000,000	1,000,000	-
Veterans' Trust Fund	12,000	12,000	10,250	(1,750)
<i>Total Transfers In</i>	<i>6,130,400</i>	<i>6,252,200</i>	<i>6,355,455</i>	<i>103,255</i>
<i>Transfers Out:</i>				
Parks and Recreation Fund	(297,200)	(306,600)	(301,341)	5,259
Friend of the Court Fund	(2,614,200)	(2,641,000)	(2,610,076)	30,924
Justice Facilities - Improvement Fund	(3,949,400)	(3,949,400)	(3,949,400)	-
Health Fund	(2,296,100)	(2,084,600)	(1,371,131)	713,469
Law Library Fund	(42,200)	(42,200)	(43,815)	(1,615)
Area Agency on Aging Fund	(94,900)	(94,900)	(94,900)	-
Child Care Probate Fund	(3,422,100)	(3,235,500)	(3,259,294)	(23,794)
Judicial Special Grants Fund	(130,000)	(130,000)	(90,692)	39,308
Health and Welfare Special Grants Fund	(50,000)	(287,100)	(262,124)	24,976
Information Systems Fund	(887,400)	(870,200)	(841,234)	28,966
<i>Total Transfers Out</i>	<i>(13,783,500)</i>	<i>(13,641,500)</i>	<i>(12,824,007)</i>	<i>817,493</i>
<b>Total Other Financing Uses</b>	<b>(7,653,100)</b>	<b>(7,389,300)</b>	<b>(6,468,552)</b>	<b>920,748</b>
<b>Net Change in Fund Balance</b>	<b>\$ (221,400)</b>	<b>\$ (3,608,300)</b>	<b>\$ 3,215,157</b>	<b>\$ 6,823,457</b>

# Nonmajor Governmental Funds



# County of Kalamazoo, Michigan

## Nonmajor Governmental Funds (Continued)

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### Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

*Budget Stabilization Fund* - This fund was established to account for funds set aside under the provisions of Public Act 30 of 1978, with the intention of assuring solid financial condition of the County in case of an emergency.

*Parks and Recreation Fund* - This fund was established to account for the maintenance and operation of the County owned parks and fairgrounds. Funding is provided from charges for services, grants, and interfund transfers.

*Friend of the Court Fund* - This fund was established to account for the operations of the Friend of the Court, including costs incurred in the collection and subsequent disbursement of child support payments. Funding is provided through federal and state grants and charges for services. Most of the Friend of the Court revenues are deposited in the General Fund and later transferred to the Friend of the Court Fund as needed.

*Accommodation Tax Fund* - This fund was established to account for the collection of a 5% excise tax, which is imposed on all individuals engaged in the business of providing rooms for transient guests within the County. This tax provides funding for the Kalamazoo Convention and Visitors Bureau. The County Board resolutions allocate the use of these revenues to promote tourism and convention business.

*Law Library Fund* - This fund was established to account for funds provided for the maintenance of a law library. Funding is provided from penal fees and interfund transfers.

*Area Agency on Aging Fund* - This fund was established to account for operation and administration of service programs to senior citizens. Funding is provided through federal and state grants.

*Child Care Probate Fund* - This fund was established to account for the County court-administered health and welfare of minor children. Funding is provided through federal and state grants and interfund transfers.

*Veterans' Trust Fund* - This fund was established to account for financial assistance provided to qualified veterans. Funding is provided through state grants.

*Community Healthy Start Fund* - This fund was established to account for operations aimed at reducing infant mortality. Funding is provided through federal grants and local grants and interfund transfers.

*HIV/AIDS Consortium Fund* - This fund was established to account for providing financial assistance to individuals and their families infected or affected with AIDS during difficult financial times. Individuals (families) receive appropriate financial subsidies for housing needs to move the person (family) from an emergency housing situation to a more stable housing plan and to prevent the person (family) from becoming homeless. This fund will be closed in 2010.

*Community Corrections Fund* - This fund was established to account for alternatives such as tethers, bail screening, and additional probation to alleviate jail-overcrowding problems. Funding is provided through state grants and charges for services.

# County of Kalamazoo, Michigan

## Nonmajor Governmental Funds (Continued)

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### Special Revenue Funds (Concluded)

*Workforce Investment Act (W.I.A.) Fund* - This fund was established to account for training and employment programs within Kalamazoo and St. Joseph Counties under the Jobs Training Partnership Act. Funding is provided through federal and state grants.

*Head Start Fund* - This fund was established to account for preschool readiness programs offered to eligible children. Funding is provided through federal grants.

*Judicial Special Grants Fund* - This fund was established to account for various judicial function activities financed by federal and/or state grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

*Public Safety Special Grants Fund* - This fund was established to account for various public safety function activities financed by federal and/or state grants or local grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

*Public Works Special Grants Fund* - This fund was established to account for various public works function activities financed by federal and/or state grants or local grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

*Health and Welfare Special Grants Fund* - This fund was established to account for various health and welfare function activities financed by federal and/or state grants or local grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

*Other Special Grants Fund* - This fund was established to account for various other function activities financed by local grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

*Capital Outlay Special Grants Fund* - This fund was established to account for various capital outlay function activities financed by federal and/or state grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

### Debt Service Funds

The Debt Service Funds are used to account for the collection of resources and the payment of general long-term debt.

*1982 Water Supply System No. 1 Bonds Fund* - This fund was established to account for collection of local unit contributions and the payment of limited tax obligation debt service (principal and interest). This debt is a special assessment debt secured by a commitment from the Village of Climax, issued in connection with a water supply system project.

*1996 Sewage Disposal System No. 7 Bonds Fund* - This fund was established to account for the collection of local unit contributions and the payment of limited tax obligation debt service (principal and interest). This debt is a special assessment debt secured by a commitment from the Charter Township of Comstock, issued in connection with a sanitary sewage system project.

# County of Kalamazoo, Michigan

## Nonmajor Governmental Funds (Continued)

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### Debt Service Funds (Concluded)

*1998 Indian Lake/Pickereel Lake Sewage Disposal System Bonds Fund* - This fund was established to account for the collection of local unit contributions and the payment of limited tax obligation debt service (principal and interest). This debt is a special assessment debt secured by a commitment from the Townships of Brady and Pavilion, issued in connection with a sanitary sewage system project.

*2001 Cooper Township Sanitary Sewage Disposal System Bonds Fund* - This fund was established to account for the collection of local unit contributions and the payment of limited tax obligation debt service (principal and interest). This debt is a special assessment debt secured by a commitment from the Township of Cooper, issued in connection with a sanitary sewage system project.

*Gilbert Drain Debt Retirement Fund* - This fund was established to account for the collection of special assessments and the payment of the bond debt service (principal and interest). This debt is a special assessment debt secured by the Drainage District.

*2004 Texas Township Sewage Disposal System Refunding Bonds Fund* - This fund was established to account for the collection of local unit contributions and the payment of limited obligation debt service (principal and interest). This debt refunded the 1991 and 1993 Texas Township Sewage Disposal Bonds. The refunded debt is a special assessment debt secured by a commitment from the Charter Township of Texas, issued in connection with a sanitary sewage system project.

*2005 Comstock Sewage Disposal Fund* - This fund was established to account for the collection of local unit contributions and the payment of limited tax obligation debt service. This debt is a special assessment debt secured by a commitment from Comstock Township, issued in connection with a sewage disposal system project.

*2005 Village of Augusta Water Supply Fund* - This fund was established to account for the collection of local unit contributions and the payment of limited tax obligation debt service. This debt is a special assessment debt secured by a commitment from the Village of Augusta, issued in connection with a water supply system project.

*2007 Austin Lake Bond Fund* - This fund was established to account for the collection of special assessments and the payment of the bond debt service (principal and interest). This debt is a special assessment debt secured by the Drainage District.

*2007 Juvenile Home Bond Fund* - This fund was established to account for the collection of ad valorem taxes and the payment of the general obligation debt service. This debt is secured by the unlimited taxing power of the County, issued in connection with the construction of a new Juvenile Home.

*2008 Townline Drain Fund* - This fund was established to account for the collection of special assessments and the payment of the bond debt service (principal and interest). This debt is a special assessment debt secured by the Drainage District.

# County of Kalamazoo, Michigan

## Nonmajor Governmental Funds (Concluded)

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### Capital Projects Funds

The Capital Projects Funds are used to account for the accumulation of resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary Fund and Trust Funds).

*Juvenile Home Building Project Fund* - This fund was established to account for the construction of a new Juvenile Home to be funded by a voter-approved millage. Monies for this purpose are advanced from the General Fund and later replenished through the sale of bonds.

*Drains Fund* - This fund was established to account for drain project costs prior to actual special assessments being levied. Monies for this purpose are advanced from the General Fund and later replenished as special assessments are levied upon benefited properties.

*Gilbert Drain Construction Fund* - This fund was established to account for the receipt and use of notes proceeds in connection with a drain system project for the Gilbert Drain District in Kalamazoo County.

*Austin Lake Special Assessment Fund* - This fund was established to account for the receipt and use of bond proceeds in connection with a drain system project for the Austin Lake Drainage District.

*Oshtemo Township Water Supply System Construction Fund* - This fund was established to account for the receipt and use of bond proceeds in connection with a water supply system project within the Charter Township of Oshtemo.

*2008 Townline Drain Construction Fund* - This fund was established to account for the receipt and use of bond proceeds in connection with a drain system project for the Townline Drainage District.

# County of Kalamazoo, Michigan

## Nonmajor Governmental Funds Combining Balance Sheet

<i>December 31, 2009</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Other Governmental</i>
<b>Assets:</b>				
Cash	\$ 5,112,470	\$ 774,969	\$ 341,825	\$ 6,229,264
Investments	3,200,000	-	500,466	3,700,466
Receivables:				
Accounts/taxes	159,534	1,267,027	-	1,426,561
Unlevied assessments	-	-	83,328	83,328
Due from other governmental units	3,746,473	-	-	3,746,473
Other	15,581	-	-	15,581
<b>Total Assets</b>	<b>\$ 12,234,058</b>	<b>\$ 2,041,996</b>	<b>\$ 925,619</b>	<b>\$ 15,201,673</b>
 <b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Checks issued against future deposits	\$ 1,990,161	\$ -	\$ -	\$ 1,990,161
Accounts payable	945,413	-	599,186	1,544,599
Due to governmental units	399,330	-	-	399,330
Accrued liabilities	472,093	-	-	472,093
Advances to other funds	-	-	78,146	78,146
Deferred revenue	1,739,754	1,558,494	-	3,298,248
<b>Total Liabilities</b>	<b>5,546,751</b>	<b>1,558,494</b>	<b>677,332</b>	<b>7,782,577</b>
<b>Fund Balance:</b>				
Reserved for encumbrances	170,793	-	-	170,793
Unreserved - Undesignated	6,516,514	483,502	248,287	7,248,303
<b>Fund Balance</b>	<b>6,687,307</b>	<b>483,502</b>	<b>248,287</b>	<b>7,419,096</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 12,234,058</b>	<b>\$ 2,041,996</b>	<b>\$ 925,619</b>	<b>\$ 15,201,673</b>

**County of Kalamazoo, Michigan**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**

<i>Year Ended December 31, 2009</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Other Governmental</i>
<b>Revenues:</b>				
Taxes	\$ 1,819,980	\$ -	\$ -	\$ 1,819,980
Federal grants	22,529,932	-	-	22,529,932
State grants	7,288,910	-	-	7,288,910
Local unit contributions	166,409	3,114,840	-	3,281,249
Donations and contributions	795,342	-	-	795,342
Charges for services	1,295,855	-	-	1,295,855
Interest and rents	55,006	6,852	48,395	110,253
Other	44,867	236,949	112,334	394,150
<b>Total Revenues</b>	<b>33,996,301</b>	<b>3,358,641</b>	<b>160,729</b>	<b>37,515,671</b>
<b>Expenditures:</b>				
Current:				
Judicial	4,592,662	-	-	4,592,662
Public safety	1,521,517	-	-	1,521,517
Public works	75,989	-	211,280	287,269
Health and welfare	30,101,459	-	-	30,101,459
Recreation and culture	2,739,640	-	-	2,739,640
Other	294,000	-	11,850	305,850
Debt service:				
Principal	-	1,725,000	-	1,725,000
Interest and other charges	-	1,625,266	-	1,625,266
Capital outlay	1,157,214	-	9,822,527	10,979,741
<b>Total Expenditures</b>	<b>40,482,481</b>	<b>3,350,266</b>	<b>10,045,657</b>	<b>53,878,404</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<b>(6,486,180)</b>	<b>8,375</b>	<b>(9,884,928)</b>	<b>(16,362,733)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	7,025,424	-	-	7,025,424
Transfers out	(168,689)	-	(123,383)	(292,072)
<b>Total Other Financing Sources (Uses)</b>	<b>6,856,735</b>	<b>-</b>	<b>(123,383)</b>	<b>6,733,352</b>
<b>Net Change in Fund Balance</b>	<b>370,555</b>	<b>8,375</b>	<b>(10,008,311)</b>	<b>(9,629,381)</b>
<b>Fund Balance, beginning of year</b>	<b>6,316,752</b>	<b>475,127</b>	<b>10,256,598</b>	<b>17,048,477</b>
<b>Fund Balance, end of year</b>	<b>\$ 6,687,307</b>	<b>\$ 483,502</b>	<b>\$ 248,287</b>	<b>\$ 7,419,096</b>

*Special Revenue*

<i>December 31, 2009</i>	<i>Budget</i>	<i>Parks and</i>	<i>Friend</i>	<i>Accom-</i>	<i>Law</i>	<i>Area</i>	<i>Child</i>	<i>Veterans'</i>	<i>Community</i>
	<i>Stabilization</i>	<i>Recreation</i>	<i>of the</i>	<i>modation</i>	<i>Library</i>	<i>Agency on</i>	<i>Care</i>	<i>Trust</i>	<i>Healthy</i>
			<i>Court</i>	<i>Tax</i>		<i>Aging</i>	<i>Probate</i>		<i>Start</i>
<b>Assets:</b>									
Cash	\$ -	\$ 69,670	\$ 93,710	\$ 517,123	\$ 12,579	\$ -	\$ -	\$ -	\$ -
Investments	2,500,000	-	-	-	-	-	-	-	-
Accounts receivable	-	48,567	-	-	-	14,248	-	-	-
Due from other governmental units	-	-	-	-	-	354,937	881,243	2,876	128,715
Other	-	607	266	1,575	-	120	-	-	989
<b>Total Assets</b>	<b>\$ 2,500,000</b>	<b>\$ 118,844</b>	<b>\$ 93,976</b>	<b>\$ 518,698</b>	<b>\$ 12,579</b>	<b>\$ 369,305</b>	<b>\$ 881,243</b>	<b>\$ 2,876</b>	<b>\$ 129,704</b>
<b>Liabilities and Fund Balance</b>									
<b>Liabilities:</b>									
Checks issued against future deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,895	\$ 433,401	\$ 2,876	\$ 49,486
Accounts payable	-	8,492	24,768	170	12,579	120,360	314,104	-	17,776
Due to governmental units	-	-	-	-	-	-	-	-	618
Accrued liabilities	-	20,958	69,208	-	-	15,547	133,738	-	5,243
Deferred revenues	-	89,394	-	-	-	38,022	-	-	56,515
<b>Total Liabilities</b>	<b>-</b>	<b>118,844</b>	<b>93,976</b>	<b>170</b>	<b>12,579</b>	<b>346,824</b>	<b>881,243</b>	<b>2,876</b>	<b>129,638</b>
<b>Fund Balance:</b>									
Reserved - Encumbrances	-	7,625	4,086	130	-	-	252	-	-
Unreserved - Undesignated	2,500,000	(7,625)	(4,086)	518,398	-	22,481	(252)	-	66
<b>Total Fund Balance</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>	<b>518,528</b>	<b>-</b>	<b>22,481</b>	<b>-</b>	<b>-</b>	<b>66</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,500,000</b>	<b>\$ 118,844</b>	<b>\$ 93,976</b>	<b>\$ 518,698</b>	<b>\$ 12,579</b>	<b>\$ 369,305</b>	<b>\$ 881,243</b>	<b>\$ 2,876</b>	<b>\$ 129,704</b>

# County of Kalamazoo, Michigan

## Nonmajor Special Revenue Funds Combining Balance Sheet

<i>Special Revenue</i>										
<i>HIV/AIDS Consortium</i>	<i>Community Corrections</i>	<i>W.I.A.</i>	<i>Head Start</i>	<i>Judicial Special Grants</i>	<i>Public Safety Special Grants</i>	<i>Public Works Special Grants</i>	<i>Health and Welfare Special Grants</i>	<i>Other Special Grants</i>	<i>Capital Outlay Special Grants</i>	<i>Total Special Revenue</i>
\$ 37,071	\$ 332,174	\$ -	\$ -	\$ 44,968	\$1,179,320	\$ 873	\$2,275,441	\$5,821	\$ 543,720	\$ 5,112,470
-	-	-	-	-	-	-	-	-	700,000	3,200,000
-	-	-	1,462	77,954	-	-	15,456	-	1,847	159,534
-	89,937	-	893,710	359,111	432,193	45,874	557,877	-	-	3,746,473
-	2,455	-	5,441	-	-	-	4,128	-	-	15,581
<b>\$ 37,071</b>	<b>\$ 424,566</b>	<b>\$ -</b>	<b>\$900,613</b>	<b>\$482,033</b>	<b>\$1,611,513</b>	<b>\$46,747</b>	<b>\$2,852,902</b>	<b>\$5,821</b>	<b>\$1,245,567</b>	<b>\$12,234,058</b>
\$ -	\$ -	\$ -	\$347,859	\$332,373	\$ 281,844	\$28,511	\$ 340,916	\$ -	\$ -	\$ 1,990,161
21,316	14,806	-	56,163	100,524	69,512	15,000	148,432	-	21,411	945,413
15,755	5,385	-	18,231	11,111	14,517	2,363	331,350	-	-	399,330
-	10,843	-	95,178	27,218	26,893	-	67,267	-	-	472,093
-	14,612	-	381,881	10,807	232,341	-	916,182	-	-	1,739,754
<b>37,071</b>	<b>45,646</b>	<b>-</b>	<b>899,312</b>	<b>482,033</b>	<b>625,107</b>	<b>45,874</b>	<b>1,804,147</b>	<b>-</b>	<b>21,411</b>	<b>5,546,751</b>
-	-	-	136,046	-	-	-	16,404	-	6,250	170,793
-	378,920	-	(134,745)	-	986,406	873	1,032,351	5,821	1,217,906	6,516,514
-	378,920	-	1,301	-	986,406	873	1,048,755	5,821	1,224,156	6,687,307
<b>\$ 37,071</b>	<b>\$ 424,566</b>	<b>\$ -</b>	<b>\$900,613</b>	<b>\$482,033</b>	<b>\$1,611,513</b>	<b>\$46,747</b>	<b>\$2,852,902</b>	<b>\$5,821</b>	<b>\$1,245,567</b>	<b>\$12,234,058</b>

*Special Revenue*

<i>Year Ended</i>	<i>Budget</i>	<i>Parks and</i>	<i>Friend</i>	<i>Accom-</i>	<i>Law</i>	<i>Area</i>	<i>Child</i>	<i>Veterans'</i>	<i>Community</i>		
<i>December 31, 2009</i>	<i>Stabilization</i>	<i>Recreation</i>	<i>of the</i>	<i>modation</i>	<i>Library</i>	<i>Agency on</i>	<i>Care</i>	<i>Trust</i>	<i>Healthy</i>		
			<i>Court</i>	<i>Tax</i>		<i>Aging</i>	<i>Probate</i>		<i>Start</i>		
<b>Revenues:</b>											
Taxes	\$	-	\$	-	\$ 1,819,980	\$	-	\$	-	\$	-
Federal grants	-	-	291,648	-	-	966,288	81,592	-	508,836		
State grants	-	-	-	-	-	725,303	3,327,792	24,764	-		
Local unit contributions	-	-	-	-	-	-	64,206	-	-		
Donations and contributions	-	234,893	-	-	-	17,916	-	-	3,592		
Charges for services	-	695,670	59,948	-	-	59,881	31,594	-	965		
Interest	-	17,440	-	-	-	-	-	-	-		
Other	-	3,005	209	-	6,500	735	(45)	-	-		
<b>Total Revenues</b>	-	951,008	351,805	1,819,980	6,500	1,770,123	3,505,139	24,764	513,393		
<b>Expenditures:</b>											
Current:											
Judicial	-	-	2,981,881	-	50,315	-	-	-	-		
Public safety	-	-	-	-	-	-	-	-	-		
Public works	-	-	-	-	-	-	-	-	-		
Health and welfare	-	-	-	-	-	1,865,023	6,547,220	14,514	513,393		
Recreation and culture	-	1,308,288	-	1,431,352	-	-	-	-	-		
Other expenditures	-	-	-	-	-	-	10,000	-	-		
Capital outlay	-	5,546	-	113,939	-	-	386,503	-	-		
<b>Total Expenditures</b>	-	1,313,834	2,981,881	1,545,291	50,315	1,865,023	6,943,723	14,514	513,393		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>											
	-	(362,826)	(2,630,076)	274,689	(43,815)	(94,900)	(3,438,584)	10,250	-		
<b>Other Financing Sources (Uses):</b>											
Transfers in	-	368,085	2,630,076	-	43,815	94,900	3,438,584	-	-		
Transfers out	-	(5,259)	-	(94,030)	-	-	-	(10,250)	-		
<b>Total Other Financing Sources (Uses)</b>	-	362,826	2,630,076	(94,030)	43,815	94,900	3,438,584	(10,250)	-		
<b>Net Change in Fund Balance</b>	-	-	-	180,659	-	-	-	-	-		
<b>Fund Balance, beginning of year</b>	2,500,000	-	-	337,869	-	22,481	-	-	66		
<b>Fund Balance, end of year</b>	\$ 2,500,000	\$	-	\$ 518,528	\$	\$ 22,481	\$	-	\$ 66		

# County of Kalamazoo, Michigan

## Nonmajor Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Special Revenue</i>										
<i>HIV/AIDS Consortium</i>	<i>Community Corrections</i>	<i>W.I.A.</i>	<i>Head Start</i>	<i>Judicial Special Grants</i>	<i>Public Safety Special Grants</i>	<i>Public Works Special Grants</i>	<i>Health and Welfare Special Grants</i>	<i>Other Special Grants</i>	<i>Capital Outlay Special Grants</i>	<i>Total Special Revenue</i>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,819,980
-	-	10,602,659	4,968,801	892,180	641,878	-	3,576,050	-	-	22,529,932
-	443,305	717,343	-	340,281	636,718	75,520	997,884	-	-	7,288,910
-	-	-	-	-	-	-	102,203	-	-	166,409
-	-	-	(545)	191,270	27,966	-	281,564	-	38,686	795,342
-	204,810	-	990	46,043	-	-	(20,326)	-	216,280	1,295,855
-	-	-	-	-	-	-	28,846	-	8,720	55,006
-	-	-	8,853	-	19,585	-	6,025	-	-	44,867
-	648,115	11,320,002	4,978,099	1,469,774	1,326,147	75,520	4,972,246	-	263,686	33,996,301
-	-	-	-	1,560,466	-	-	-	-	-	4,592,662
-	622,849	-	-	-	898,668	-	-	-	-	1,521,517
-	-	-	-	-	-	75,989	-	-	-	75,989
-	-	11,320,002	4,932,141	-	-	-	4,909,166	-	-	30,101,459
-	-	-	-	-	-	-	-	-	-	2,739,640
-	-	-	-	-	-	-	284,000	-	-	294,000
-	-	-	45,958	-	313,922	-	51,555	-	239,791	1,157,214
-	622,849	11,320,002	4,978,099	1,560,466	1,212,590	75,989	5,244,721	-	239,791	40,482,481
-	25,266	-	-	(90,692)	113,557	(469)	(272,475)	-	23,895	(6,486,180)
-	-	-	-	90,692	62,146	-	291,867	-	5,259	7,025,424
-	-	-	-	-	-	-	(59,150)	-	-	(168,689)
-	-	-	-	90,692	62,146	-	232,717	-	5,259	6,856,735
-	25,266	-	-	-	175,703	(469)	(39,758)	-	29,154	370,555
-	353,654	-	1,301	-	810,703	1,342	1,088,513	5,821	1,195,002	6,316,752
\$ -	\$ 378,920	\$ -	\$ 1,301	\$ -	\$ 986,406	\$ 873	\$ 1,048,755	\$ 5,821	\$ 1,224,156	\$ 6,687,307

# County of Kalamazoo, Michigan

## Nonmajor Debt Service Funds Combining Balance Sheet

<i>December 31, 2009</i>	<i>Debt Service</i>			<i>Total Debt Service</i>
	<i>2007 Austin Lake Bond Fund</i>	<i>2007 Juvenile Home Bond Fund</i>	<i>2008 Townline Drain Bond Fund</i>	
<b>Assets:</b>				
Cash	\$ 174,912	\$ 518,985	\$ 81,072	\$ 774,969
Receivables - Taxes	-	1,267,027	-	1,267,027
<b>Total Assets</b>	<b>\$ 174,912</b>	<b>\$ 1,786,012</b>	<b>\$ 81,072</b>	<b>\$ 2,041,996</b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities -</b>				
Deferred revenue	\$ -	\$ 1,558,494	\$ -	\$ 1,558,494
<b>Fund Balance -</b>				
Undesignated	174,912	227,518	81,072	483,502
<b>Total Liabilities and Fund Balance</b>	<b>\$ 174,912</b>	<b>\$ 1,786,012</b>	<b>\$ 81,072</b>	<b>\$ 2,041,996</b>

# County of Kalamazoo, Michigan

## Nonmajor Debt Service Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Debt Service</i>													
	<i>1998</i>		<i>2001</i>		<i>2004</i>		<i>2005</i>						<i>Total</i>
	<i>1982</i>	<i>1996</i>	<i>Indian</i>	<i>Lake/</i>	<i>Cooper</i>	<i>Township</i>	<i>Township</i>	<i>2005</i>	<i>Village of</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>	<i>Debt</i>
<i>Year Ended</i>	<i>Water</i>	<i>Sewage</i>	<i>Lake/</i>	<i>Sanitary</i>	<i>Gilbert</i>	<i>Drain</i>	<i>Sewage</i>	<i>Comstock</i>	<i>Augusta</i>	<i>Austin</i>	<i>Juvenile</i>	<i>Home</i>	<i>Townline</i>
<i>December 31, 2009</i>	<i>System</i>	<i>System</i>	<i>Disposal</i>	<i>Disposal</i>	<i>Debt</i>	<i>Refunding</i>	<i>Disposal</i>	<i>Disposal</i>	<i>Water</i>	<i>Lake</i>	<i>Bond</i>	<i>Bond</i>	<i>Drain</i>
	<i>No. 1</i>	<i>No. 7</i>	<i>System</i>	<i>System</i>	<i>Retire-</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Disposal</i>	<i>Supply</i>	<i>Bond</i>	<i>Bond</i>	<i>Drain</i>	<i>Service</i>
	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>ment</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Disposal</i>	<i>Supply</i>	<i>Bond</i>	<i>Bond</i>	<i>Drain</i>	<i>Service</i>
<b>Revenues:</b>													
Interest and rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,039	\$ 5,523	\$ 290	\$ 6,852
Local unit contributions	21,875	169,681	486,438	188,963	-	404,844	184,988	48,951	-	1,609,100	-	-	3,114,840
Other revenues	-	-	-	-	-	-	-	-	171,136	-	-	65,813	236,949
<b>Total Revenues</b>	<b>21,875</b>	<b>169,681</b>	<b>486,438</b>	<b>188,963</b>	<b>-</b>	<b>404,844</b>	<b>184,988</b>	<b>48,951</b>	<b>172,175</b>	<b>1,614,623</b>	<b>66,103</b>	<b>66,103</b>	<b>3,358,641</b>
<b>Expenditures:</b>													
Principal retirement	15,000	125,000	350,000	100,000	-	355,000	160,000	35,000	210,000	350,000	25,000	-	1,725,000
Interest and fiscal charges	6,875	44,681	136,438	88,963	-	49,844	24,988	13,951	13,325	1,230,313	15,888	-	1,625,266
<b>Total Expenditures</b>	<b>21,875</b>	<b>169,681</b>	<b>486,438</b>	<b>188,963</b>	<b>-</b>	<b>404,844</b>	<b>184,988</b>	<b>48,951</b>	<b>223,325</b>	<b>1,580,313</b>	<b>40,888</b>	<b>40,888</b>	<b>3,350,266</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(51,150)</b>	<b>34,310</b>	<b>25,215</b>	<b>25,215</b>	<b>8,375</b>
<b>Fund Balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,062</b>	<b>193,208</b>	<b>55,857</b>	<b>55,857</b>	<b>475,127</b>
<b>Fund Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 174,912</b>	<b>\$ 227,518</b>	<b>\$ 81,072</b>	<b>\$ 483,502</b>

# County of Kalamazoo, Michigan

## Nonmajor Capital Projects Funds Combining Balance Sheet

<i>Capital Projects</i>							
<i>December 31, 2009</i>	<i>Juvenile Home Building Project</i>	<i>Drains</i>	<i>Gilbert Drain Construction</i>	<i>Austin Lake Special Assessment</i>	<i>Oshtemo Township Water Supply System Construction</i>	<i>2008 Townline Drain Construction</i>	<i>Total Capital Projects</i>
<b>Assets:</b>							
Cash	\$ 242,734	\$ -	\$ 7	\$ 38,615	\$ 28,811	\$ 31,658	\$ 341,825
Investments	500,466	-	-	-	-	-	500,466
Receivables - Unlevied assessments	-	83,328	-	-	-	-	83,328
<b>Total Assets</b>	<b>\$ 743,200</b>	<b>\$ 83,328</b>	<b>\$ 7</b>	<b>\$ 38,615</b>	<b>\$ 28,811</b>	<b>\$ 31,658</b>	<b>\$ 925,619</b>
 <b>Liabilities and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 594,004	\$ 5,182	\$ -	\$ -	\$ -	\$ -	\$ 599,186
Advance from other funds	-	78,146	-	-	-	-	78,146
<b>Total Liabilities</b>	<b>594,004</b>	<b>83,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>677,332</b>
<b>Fund Balance -</b>							
Undesignated	149,196	-	7	38,615	28,811	31,658	248,287
<b>Total Liabilities and Fund Balance</b>	<b>\$ 743,200</b>	<b>\$ 83,328</b>	<b>\$ 7</b>	<b>\$ 38,615</b>	<b>\$ 28,811</b>	<b>\$ 31,658</b>	<b>\$ 925,619</b>

# County of Kalamazoo, Michigan

## Nonmajor Capital Projects Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended December 31, 2009	<i>Capital Projects</i>						<i>Total Capital Projects</i>
	<i>Juvenile Home Building Project</i>	<i>Drains</i>	<i>Gilbert Drain Construction</i>	<i>Austin Lake Special Assessment</i>	<i>Oshtemo Township Water Supply System Construction</i>	<i>2008 Townline Drain Construction</i>	
<b>Revenues:</b>							
Interest	\$ 47,353	\$ -	\$ 566	\$ 299	\$ -	\$ 177	\$ 48,395
Other	-	92,018	105	-	-	20,211	112,334
<b>Total Revenues</b>	<b>47,353</b>	<b>92,018</b>	<b>671</b>	<b>299</b>	<b>-</b>	<b>20,388</b>	<b>160,729</b>
<b>Expenditures:</b>							
Public works	-	92,018	119,262	-	-	-	211,280
Other	-	-	-	3,679	-	8,171	11,850
Capital outlay	9,822,527	-	-	-	-	-	9,822,527
<b>Total Expenditures</b>	<b>9,822,527</b>	<b>92,018</b>	<b>119,262</b>	<b>3,679</b>	<b>-</b>	<b>8,171</b>	<b>10,045,657</b>
<b>Excess (Deficiency) of</b>							
Revenues Over Expenditures	(9,775,174)	-	(118,591)	(3,380)	-	12,217	(9,884,928)
<b>Other Financing Sources (Uses) -</b>							
Transfers out	(123,383)	-	-	-	-	-	(123,383)
<b>Net Change in Fund Balance</b>	<b>(9,898,557)</b>	<b>-</b>	<b>(118,591)</b>	<b>(3,380)</b>	<b>-</b>	<b>12,217</b>	<b>(10,008,311)</b>
<b>Fund Balance,</b>							
beginning of year	10,047,753	-	118,598	41,995	28,811	19,441	10,256,598
<b>Fund Balance,</b>							
end of year	\$ 149,196	\$ -	\$ 7	\$ 38,615	\$ 28,811	\$ 31,658	\$ 248,287

# County of Kalamazoo, Michigan

## Budget Stabilization Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other	\$ -	\$ -	\$ -	\$ -
Expenditures -				
Other	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	2,500,000	2,500,000	2,500,000	-
Fund Balance, end of year	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -

# County of Kalamazoo, Michigan

## Parks and Recreation Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Donations and contributions	\$ 426,900	\$ 325,200	\$ 234,893	\$ (90,307)
Charges for services	671,200	693,800	695,670	1,870
Interest and rents	17,500	17,500	17,440	(60)
Other	-	2,400	3,005	605
<b>Total Revenues</b>	<b>1,115,600</b>	<b>1,038,900</b>	<b>951,008</b>	<b>(87,892)</b>
<b>Expenditures:</b>				
Recreation and culture	1,497,100	1,410,300	1,308,288	102,012
Capital outlay	8,100	7,800	5,546	2,254
<b>Total Expenditures</b>	<b>1,505,200</b>	<b>1,418,100</b>	<b>1,313,834</b>	<b>104,266</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(389,600)</b>	<b>(379,200)</b>	<b>(362,826)</b>	<b>16,374</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
General Fund	297,200	286,800	301,340	14,540
Accommodation Tax Fund	92,400	92,400	66,745	(25,655)
Transfers out -				
Parks Improvement Fund	-	-	(5,259)	(5,259)
<b>Total Other Financing Sources</b>	<b>389,600</b>	<b>379,200</b>	<b>362,826</b>	<b>(16,374)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# County of Kalamazoo, Michigan

## Friend of the Court Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ 300,100	\$ 300,100	\$ 291,648	\$ (8,452)
Charges for services	142,500	67,500	59,948	(7,552)
Other	-	-	209	209
<b>Total Revenues</b>	<b>442,600</b>	<b>367,600</b>	<b>351,805</b>	<b>(15,795)</b>
<b>Expenditures -</b>				
Judicial	3,076,800	3,028,600	2,981,881	46,719
<b>Deficiency of Revenues Over Expenditures</b>				
	<b>(2,634,200)</b>	<b>(2,661,000)</b>	<b>(2,630,076)</b>	<b>30,924</b>
<b>Other Financing Sources -</b>				
Transfers in:				
General Fund	2,614,200	2,641,000	2,610,076	(30,924)
Law Enforcement Fund	20,000	20,000	20,000	-
<b>Total Other Financing Sources</b>	<b>2,634,200</b>	<b>2,661,000</b>	<b>2,630,076</b>	<b>(30,924)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# County of Kalamazoo, Michigan

## Accommodation Tax Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Taxes	\$ 2,056,000	\$ 1,819,000	\$ 1,819,980	\$ 980
Expenditures:				
Recreation and culture	1,654,700	1,434,500	1,431,352	(83,137)
Capital outlay	278,100	264,800	113,939	108,847
<b>Total Expenditures</b>	<b>1,932,800</b>	<b>1,699,300</b>	<b>1,545,291</b>	<b>25,710</b>
Excess of Revenues Over Expenditures	123,200	119,700	274,689	154,989
Other Financing Uses -				
Transfers out:				
General Fund	(30,800)	(27,300)	(27,285)	15
Parks and Recreation Fund	(92,400)	(92,400)	(66,745)	25,655
<b>Total Other Financing Uses</b>	<b>(123,200)</b>	<b>(119,700)</b>	<b>(94,030)</b>	<b>25,670</b>
Net Change in Fund Balance	-	-	180,659	180,659
Fund Balance, beginning of year	337,869	337,869	337,869	-
<b>Fund Balance, end of year</b>	<b>\$ 337,869</b>	<b>\$ 337,869</b>	<b>\$ 518,528</b>	<b>\$ 180,659</b>

# County of Kalamazoo, Michigan

## Law Library Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures -				
Judicial	48,700	48,700	50,315	(1,615)
Deficiency of Revenues				
Over Expenditures	(42,200)	(42,200)	(43,815)	(1,615)
Other Financing Sources -				
Transfers in -				
General Fund	42,200	42,200	43,815	1,615
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

# County of Kalamazoo, Michigan

## Area Agency on Aging Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 979,128	\$ 966,288	\$ (12,840)
State grants	-	738,136	725,303	(12,833)
Donations and contributions	-	63,625	17,916	(45,709)
Charges for services	-	29,794	59,881	30,087
Other	-	-	735	735
<b>Total Revenues</b>	-	1,810,683	1,770,123	(40,560)
<b>Expenditures -</b>				
Health and welfare	-	1,903,296	1,865,023	38,273
<b>Deficiency of Revenues Over Expenditures</b>				
	-	(92,613)	(94,900)	(2,287)
<b>Other Financing Sources -</b>				
Transfers in - General Fund	-	92,613	94,900	2,287
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, beginning of year</b>	22,481	22,481	22,481	-
<b>Fund Balance, end of year</b>	\$ 22,481	\$ 22,481	\$ 22,481	\$ -

# County of Kalamazoo, Michigan

## Child Care Probate Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ 77,000	\$ 77,000	\$ 81,592	\$ 4,592
State grants	3,472,000	3,542,200	3,327,792	(214,408)
Local unit contributions	85,000	70,000	64,206	(5,794)
Charges for services	19,000	36,000	31,594	(4,406)
Other	2,000	-	(45)	(45)
<b>Total Revenues</b>	<b>3,655,000</b>	<b>3,725,200</b>	<b>3,505,139</b>	<b>(220,061)</b>
<b>Expenditures:</b>				
Health and welfare	7,241,100	6,876,300	6,547,220	329,080
Other expenditures	10,000	10,000	10,000	-
Capital outlay	-	248,400	386,503	(138,103)
<b>Total Expenditures</b>	<b>7,251,100</b>	<b>7,134,700</b>	<b>6,943,723</b>	<b>190,977</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(3,596,100)</b>	<b>(3,409,500)</b>	<b>(3,438,584)</b>	<b>(29,084)</b>
<b>Other Financing Sources -</b>				
Transfers in:				
General Fund	3,422,100	3,235,500	3,259,294	23,794
Law Enforcement Fund	174,000	174,000	179,290	5,290
<b>Total Other Financing Sources</b>	<b>3,596,100</b>	<b>3,409,500</b>	<b>3,438,584</b>	<b>29,084</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# County of Kalamazoo, Michigan

## Veterans' Trust Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues -</b>				
State grants	\$ 28,700	\$ 28,700	\$ 24,764	\$ 3,936
<b>Expenditures -</b>				
Health and welfare	16,700	16,700	14,514	2,186
<b>Excess of Revenues Over Expenditures</b>				
	12,000	12,000	10,250	(1,750)
<b>Other Financing Uses -</b>				
Transfers out - General Fund	(12,000)	(12,000)	(10,250)	1,750
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, beginning of year</b>	-	-	-	-
<b>Fund Balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

# County of Kalamazoo, Michigan

## Community Healthy Start Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 1,200,000	\$ 508,836	\$ (691,164)
Donations and contributions	-	-	3,592	3,592
Charges for services	-	-	965	965
<b>Total Revenues</b>	-	1,200,000	513,393	<b>(686,607)</b>
<b>Expenditures -</b>				
Health and welfare	-	1,200,000	513,393	<b>686,607</b>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, beginning of year</b>	66	66	66	-
<b>Fund Balance, end of year</b>	\$ 66	\$ 66	\$ 66	\$ -

# County of Kalamazoo, Michigan

## HIV/AIDS Consortium Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues -</b>				
Federal grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures -</b>				
Health and welfare	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, beginning of year</b>	-	-	-	-
<b>Fund Balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

# County of Kalamazoo, Michigan

## Community Corrections Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
State grants	\$ -	\$ 443,795	\$ 443,305	\$ (490)
Charges for services	-	237,500	204,810	(32,690)
<b>Total Revenues</b>	-	681,295	648,115	(33,180)
<b>Expenditures -</b>				
Public safety	-	681,295	622,849	58,446
<b>Net Change in Fund Balance</b>	-	-	25,266	25,266
<b>Fund Balance, beginning of year</b>	353,654	353,654	353,654	-
<b>Fund Balance, end of year</b>	\$ 353,654	\$ 353,654	\$ 378,920	\$ 25,266

# County of Kalamazoo, Michigan

## Workforce Investment Act (W.I.A.) Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 14,026,575	\$ 10,602,659	\$ (3,423,916)
State grants	-	-	717,343	717,343
<b>Total Revenues</b>	-	14,026,575	11,320,002	(2,706,573)
<b>Expenditures -</b>				
Health and welfare	-	14,026,575	11,320,002	2,706,573
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, beginning of year</b>	-	-	-	-
<b>Fund Balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

# County of Kalamazoo, Michigan

## Head Start Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 5,149,350	\$ 4,968,801	\$ (180,549)
Donations and contributions	-	1,600	(545)	(2,145)
Charges for services	-	-	990	990
Other	-	-	8,853	8,853
<b>Total Revenues</b>	<b>-</b>	<b>5,150,950</b>	<b>4,978,099</b>	<b>(172,851)</b>
<b>Expenditures:</b>				
Health and welfare	-	4,893,950	4,932,141	(38,191)
Capital outlay	-	257,000	45,958	211,042
<b>Total Expenditures</b>	<b>-</b>	<b>5,150,950</b>	<b>4,978,099</b>	<b>172,851</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>1,301</b>	<b>1,301</b>	<b>1,301</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,301</b>	<b>\$ 1,301</b>	<b>\$ 1,301</b>	<b>\$ -</b>

# County of Kalamazoo, Michigan

## Judicial Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 1,177,739	\$ 892,180	\$ (285,559)
State grants	-	517,064	340,281	(176,783)
Donations and contributions	-	231,642	191,270	(40,372)
Charges for services	-	43,279	46,043	2,764
<b>Total Revenues</b>	<b>-</b>	<b>1,969,724</b>	<b>1,469,774</b>	<b>(499,950)</b>
<b>Expenditures:</b>				
Judicial	-	2,116,640	1,560,466	556,174
Capital outlay	-	3,500	-	3,500
<b>Total Expenditures</b>	<b>-</b>	<b>2,120,140</b>	<b>1,560,466</b>	<b>559,674</b>
<b>Excess (Deficiency) of</b>				
Revenues Over Expenditures	-	(150,416)	(90,692)	59,724
<b>Other Financing Sources -</b>				
Transfers in -				
General Fund	-	150,416	90,692	(59,724)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# County of Kalamazoo, Michigan

## Public Safety Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 479,360	\$ 641,878	\$ 162,518
State grants	-	832,844	636,718	(196,126)
Donations and contributions	-	25,200	27,966	2,766
Other	-	-	19,585	19,585
<b>Total Revenues</b>	-	1,337,404	1,326,147	(11,257)
<b>Expenditures:</b>				
Public safety	-	1,120,753	898,668	222,085
Capital outlay	-	280,284	313,922	(33,638)
<b>Total Expenditures</b>	-	1,401,037	1,212,590	188,447
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(63,633)	113,557	177,190
<b>Other Financing Sources -</b>				
Transfers in - Law Enforcement Fund	-	63,633	62,146	(1,487)
<b>Net Change in Fund Balance</b>	-	-	175,703	175,703
<b>Fund Balance, beginning of year</b>	810,703	810,703	810,703	-
<b>Fund Balance, end of year</b>	\$ 810,703	\$ 810,703	\$ 986,406	\$ 175,703

# County of Kalamazoo, Michigan

## Public Works Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
State grants	\$ -	\$ 76,365	\$ 75,520	\$ (845)
Other revenues	1,400	1,400	-	(1,400)
<b>Total Revenues</b>	<b>1,400</b>	<b>77,765</b>	<b>75,520</b>	<b>(2,245)</b>
<b>Expenditures -</b>				
Public works	1,400	77,765	75,989	1,776
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(469)</b>	<b>(469)</b>
<b>Fund Balance, beginning of year</b>	<b>1,342</b>	<b>1,342</b>	<b>1,342</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,342</b>	<b>\$ 1,342</b>	<b>\$ 873</b>	<b>\$ (469)</b>

# County of Kalamazoo, Michigan

## Health and Welfare Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Federal grants	\$ -	\$ 7,497,810	\$ 3,576,050	\$ (3,921,760)
State grants	-	1,789,295	997,884	(791,411)
Local unit contributions	-	16,771	102,203	85,432
Donations and contributions	-	976,540	281,564	(694,976)
Charges for services	-	31,900	(20,326)	(52,226)
Interest and rents	-	-	28,846	28,846
Other	-	119,850	6,025	(113,825)
<b>Total Revenues</b>	<b>-</b>	<b>10,432,166</b>	<b>4,972,246</b>	<b>(5,459,920)</b>
<b>Expenditures:</b>				
Health and welfare	-	10,426,550	4,909,166	5,517,384
Other expenditures	-	-	284,000	(284,000)
Capital outlay	-	70,594	51,555	19,039
<b>Total Expenditures</b>	<b>-</b>	<b>10,497,144</b>	<b>5,244,721</b>	<b>5,252,423</b>
<b>Deficiency of</b>				
Revenues Over Expenditures	-	(64,978)	(272,475)	(207,497)
<b>Other Financing Sources (Uses):</b>				
Transfers in:				
General Fund	-	91,600	262,124	170,524
Family Planning	-	39,278	24,640	(14,638)
Commodities Distribution	-	2,150	-	(2,150)
Cardiovascular Disease	-	-	3,033	3,033
Community Health Assessment	-	3,200	2,070	(1,130)
Health Special Revenue Fund	-	(25,000)	-	25,000
Transfers out:				
General Fund	-	(17,600)	(17,600)	-
NFP Grant	-	-	(24,639)	(24,639)
Walk for Warmth	-	(2,150)	(2,070)	80
Cardiovascular Disease	-	(3,200)	(3,033)	167
Health Special Revenue Fund	-	(23,300)	(11,808)	11,492
<b>Total Other Financing Sources</b>	<b>-</b>	<b>64,978</b>	<b>232,717</b>	<b>167,739</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(39,758)</b>	<b>(39,758)</b>
<b>Fund Balance, beginning of year</b>	<b>743,583</b>	<b>743,583</b>	<b>1,088,513</b>	<b>344,930</b>
<b>Fund Balance, end of year</b>	<b>\$ 743,583</b>	<b>\$ 743,583</b>	<b>\$ 1,048,755</b>	<b>\$ 305,172</b>

# County of Kalamazoo, Michigan

## Other Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other	\$ 12,700	\$ 12,700	\$ -	\$ (12,700)
Expenditures -				
Other	12,700	12,700	-	12,700
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	5,821	5,821	5,821	-
Fund Balance, end of year	\$ 5,821	\$ 5,821	\$ 5,821	\$ -

# County of Kalamazoo, Michigan

## Capital Outlay Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Revenues:</b>				
Donations and contributions	\$ -	\$ 38,700	\$ 38,686	\$ (14)
Charges for services	200,000	200,000	216,280	16,280
Interest and revenues	25,000	25,000	8,720	(16,280)
Other revenues	20,700	27,200	-	(27,200)
<b>Total Revenues</b>	<b>245,700</b>	<b>290,900</b>	<b>263,686</b>	<b>(27,214)</b>
<b>Expenditures:</b>				
Other expenditures	-	65,900	-	65,900
Capital outlay	245,700	225,000	239,791	(14,791)
<b>Total Expenditures</b>	<b>245,700</b>	<b>290,900</b>	<b>239,791</b>	<b>51,109</b>
<b>Excess of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>23,895</b>	<b>23,895</b>
<b>Other Financing Sources -</b>				
Transfers in - Parks and Recreation Fund	-	-	5,259	5,259
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>29,154</b>	<b>29,154</b>
<b>Fund Balance, beginning of year</b>	<b>1,195,002</b>	<b>1,195,002</b>	<b>1,195,002</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,195,002</b>	<b>\$ 1,195,002</b>	<b>\$ 1,224,156</b>	<b>\$ 29,154</b>

# Internal Service Funds



# County of Kalamazoo, Michigan

## Internal Service Funds

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### Internal Service Funds

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, and to other government units on a cost reimbursement basis.

*Employee Benefits Fund* - This fund was established to accumulate and allocate the costs of fringe benefits provided to employees of the primary government. Funding is provided through charges to the departments based upon payroll costs.

*Information Systems Fund* - This fund was established to account for the costs to maintain financial, management computer systems, and application software used by departments of the primary government. Funding is provided through charges to benefited departments and interfund transfers.

*Technology Fund* - This fund was established to accumulate and allocate the costs to provide telephone and network services throughout all departments of the primary government. Funding is provided through charges for services to benefited departments.

*Nazareth Facility Fund* - This fund was established to accumulate and allocate the operating and maintenance costs of the facility that house many health and welfare departments of the primary government. Funding is provided through rental charges to benefited departments.

*Central Stores Fund* - This fund was established to accumulate and allocate the costs of print shop and central stores of the primary government. Funding is provided through charges for services and products to benefited departments.

*HSD Personnel Pool Fund* - This fund was established to accumulate and allocate the costs of a personnel pool utilized by many of the health and welfare departments of the primary government. Funding is provided through charges for services to benefited departments.

# County of Kalamazoo, Michigan

## Combining Statement of Net Assets Internal Service Funds

<i>December 31, 2009</i>	<i>Employee Benefits</i>	<i>Information Systems</i>	<i>Technology</i>	<i>Nazareth Facility</i>	<i>Central Stores</i>	<i>HSD Personnel Pool</i>	<i>Total</i>
<b>Assets:</b>							
Cash	\$ 7,002,616	\$ 493,906	\$ 987,380	\$ 176,284	\$ 49,005	\$ 4,959	\$ 8,714,150
Investments	2,000,000	-	-	-	-	-	2,000,000
Receivables - Accounts	611,820	-	-	17	3,106	-	614,943
Due from federal government	3,879	-	-	-	-	-	3,879
Accrued interest	13,917	-	-	-	-	-	13,917
Inventories	-	-	19,232	154	81,433	-	100,819
Prepaid items	61,893	-	25,657	905	-	-	88,455
<b>Total Current Assets</b>	<b>9,694,125</b>	<b>493,906</b>	<b>1,032,269</b>	<b>177,360</b>	<b>133,544</b>	<b>4,959</b>	<b>11,536,163</b>
<b>Property, Plant, and Equipment, net of accumulated depreciation</b>	<b>-</b>	<b>651</b>	<b>600,112</b>	<b>227,801</b>	<b>5,414</b>	<b>-</b>	<b>833,978</b>
<b>Total Assets</b>	<b>\$ 9,694,125</b>	<b>\$ 494,557</b>	<b>\$ 1,632,381</b>	<b>\$ 405,161</b>	<b>\$ 138,958</b>	<b>\$ 4,959</b>	<b>\$ 12,370,141</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 978,142	\$ 4,792	\$ 7,831	\$ 48,474	\$ 36,014	\$ 1,434	\$ 1,076,687
Due to other funds	47,079	-	-	-	-	-	47,079
Accrued liabilities	285,064	112,306	10,430	22,097	13,547	3,525	446,969
Liability for estimated claims	623,831	-	-	-	-	-	623,831
Deposits payable	36,393	-	-	-	9,119	-	45,512
<b>Total Liabilities</b>	<b>1,970,509</b>	<b>117,098</b>	<b>18,261</b>	<b>70,571</b>	<b>58,680</b>	<b>4,959</b>	<b>2,240,078</b>
<b>Net Assets:</b>							
Investment in capital assets, net of related debt	-	651	600,112	227,801	5,414	-	833,978
Unrestricted	7,723,616	376,808	1,014,008	106,789	74,864	-	9,296,085
<b>Total Net Assets</b>	<b>7,723,616</b>	<b>377,459</b>	<b>1,614,120</b>	<b>334,590</b>	<b>80,278</b>	<b>-</b>	<b>10,130,063</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,694,125</b>	<b>\$ 494,557</b>	<b>\$ 1,632,381</b>	<b>\$ 405,161</b>	<b>\$ 138,958</b>	<b>\$ 4,959</b>	<b>\$ 12,370,141</b>

# County of Kalamazoo, Michigan

## Combining Statement of Revenues, Expenses, and Changes in Net Assets Internal Service Funds

<i>Year Ended</i> <i>December 31, 2009</i>	<i>Employee</i> <i>Benefits</i>	<i>Information</i> <i>Systems</i>	<i>Technology</i>	<i>Nazareth</i> <i>Facility</i>	<i>Central</i> <i>Stores</i>	<i>HSD</i> <i>Personnel</i> <i>Pool</i>	<i>Total</i>
<b>Operating Revenues -</b>							
Charges for services	\$ 20,837,982	\$ 59,986	\$ 607,866	\$ 832,487	\$ 992,212	\$ 174,899	<b>\$ 23,505,432</b>
<b>Operating Expenses:</b>							
Operating expenses	-	875,958	458,957	832,781	1,006,897	174,899	3,349,492
Depreciation and amortization	-	25,262	137,712	26,817	4,766	-	194,557
Employee benefits	20,585,513	-	-	-	-	-	<b>20,585,513</b>
<b>Total Operating Expenses</b>	<b>20,585,513</b>	<b>901,220</b>	<b>596,669</b>	<b>859,598</b>	<b>1,011,663</b>	<b>174,899</b>	<b>24,129,562</b>
Operating Income (Loss)	252,469	(841,234)	11,197	(27,111)	(19,451)	-	(624,130)
<b>Transfers In - General Fund</b>	<b>-</b>	<b>841,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>841,234</b>
Change in Net Assets	252,469	-	11,197	(27,111)	(19,451)	-	217,104
<b>Net Assets, beginning of year</b>	<b>7,471,147</b>	<b>377,459</b>	<b>1,602,923</b>	<b>361,701</b>	<b>99,729</b>	<b>-</b>	<b>9,912,959</b>
<b>Net Assets, end of year</b>	<b>\$ 7,723,616</b>	<b>\$ 377,459</b>	<b>\$ 1,614,120</b>	<b>\$ 334,590</b>	<b>\$ 80,278</b>	<b>\$ -</b>	<b>\$ 10,130,063</b>

# County of Kalamazoo, Michigan

## Combining Statement of Cash Flows Internal Service Funds

<i>Year Ended December 31, 2009</i>	<i>Employee</i>	<i>Information</i>		<i>Nazareth</i>	<i>Central</i>	<i>HSD</i>	
	<i>Benefits</i>	<i>Systems</i>	<i>Technology</i>	<i>Facility</i>	<i>Stores</i>	<i>Personnel</i>	<i>Pool</i>
							<i>Total</i>
<b>Operating Activities:</b>							
Cash received from interfund services provided	\$ 20,469,932	\$ 59,986	\$ 607,866	\$ 832,625	\$ 990,957	\$ 174,899	\$ 23,136,265
Cash paid to employees	(750,276)	(622,672)	-	(214,315)	(117,523)	(79,536)	(1,784,322)
Cash paid for interfund services used	(917,355)	(233,583)	-	(136,125)	(43,057)	(52,969)	(1,383,089)
Cash paid to suppliers	(18,566,914)	(21,719)	(411,121)	(477,168)	(802,013)	(39,413)	(20,318,348)
<b>Cash Provided by (Used in) Operating Activities</b>	<b>235,387</b>	<b>(817,988)</b>	<b>196,745</b>	<b>5,017</b>	<b>28,364</b>	<b>2,981</b>	<b>(349,494)</b>
<b>Cash Provided by Investing Activities -</b>							
Purchase of investments	1,500,000	-	-	-	-	-	1,500,000
<b>Cash Provided by Non-Capital Financing Activities -</b>							
Transfers from other funds	-	841,234	-	-	-	-	841,234
<b>Cash Used in Capital and Related Financing Activities -</b>							
Acquisition of capital assets	-	-	(525,241)	(60,086)	-	-	(585,327)
<b>Net Increase (Decrease) in Cash</b>	<b>1,735,387</b>	<b>23,246</b>	<b>(328,496)</b>	<b>(55,069)</b>	<b>28,364</b>	<b>2,981</b>	<b>1,406,413</b>
<b>Cash, beginning of year</b>	<b>5,267,229</b>	<b>470,660</b>	<b>1,315,876</b>	<b>231,353</b>	<b>20,641</b>	<b>1,978</b>	<b>7,307,737</b>
<b>Cash, end of year</b>	<b>\$ 7,002,616</b>	<b>\$ 493,906</b>	<b>\$ 987,380</b>	<b>\$ 176,284</b>	<b>\$ 49,005</b>	<b>\$ 4,959</b>	<b>\$ 8,714,150</b>
<b>Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:</b>							
Operating income (loss)	\$ 252,469	\$ (841,234)	\$ 11,197	\$ (27,111)	\$ (19,451)	\$ -	\$ (624,130)
Depreciation and amortization	-	25,262	137,712	26,817	4,766	-	194,557
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	(413,658)	-	-	138	(1,255)	-	(414,775)
Interest receivable	45,608	-	-	-	-	-	45,608
Inventories	-	-	(11,648)	-	26,371	-	14,723
Prepaid items	(61,893)	-	42,699	(545)	-	-	(19,739)
Increase (decrease) in:							
Accounts payable	551,786	4,384	6,355	(9,150)	14,192	1,434	569,001
Due to other funds	17,719	-	-	-	-	-	17,719
Accrued expenses	59,057	(6,400)	10,430	14,868	1,306	1,547	80,808
Liability for estimated claims	(203,955)	-	-	-	-	-	(203,955)
Deposits payable	(11,746)	-	-	-	2,435	-	(9,311)
<b>Cash Provided by (Used in) Operating Activities</b>	<b>\$ 235,387</b>	<b>\$ (817,988)</b>	<b>\$ 196,745</b>	<b>\$ 5,017</b>	<b>\$ 28,364</b>	<b>\$ 2,981</b>	<b>\$ (349,494)</b>

# County of Kalamazoo, Michigan

## Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual Information Systems Fund

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Operating Revenues -</b>				
Charges for services	\$ 98,000	\$ 98,000	\$ 59,986	\$ (38,014)
<b>Operating Expenses:</b>				
Employment expenses	867,200	850,000	844,452	5,548
Contractual and other	57,600	57,600	16,477	41,123
Supplies	36,000	36,000	15,029	20,971
Depreciation	24,600	24,600	25,262	(662)
<b>Total Operating Expenses</b>	<b>985,400</b>	<b>968,200</b>	<b>901,220</b>	<b>66,980</b>
<b>Operating (Loss)</b>	<b>(887,400)</b>	<b>(870,200)</b>	<b>(841,234)</b>	<b>28,966</b>
<b>Transfers -</b>				
Transfers in - General Fund	887,400	870,200	841,234	(28,966)
<b>Change in Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets, beginning of year</b>	<b>377,459</b>	<b>377,459</b>	<b>377,459</b>	<b>-</b>
<b>Net Assets, end of year</b>	<b>\$ 377,459</b>	<b>\$ 377,459</b>	<b>\$ 377,459</b>	<b>\$ -</b>

# County of Kalamazoo, Michigan

## Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual Central Stores Fund

<i>Year Ended December 31, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
<b>Operating Revenues -</b>				
Charges for services	\$ 1,374,100	\$ 1,018,200	\$ 992,212	\$ (25,988)
<b>Operating Expenses:</b>				
Employment expenses	178,400	163,800	161,886	1,914
Contractual and other	227,500	232,900	244,219	(11,319)
Supplies	965,000	616,700	600,792	15,908
Depreciation	3,200	4,800	4,766	34
<b>Total Operating Expenses</b>	<b>1,374,100</b>	<b>1,018,200</b>	<b>1,011,663</b>	<b>6,537</b>
<b>Change in Net Assets</b>	<b>-</b>	<b>-</b>	<b>(19,451)</b>	<b>(19,451)</b>
<b>Net Assets, beginning of year</b>	<b>99,729</b>	<b>99,729</b>	<b>99,729</b>	<b>-</b>
<b>Net Assets, end of year</b>	<b>\$ 99,729</b>	<b>\$ 99,729</b>	<b>\$ 80,278</b>	<b>\$ (19,451)</b>



**Agency Funds**

# County of Kalamazoo, Michigan

## Agency Funds

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### Agency Funds

*Trust and Agency Fund* - This fund was established to primarily account for collected taxes, court fees, and other assets held by the County in a trustee capacity or as an agent to be distributed to other individuals, private organizations, and other governments.

*Library Trust Fund* - This fund was established to account for monies collected by circuit and district courts, which are disbursed at the request of the State of Michigan Library Service to local libraries.

*Bail Bond Fund* - This fund was established to account for the collection and distribution of bail bonds.

*Inmates' Trust Fund* - This fund was established to account for the receipt and distribution of monies belonging to individuals residing in the County's corrections facility.

*Drain Performance Bond Fund* - This fund was established to account for the receipt and disbursement of monies deposited with the Office of the Drain Commissioner as performance bonds to ensure satisfactory completion of contractual obligations.

# County of Kalamazoo, Michigan

## Agency Funds Statement of Fiduciary Assets and Liabilities

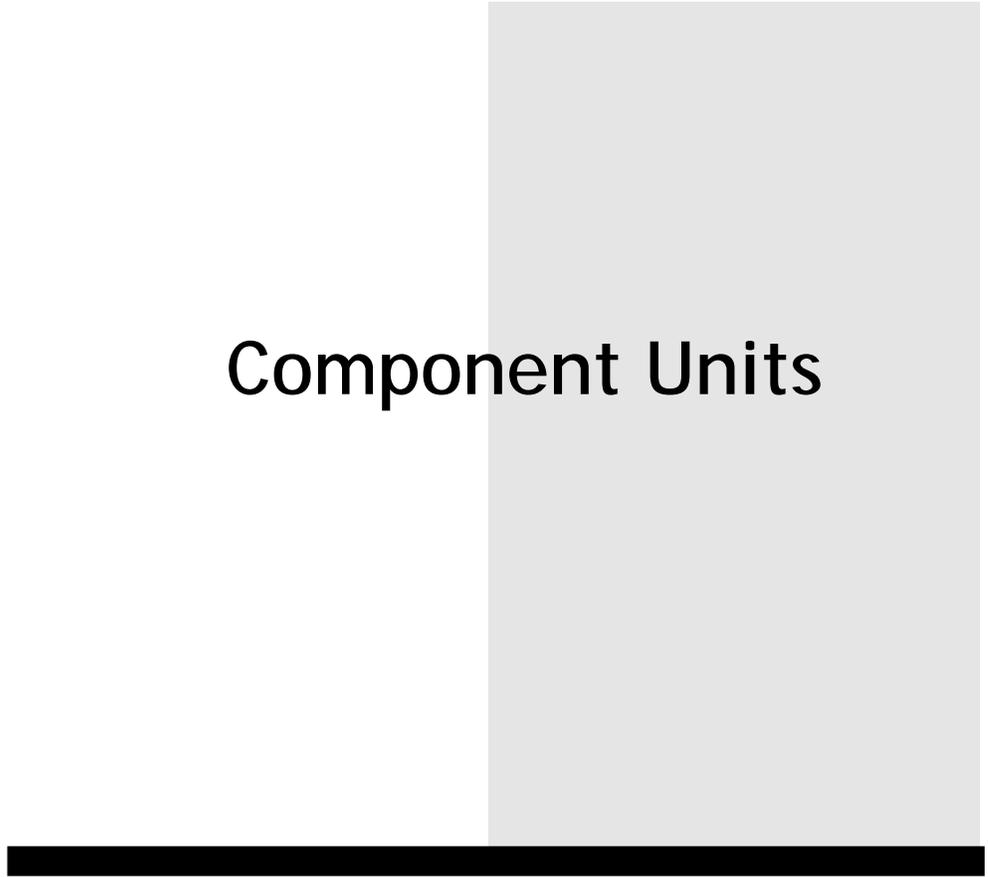
<i>December 31, 2009</i>	<i>Trust and Agency</i>	<i>Library Trust</i>	<i>Bail Bond</i>	<i>Inmates' Trust</i>	<i>Drain Performance Bond</i>	<i>Total</i>
<b>Assets:</b>						
Cash	\$ 2,292,662	\$ 208,941	\$ 2,900	\$ 44,788	\$ 100,042	\$ 2,649,333
Accounts receivable	504	-	-	-	-	504
<b>Total Assets</b>	<b>\$ 2,293,166</b>	<b>\$ 208,941</b>	<b>\$ 2,900</b>	<b>\$ 44,788</b>	<b>\$ 100,042</b>	<b>\$ 2,649,837</b>
<b>Liabilities:</b>						
Due to other						
governmental units	\$ 271,252	\$ 208,941	\$ -	\$ -	\$ -	\$ 480,193
Other payables	2,021,914	-	2,900	44,788	100,042	2,169,644
<b>Total Liabilities</b>	<b>\$ 2,293,166</b>	<b>\$ 208,941</b>	<b>\$ 2,900</b>	<b>\$ 44,788</b>	<b>\$ 100,042</b>	<b>\$ 2,649,837</b>

# County of Kalamazoo, Michigan

## Agency Funds Combining Statement of Changes in Assets and Liabilities Year Ended December 31, 2009

	Balance, January 1, 2009	Additions	Deductions	Balance, December 31, 2009
<b><u>Trust and Agency</u></b>				
<b>Assets:</b>				
Cash	\$ -	\$ 128,129,201	\$ 125,836,539	\$ 2,292,662
Investments	2,300,000	-	2,300,000	-
Accounts receivable	1,027	-	523	504
<b>Total Assets</b>	<b>\$ 2,301,027</b>	<b>\$ 128,129,201</b>	<b>\$ 128,137,062</b>	<b>\$ 2,293,166</b>
<b>Liabilities:</b>				
Checks issued against future deposits	\$ 389,151	\$ 389,151	\$ -	\$ -
Due to other governmental units	445,798	123,999,281	123,824,735	271,252
Other payables	1,466,078	56,925,867	57,481,703	2,021,914
<b>Total Liabilities</b>	<b>\$ 2,301,027</b>	<b>\$ 181,314,299</b>	<b>\$ 181,306,438</b>	<b>\$ 2,293,166</b>
<b><u>Library Trust</u></b>				
Assets - Cash	\$ 220,292	\$ 604,504	\$ 615,855	\$ 208,941
Liability - Due to other governmental units	\$ 220,292	\$ 1,219,649	\$ 1,208,298	\$ 208,941
<b><u>Bail Bond</u></b>				
Assets - Cash	\$ 9,818	\$ 700,416	\$ 707,334	\$ 2,900
Liability - Other payables	\$ 9,818	\$ 715,784	\$ 708,866	\$ 2,900
<b><u>Inmates' Trust</u></b>				
Assets - Cash	\$ 215,501	\$ 525,189	\$ 695,902	\$ 44,788
Liability - Other payables	\$ 215,501	\$ 865,396	\$ 694,683	\$ 44,788
<b><u>Drain Performance Bond</u></b>				
Assets - Cash	\$ 93,570	\$ 14,017	\$ 7,545	\$ 100,042
Liability - Other payables	\$ 93,570	\$ 14,999	\$ 21,471	\$ 100,042
<b><u>Total Agency Funds</u></b>				
<b>Assets:</b>				
Cash	\$ 539,181	\$ 129,973,327	\$ 127,863,175	\$ 2,649,333
Investments	2,300,000	-	2,300,000	-
Accounts receivable	1,027	-	523	504
<b>Total Assets</b>	<b>\$ 2,840,208</b>	<b>\$ 129,973,327</b>	<b>\$ 130,163,175</b>	<b>\$ 2,649,837</b>
<b>Liabilities:</b>				
Checks issued against future deposits	\$ 389,151	\$ 389,151	\$ -	\$ -
Due to other governmental units	666,090	125,218,930	125,033,033	480,193
Other payables	1,784,967	58,522,046	58,906,723	2,169,644
<b>Total Liabilities</b>	<b>\$ 2,840,208</b>	<b>\$ 184,130,127</b>	<b>\$ 183,939,756</b>	<b>\$ 2,649,837</b>

# Component Units



# County of Kalamazoo, Michigan

## Component Units Balance Sheet - At-Large Drains

---

	<i>Special Revenue</i>
	<i>At-Large Drains</i>
<hr/> <i>December 31, 2009</i> <hr/>	
Assets -	
Cash	\$ 1,039,377
<hr/>	
Fund Balance -	
Unreserved	\$ 1,039,377
<hr/>	

# County of Kalamazoo, Michigan

## Component Units Statement of Revenues, Expenditures, and Changes in Fund Balance - At-Large Drains

---

	<i>Special Revenue</i>
	<i>At-Large Drains</i>
<hr/> <i>Year Ended December 31, 2009</i>	
Revenues:	
Interest and rents	\$ 7,591
Other	17,159
<hr/>	
Total Revenues	24,750
Expenditures -	
Public works - Drains	51,488
<hr/>	
Deficiency of Revenues Over Expenditures	(26,738)
Fund Balance, beginning of year	1,066,115
<hr/>	
Fund Balance, end of year	\$ 1,039,377

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# County of Kalamazoo, Michigan

## Component Units Balance Sheet - DHS/Child Care Welfare

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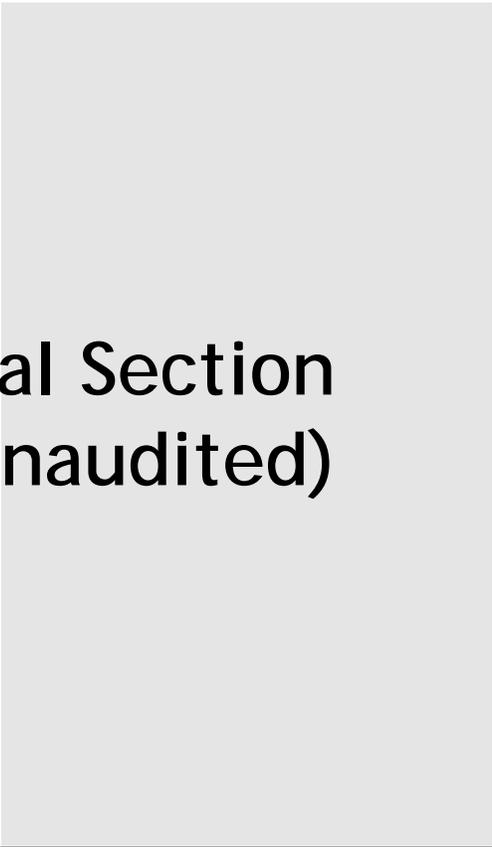
	<i>Special Revenue</i>
	<i>DHS/ Child Care Welfare</i>
<hr/> <i>December 31, 2009</i> <hr/>	
Assets -	
Cash	\$ 1,205,173
<hr/>	
Liabilities -	
Deferred revenues	\$ 1,205,173
<hr/>	

# County of Kalamazoo, Michigan

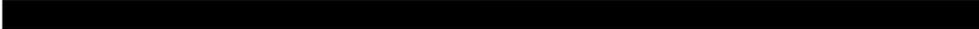
## Component Units Statement of Revenues, Expenditures, and Changes in Fund Balance - DHS/Child Care Welfare

---

	<i>Special Revenue</i>
	<i>DHS/ Child Care Welfare</i>
<hr/> <i>Year Ended December 31, 2009</i>	
Revenues:	
State grants	\$ 666,828
Local unit contributions	641,100
Charges for services	66,955
Other revenues	504,860
<hr/>	
Total Revenues	1,879,743
Expenditures -	
Health and welfare	1,879,743
<hr/>	
Net Change in Fund Balance	-
Fund Balance, beginning of year	-
<hr/>	
Fund Balance, end of year	\$ -
<hr/>	



**Statistical Section  
(Unaudited)**



# County of Kalamazoo, Michigan

## Statistical Section (Unaudited) Contents

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This part of the County of Kalamazoo, Michigan's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

	<i>Page</i>
<b>Financial Trends - Schedules 1 - 4</b>	<b>118 - 122</b>
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity - Schedules 5 - 8</b>	<b>123 - 126</b>
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales tax.	
<b>Debt Capacity - Schedules 9 - 11</b>	<b>127 - 130</b>
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information - Schedules 12 - 13</b>	<b>131 and 132</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information - Schedules 14 - 16</b>	<b>133 - 135</b>
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the service the County provides and the activities it performs.	

*Sources* - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

# County of Kalamazoo, Michigan

## Schedule 1 - Net Assets by Component, Last Six Fiscal Years - 2009-2004 (Unaudited)

December 31,	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>						
Invested in capital assets, net of related debt	\$ 14,661,496	\$ 31,973,057	\$ 14,798,453	\$ 14,594,522	\$ 15,261,715	\$ 15,521,670
Restricted:						
Revenue sharing reserve	8,844,326	13,876,233	18,318,542	21,154,552	14,334,413	8,357,014
Capital projects	-	-	-	4,882,322	4,169,092	4,169,994
Special revenue grants:						
Law Enforcement Fund	624,792	-	-	-	-	-
Health Fund	1,499	-	-	-	-	-
Other	6,497,893	-	-	-	-	-
Unrestricted	59,211,457	35,299,847	44,414,631	32,575,999	32,683,732	37,673,606
<b>Total Governmental Activities</b>						
Net Assets	\$ 89,841,463	\$ 81,149,137	\$ 77,531,626	\$ 79,462,259	\$ 71,285,155	\$ 69,306,673
 <b>Business-Type Activities:</b>						
Invested in capital assets, net of related debt	\$ 27,521,531	\$ 23,914,326	\$ 24,479,312	\$ 22,144,066	\$ 22,238,237	\$ 17,177,064
Unrestricted	30,865,423	29,143,845	25,967,411	24,150,506	22,834,327	25,133,407
<b>Total Business-Type Activities</b>						
Net Assets	\$ 58,386,954	\$ 53,058,171	\$ 50,446,723	\$ 46,294,572	\$ 45,072,564	\$ 42,310,471
 <b>Primary Government:</b>						
Invested in capital assets, net of related debt	\$ 42,183,027	\$ 55,887,383	\$ 39,277,765	\$ 36,738,588	\$ 37,499,952	\$ 32,698,734
Restricted:						
Revenue sharing reserve	8,844,326	13,876,233	18,318,542	21,154,552	14,334,413	8,357,014
Capital projects	-	-	-	4,882,322	4,169,092	4,169,994
Special revenue grants:						
Law Enforcement Fund	624,792	-	-	-	-	-
Health Fund	1,499	-	-	-	-	-
Other	6,497,893	-	-	-	-	-
Unrestricted	90,076,880	64,443,692	70,382,042	56,726,505	55,518,059	62,807,013
<b>Total Primary Government</b>						
Net Assets	\$ 148,228,417	\$ 134,207,308	\$ 127,978,349	\$ 125,756,831	\$ 116,357,719	\$ 111,617,144

Source: County of Kalamazoo, Michigan, Office of Finance.

Note: The County began breaking out special revenue grants in 2009.

# County of Kalamazoo, Michigan

## Schedule 2 - Changes in Net Assets, Last Six Fiscal Years - 2009-2004 (Unaudited)

<i>Year Ended December 31,</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
<b>Expenses:</b>						
Governmental activities:						
General government	\$ 15,304,080	\$ 18,716,502	\$ 17,195,129	\$ 13,287,815	\$ 13,112,946	\$ 11,732,332
Public safety	28,190,183	25,185,011	25,519,348	24,567,020	23,603,804	22,280,373
Public works	302,635	166,934	299,344	943,220	1,387,569	2,217,157
Health and welfare	40,947,081	36,838,395	36,180,122	35,516,055	35,057,267	37,871,316
Recreation and culture	3,345,053	3,268,444	3,232,282	3,066,342	3,085,417	3,272,460
Legislative	938,582	862,396	897,634	840,222	877,050	966,888
Judicial	19,477,810	17,665,498	17,774,174	17,872,285	18,775,967	19,129,554
Other	-	-	-	-	3,447,841	3,153,334
Interest and fiscal charges	1,615,949	1,797,799	656,948	517,525	650,538	770,194
<b>Total governmental activities expenses</b>	<b>110,121,373</b>	<b>104,500,979</b>	<b>101,754,981</b>	<b>96,610,484</b>	<b>99,998,399</b>	<b>101,393,608</b>
Business-type activities:						
Delinquent tax	-	800	6,690	130,180	4,692	-
Tax reversion	266,656	-	-	-	-	-
Airport operations	7,244,951	6,019,869	5,759,066	5,360,135	5,112,676	5,166,426
<b>Total business-type activities expenses</b>	<b>7,511,607</b>	<b>6,020,669</b>	<b>5,765,756</b>	<b>5,490,315</b>	<b>5,117,368</b>	<b>5,166,426</b>
<b>Total Primary Government Expenses</b>	<b>\$117,632,980</b>	<b>\$110,521,648</b>	<b>\$107,520,737</b>	<b>\$ 102,100,799</b>	<b>\$ 105,115,767</b>	<b>\$106,560,034</b>
<b>Program Revenues:</b>						
Governmental activities:						
Charges for Services:						
General government	\$ 2,147,274	\$ 2,252,045	\$ 2,703,273	\$ 2,950,571	\$ 3,260,615	\$ 3,034,136
Public safety	1,977,075	1,947,155	1,728,469	2,041,571	1,955,818	1,880,319
Health and welfare	2,519,035	2,175,576	2,016,657	1,245,711	2,536,375	2,897,372
Recreation and culture	2,527,150	2,669,459	2,634,950	2,419,217	2,349,378	2,184,590
Judicial	5,095,013	5,652,775	5,871,196	6,057,390	5,567,520	5,643,531
Other	-	-	-	-	-	2,535,357
Operating Grants and Contributions:						
General government	207,441	284,284	249,407	301,947	225,171	2,380,121
Public safety	1,874,351	1,660,903	2,919,091	3,470,642	4,256,489	3,447,189
Public works	75,520	117,541	147,679	134,747	133,005	101,632
Health and welfare	28,652,957	24,561,585	23,970,105	23,641,025	22,353,996	23,478,271
Recreation and culture	1,689,076	1,602,217	1,389,113	1,293,595	1,200,748	1,088,279
Judicial	7,404,748	7,281,433	7,448,395	7,596,287	7,609,797	7,470,937
Interest and fiscal charges	-	-	15,395	-	-	-
Other	-	-	-	-	21,819	-
Other	-	-	352,556	-	51,625	970,524
<b>Total governmental activities program revenues</b>	<b>54,169,640</b>	<b>50,204,973</b>	<b>51,446,286</b>	<b>51,152,703</b>	<b>51,522,356</b>	<b>57,112,258</b>

# County of Kalamazoo, Michigan

## Schedule 2 - Changes in Net Assets, Last Six Fiscal Years - 2009-2004 (Concluded) (Unaudited)

<i>Year Ended December 31,</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
<b>Program Revenues (Concluded):</b>						
Business-type activities:						
Charges for services:						
Delinquent tax	\$ 2,696,334	\$ 2,062,382	\$ 1,957,711	\$ 1,444,859	\$ 1,497,697	\$ 1,253,219
Tax reversion	550,258	-	-	-	-	-
Airport operations	3,762,887	3,902,591	4,316,214	4,233,581	4,483,389	4,004,586
Operating grants and contributions -						
Airport operations	159,178	197,926	(28,892)	600,649	186,278	165,547
Capital grants and contributions -						
Airport operations	6,350,499	2,879,337	3,471,510	721,909	1,760,080	1,627,723
<b>Total business-type activities</b>						
program revenues	<b>13,519,156</b>	<b>9,042,236</b>	<b>9,716,543</b>	<b>7,000,998</b>	<b>7,927,444</b>	<b>7,051,075</b>
<b>Total Primary Government</b>						
Program Revenues	<b>\$ 67,688,796</b>	<b>\$ 59,247,209</b>	<b>\$ 61,162,829</b>	<b>\$ 58,153,701</b>	<b>\$ 59,449,800</b>	<b>\$ 64,163,333</b>
<b>Net (Expense) Revenue:</b>						
Governmental activities	\$ (55,951,733)	\$ (54,296,006)	\$ (50,308,695)	\$ (45,457,781)	\$ (48,476,043)	\$ (44,281,350)
Business-type activities	6,007,549	3,021,567	3,950,787	1,510,683	2,810,076	1,884,649
<b>Total Primary Government</b>						
Net Expenses	<b>\$ (49,944,184)</b>	<b>\$ (51,274,439)</b>	<b>\$ (46,357,908)</b>	<b>\$ (43,947,098)</b>	<b>\$ (45,665,967)</b>	<b>\$ (42,396,701)</b>
<b>General Revenues and Other Changes in Net Assets:</b>						
Governmental activities:						
Property taxes levied for operating	\$ 50,691,287	\$ 50,142,756	\$ 47,291,086	\$ 34,879,561	\$ 33,990,340	\$ 30,922,234
Property taxes levied for revenue sharing reserve	-	-	1,108,851	11,064,283	10,416,376	10,654,932
Other taxes	-	-	-	-	-	46,309
Local unit contract revenue	1,642,012	1,696,138	1,218,268	1,276,194	1,631,699	1,285,000
Other	2,191,289	2,521,458	1,633,340	1,583,650	1,714,911	2,100,784
Unrestricted investment earnings	1,702,897	3,080,203	3,460,386	3,113,934	1,776,199	631,530
Transfers in	1,000,000	1,000,000	975,000	953,000	925,000	900,000
<b>Total governmental activities</b>						
	<b>57,227,485</b>	<b>58,440,555</b>	<b>55,686,931</b>	<b>52,870,622</b>	<b>50,454,525</b>	<b>46,540,789</b>
Business-type activities:						
Other	8,170	1,823	3,550	3,449	391,916	-
Unrestricted investment earnings	313,064	588,058	1,172,814	660,876	485,101	301,194
Transfers in (out)	(1,000,000)	(1,000,000)	(975,000)	(953,000)	(925,000)	(900,000)
<b>Total business-type activities</b>						
	<b>(678,766)</b>	<b>(410,119)</b>	<b>201,364</b>	<b>(288,675)</b>	<b>(47,983)</b>	<b>(598,806)</b>
<b>Total Primary Government</b>						
	<b>\$ 56,548,719</b>	<b>\$ 58,030,436</b>	<b>\$ 55,888,295</b>	<b>\$ 52,581,947</b>	<b>\$ 50,406,542</b>	<b>\$ 45,941,983</b>
<b>Change in Net Assets:</b>						
Governmental activities	\$ 1,275,752	\$ 4,144,549	\$ 5,378,236	\$ 7,412,841	\$ 1,978,482	\$ 2,259,439
Business-type activities	5,328,783	2,611,448	4,152,151	1,222,008	2,762,093	1,285,843
<b>Total Primary Government</b>						
	<b>\$ 6,604,535</b>	<b>\$ 6,755,997</b>	<b>\$ 9,530,387</b>	<b>\$ 8,634,849</b>	<b>\$ 4,740,575</b>	<b>\$ 3,545,282</b>

Source: County of Kalamazoo, Michigan, Office of Finance.

**County of Kalamazoo, Michigan**  
**Schedule 3 - Fund Balances, Governmental Funds,**  
**Last Six Fiscal Years - 2009-2004**  
**(Unaudited)**

<i>December 31,</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
<b>General Fund:</b>						
Reserved:						
Encumbrances	\$ 525,197	\$ 99,516	\$ 320,821	\$ 142,981	\$ 137,877	\$ 118,176
Prepaid expenditures/inventories	61,024	243,393	219,467	34,327	108,592	18,497
Long-term advances	-	-	-	23,790	300,000	-
Unreserved -						
Designated for future expenditures	4,727,510	5,917,064	5,764,300	5,764,300	4,252,900	4,252,900
Unreserved, reported in -						
General Fund	22,867,133	18,705,734	15,078,874	11,017,692	6,448,111	4,736,676
<b>Total General Fund</b>	<b>\$ 28,180,864</b>	<b>\$ 24,965,707</b>	<b>\$ 21,383,462</b>	<b>\$ 16,983,090</b>	<b>\$ 11,247,480</b>	<b>\$ 9,126,249</b>
<b>All Other Governmental Funds:</b>						
Reserved:						
Revenue Sharing Reserve Fund	\$ 8,844,326	\$ 13,876,233	\$ 18,318,542	\$ 21,154,552	\$ 14,334,413	\$ 8,357,014
Encumbrances	244,937	63,458	232,968	198,706	253,453	497,474
Prepaid expenditures/inventories	119	-	-	-	485	23,156
Long-term receivable from other governmental unit	-	-	-	279,901	320,439	-
Unreserved:						
Designated for future expenditures	138,433	305,287	411,500	411,500	224,720	222,876
Special Revenue Funds	7,142,805	7,071,644	6,502,765	6,254,864	4,836,203	3,584,389
Debt Service Funds	483,502	475,127	314	-	-	-
Capital Projects Funds	14,289,474	19,893,490	32,081,896	4,602,421	3,848,653	4,169,994
<b>Total All Other Governmental Funds</b>	<b>\$ 31,143,596</b>	<b>\$ 41,685,239</b>	<b>\$ 57,547,985</b>	<b>\$ 32,901,944</b>	<b>\$ 23,818,366</b>	<b>\$ 16,854,903</b>

Source: County of Kalamazoo, Michigan, Office of Finance.

<i>Year Ended December 31,</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
<b>Revenues:</b>			
Taxes	\$ 52,112,225	\$ 52,127,490	\$ 49,760,689
Licenses and permits	908,768	903,893	793,611
Intergovernmental	42,247,256	38,073,037	35,704,794
Changes for services	9,505,860	9,510,775	10,124,910
Fines and forfeitures	2,247,219	2,484,283	2,634,069
Interest	1,702,897	3,080,203	3,460,386
Other	2,191,289	2,512,099	1,631,441
Donations and contributions	810,363	712,053	2,260,309
<b>Total Revenues</b>	<b>111,725,877</b>	<b>109,403,833</b>	<b>106,370,209</b>
<b>Expenditures:</b>			
General government	12,207,828	12,478,693	9,841,143
Public safety	26,449,376	25,048,512	24,822,423
Public works	302,625	166,941	299,335
Health and welfare	40,150,567	36,636,836	36,130,575
Recreation and culture	3,031,205	3,026,214	2,926,544
Legislative	938,582	862,396	897,634
Judicial	18,204,672	17,424,528	17,432,615
Other	1,336,165	3,728,747	8,102,389
Transfer to component units	-	-	-
Debt service:			
Principal	2,104,898	2,148,821	1,810,040
Interest	1,629,462	1,615,516	517,222
Capital outlay	13,200,679	19,102,990	3,294,285
<b>Total Expenditures</b>	<b>119,556,059</b>	<b>122,240,194</b>	<b>106,074,205</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(7,830,182)</b>	<b>(12,836,361)</b>	<b>296,004</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	18,963,217	17,607,669	16,946,211
Transfers in - Component unit	-	-	-
Transfers out	(18,804,451)	(17,463,255)	(16,808,792)
Transfers out - Component unit	-	-	-
Issuance of notes	-	12,545	630,000
Issuance of bonds	-	415,000	28,321,900
Bond discount	-	-	(189,727)
Premium on refunding bond	-	-	-
Bond issuance costs	-	(16,099)	(149,183)
Payments to escrow agent	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>158,766</b>	<b>555,860</b>	<b>28,750,409</b>
<b>Net Change in Fund Balances</b>	<b>\$ (7,671,416)</b>	<b>\$ (12,280,501)</b>	<b>\$ 29,046,413</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.5%</b>	<b>3.2%</b>	<b>2.3%</b>

# County of Kalamazoo, Michigan

## Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2009-2000 (Unaudited)

	2006	2005	2004	2003	2002	2001	2000
\$	57,777,230	\$ 53,541,737	\$ 51,332,024	\$ 38,747,183	\$ 35,881,691	\$ 34,389,722	\$ 33,639,192
	785,730	846,714	862,458	482,737	688,569	678,286	688,512
	37,753,619	36,904,503	41,158,355	42,331,020	44,701,470	49,588,372	42,952,013
	9,598,624	10,762,032	10,664,460	13,395,974	11,524,246	11,141,138	11,846,956
	2,789,201	2,618,152	2,747,894	2,016,715	1,832,553	507,820	572,187
	3,113,934	1,776,199	631,530	645,363	922,473	1,974,071	2,346,753
	1,566,376	1,714,911	2,100,784	2,511,701	4,008,224	2,405,863	1,963,790
	249,663	578,346	-	-	-	-	-
	<u>113,634,377</u>	<u>108,742,594</u>	<u>109,497,505</u>	<u>100,130,693</u>	<u>99,559,226</u>	<u>100,685,272</u>	<u>94,009,403</u>
	10,909,325	11,159,696	11,461,734	10,699,858	10,222,174	9,343,025	9,028,594
	24,539,667	23,294,592	21,472,657	19,960,944	19,452,026	18,383,360	16,511,539
	943,231	1,387,608	2,195,172	3,726,967	2,968,693	634,696	2,825,818
	35,765,016	35,179,510	37,117,973	34,549,824	38,425,154	40,744,738	36,561,442
	2,792,553	2,812,928	2,976,942	2,984,957	2,785,506	2,378,743	2,388,419
	840,222	877,050	966,888	1,026,702	877,044	801,485	741,196
	17,829,372	18,617,735	18,644,364	18,790,626	18,411,630	17,779,870	16,125,090
	2,320,857	2,944,769	3,090,484	2,567,505	2,974,320	2,519,217	2,025,681
	-	-	-	3,200,421	-	-	-
	1,443,530	1,386,687	1,647,000	2,345,000	2,067,865	1,656,855	1,592,210
	524,919	633,923	686,452	793,684	909,528	962,062	898,063
	1,742,541	2,138,519	2,803,172	2,940,717	2,327,244	1,963,590	1,880,581
	<u>99,651,233</u>	<u>100,433,017</u>	<u>103,062,838</u>	<u>103,587,205</u>	<u>101,421,184</u>	<u>97,167,641</u>	<u>90,578,633</u>
	13,983,144	8,309,577	6,434,667	(3,456,512)	(1,861,958)	3,517,631	3,430,770
	16,541,876	16,434,229	13,816,990	12,515,159	12,954,003	14,023,183	13,134,062
	-	-	-	-	6,614	-	-
	(16,212,332)	(16,275,980)	(13,646,120)	(12,876,414)	(13,136,988)	(14,362,615)	(13,167,785)
	-	-	-	-	(2,196,052)	(1,593,931)	(1,606,051)
	506,500	750,000	2,151,000	-	-	2,623,647	-
	-	1,295,000	2,910,000	-	-	-	-
	-	-	-	-	-	-	-
	-	13,231	65,401	-	-	-	-
	-	-	-	-	-	-	-
	-	(1,441,363)	(2,889,944)	-	-	-	-
	<u>836,044</u>	<u>775,117</u>	<u>2,407,327</u>	<u>(361,255)</u>	<u>(2,372,423)</u>	<u>690,284</u>	<u>(1,639,774)</u>
\$	14,819,188	\$ 9,084,694	\$ 8,841,994	\$ (3,817,767)	\$ (4,234,381)	\$ 4,207,915	\$ 1,790,996
	2.0%	2.1%	2.3%	3.1%	3.0%	2.8%	2.8%

Source: County of Kalamazoo, Michigan, Office of Finance.

Note: The County implemented GASB Statement No. 34 in 2002.

# County of Kalamazoo, Michigan

## Schedule 5 - Assessed Value and Actual Value of Taxable Property<sup>(a)</sup>, Last Ten Fiscal Years - 2009-2000 (Unaudited)

<i>Fiscal Year</i>	<i>Real Property Value</i>						<i>(b)</i>
	<i>Agricultural Property</i>	<i>Commercial Property</i>	<i>Industrial Property</i>	<i>Residential Property</i>	<i>Personal Property</i>	<i>Total</i>	<i>Total Direct Tax Rate</i>
	\$	\$	\$	\$	\$	\$	\$
2009	225,488,791	1,792,326,915	503,111,457	6,046,379,311	896,482,771	9,463,789,245	6.32
2008	222,094,495	1,766,531,482	513,496,587	6,310,592,521	876,103,736	9,688,818,821	6.33
2007	216,698,123	1,719,347,867	505,724,481	6,159,696,308	809,587,546	9,411,054,325	6.34
2006	199,195,596	1,639,755,890	485,676,345	5,838,021,440	795,172,638	8,957,821,909	6.14
2005	202,576,301	1,561,122,682	481,762,317	5,428,008,097	806,931,249	8,480,400,646	6.14
2004	185,417,194	1,487,215,229	475,181,926	5,082,135,722	792,256,281	8,022,206,352	6.14
2003	153,280,951	1,396,751,002	443,920,723	4,729,736,472	810,320,054	7,534,009,202	6.14
2002	147,726,339	1,280,730,398	450,485,268	4,372,387,161	789,912,726	7,041,241,892	6.14
2001	137,259,433	1,157,989,445	365,365,750	4,060,031,323	794,179,125	6,514,825,076	6.14
2000	123,334,529	1,054,166,442	356,122,565	4,060,031,323	732,544,957	6,326,199,816	6.14

<sup>(a)</sup> Property is assessed at the legal market value determined by the local assessor's office.

<sup>(b)</sup> Per \$1,000 of value.

Source: County of Kalamazoo, Michigan, Equalization Department.

Note: The County assesses property annually. In Michigan, the proportion of real and tangible personal property not exempt by law is assessed at 50% of true cash value.

# County of Kalamazoo, Michigan

## Schedule 6 - Direct and Overlapping Property Tax Rates, Last Ten Years - 2009-2000 (Unaudited)

<i>December 31,</i>	<i>Year Taxes Are Payable</i>									
	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
<b>County Direct Rates:</b>										
Operating	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6900	4.6900
Law enforcement	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4500	1.4500
Juvenile Home Debt	0.1850	0.1950	0.2000	-	-	-	-	-	-	-
<b>Total direct rates</b>	<b>6.3212</b>	<b>6.3312</b>	<b>6.3362</b>	<b>6.1362</b>	<b>6.1362</b>	<b>6.1362</b>	<b>6.1362</b>	<b>6.1362</b>	<b>6.1400</b>	<b>6.1400</b>
<b>Kalamazoo County</b>										
Transportation Authority:	0.4000	-	0.3800	0.4500	-	-	-	-	-	-
<b>City Rates:</b>										
Galesburg	9.7856	9.7856	9.7856	9.8112	9.8112	9.9144	9.9603	10.0004	9.0477	9.0814
Kalamazoo	19.2705	19.2705	19.2705	19.1606	19.2705	19.2705	19.2705	19.2705	21.5667	21.5667
Parchment	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	11.6772
Portage	10.6598	10.6598	10.4892	10.1442	10.1442	10.1442	10.1442	10.3017	10.0000	10.0000
<b>Township Rates:</b>										
	.7860-	.7860-	.7860-	0.7978-	0.8059-	0.8151-	0.352-	0.8352-	0.8457-	0.8513-
	8.9691	8.9691	8.9691	10.8691	8.9691	8.9367	8.9943	8.9943	9.0587	9.0906
<b>Village Rates:</b>										
	9.0000-	8.0000-	9.0000-	9.5000-	9.0000-	9.0000-	9.0000-	9.0000-	9.0000-	8.8000-
	15.9005	15.9001	16.0000	16.0000	16.2000	16.4000	15.1185	15.1251	15.9370	15.9482
<b>Intermediate School Rates:</b>										
	2.6837-	4.1217-	4.1217-	2.6837-	2.6837-	2.9307-	2.7054-	2.7130-	2.7235-	2.7527-
	6.2057	6.2057	6.2057	9.0832	6.2057	6.2057	6.2641	6.3558	6.4390	6.4754
<b>Local School Rates:</b>										
	18.0000-	17.7517-	18.0000-	18.0000-	16.6421-	16.9801-	17.3267-	17.6408-	18.0000-	17.7223-
	27.1000	27.0500	27.0500	27.0990	26.6209	27.8283	27.0500	26.8967	27.0838	26.9348
<b>Library Rates:</b>										
	.5000-	.5000-	.4291-	0.4376-	0.4483-	0.4558-	0.4629-	0.4784-	0.4852-	0.4919-
	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583
<b>Community College Rates:</b>										
Glen Oaks	2.7249	2.7249	2.7249	2.7249	2.7088	2.7453	2.7453	2.7495	2.7559	2.7806
Kalamazoo Valley	2.8135	2.8135	2.8135	5.6270	2.8135	2.8135	2.8139	2.8139	2.8151	2.8151
Kellogg	3.7106	3.7106	3.7106	3.7106	3.7106	3.7106	3.7106	3.7106	3.7106	3.7128
<b>State Education</b>										
Tax Rates:	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	5.0000	6.0000	6.0000	6.0000

Source: County of Kalamazoo, Michigan, Equalization Department.

Note: Rates are stated in dollars per one thousand of state equalized or taxable valuation.

# County of Kalamazoo, Michigan

## Schedule 7 - Principal Property Taxpayers, Current Year and Nine Years Ago - December 31, 2009 and 2000 (Unaudited)

<i>Taxpayer</i>	<i>Fiscal Year 2009</i>			<i>Fiscal Year 2000</i>		
	<i>Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total County Taxable Assessed Value</i>	<i>Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total County Taxable Assessed Value</i>
Pfizer/Pharmacia	\$ 519,001,751	1	6.09%	\$ 445,852,073	1	8.25%
Consumers Energy Company	114,458,940	2	1.34%	105,655,219	2	1.96%
Stryker Corporation	72,517,231	3	0.85%	18,107,000	7	0.34%
Greenleaf/Catalyst Development Co	40,646,044	4	0.48%			
Target	30,354,227	5	0.36%			
Meijer/Goodwill	29,044,710	6	0.34%	19,586,599	6	0.36%
Graphic Packaging	26,583,600	7	0.31%			
Edward Rose and Son	25,159,083	8	0.30%	33,976,363	4	0.63%
Copper Beach Townhomes	24,609,386	9	0.29%			
Benteler Auto Group	23,346,720	10	0.27%	13,701,370	9	0.25%
Fort James	-		-	45,770,473	3	0.85%
National City Bank	-		-	25,414,678	5	0.47%
Crown Paper	-		-	15,755,525	8	0.29%
Portfolio One (Crossroads Mall)	-		-	12,652,800	10	0.23%
<b>Total</b>	<b>\$ 905,721,692</b>		<b>10.63%</b>	<b>\$ 736,472,100</b>		<b>13.63%</b>

Source: County of Kalamazoo, Michigan, Equalization Department.

# County of Kalamazoo, Michigan

## Schedule 8 - Property Tax Levies and Collections, Last Ten Years - 2009-2000 (Unaudited)

Fiscal Year	Levy Year	Taxes (a) Levied for the Fiscal Year		Total Adjusted Levy	Collected Within the Fiscal Year of the Levy		Total Collections to Date		
		(Original Levy)	Adjustments		Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2009	2008	\$ 53,109,827	\$ 1,834,514	\$ 51,275,314	\$ 48,996,211	92.25%	\$ 2,109,871	\$ 51,106,082	99.67%
2008	2007	\$ 52,632,244	\$ 674,189	\$ 51,958,055	\$ 48,201,774	91.58%	\$ 1,893,233	\$ 50,095,007	96.41%
2007	2006	\$ 50,775,893	\$ 818,318	\$ 49,957,575	\$ 45,113,305	88.85%	\$ 2,214,007	\$ 47,327,312	94.74%
2006	2005	\$ 46,640,625	\$ 911,302	\$ 45,729,323	\$ 43,297,409	92.83%	*	\$ 43,297,409	94.68%
2005	2004	\$ 44,014,109	\$ 1,865,269	\$ 42,148,840	\$ 38,821,673	88.20%	*	\$ 38,821,673	92.11%
2004	2003	\$ 41,847,285	\$ 2,678,991	\$ 39,168,294	\$ 36,770,855	87.87%	*	\$ 36,770,855	93.88%
2003	2002	\$ 39,647,219	\$ 3,043,657	\$ 36,603,562	\$ 34,665,210	87.43%	*	\$ 34,665,210	94.70%
2002	2001	\$ 38,055,102	\$ 4,545,137	\$ 33,509,965	\$ 31,485,341	82.74%	*	\$ 31,485,341	93.96%
2001	2000	\$ 35,694,912	\$ 529,273	\$ 35,165,639	\$ 30,982,184	86.80%	*	\$ 30,982,184	88.10%
2000	1999	\$ 33,428,660	\$ 1,494,761	\$ 31,933,899	\$ 30,249,479	90.49%	*	\$ 30,249,479	94.73%

(a) Taxes levied for the fiscal year included the operating levy, law enforcement levy, and the juvenile home debt service.

Source: County of Kalamazoo, Michigan, Treasurer's Office.

Note: The information in this schedule relates to the County's own property levies, and does not include those it collects on behalf of other governments.

\* Information not available.

# County of Kalamazoo, Michigan

## Schedule 9 - Ratios of General Bonded Debt Outstanding, Last Ten Years - 2009-2000 (Unaudited)

<i>Fiscal Year</i>	<i>General Bonded Debt Outstanding</i>				<i>Percentage of</i>		
	<i>Government Obligation Bonds</i>	<i>Business Type Obligation Bonds</i>	<i>Less Amounts Restricted to Repaying Principal</i>	<i>Total</i>	<i>Personal Income</i>	<i>Actual Value of Taxable Property</i>	<i>Per Capital</i>
2009	\$ 36,645,000	\$ 8,650,000	\$ -	\$ 45,295,000	0.52%	0.48%	\$ 182.34
2008	\$ 38,370,000	\$ 8,900,000	\$ -	\$ 47,270,000	0.55%	0.49%	\$ 192.03
2007	\$ 39,555,000	\$ 9,100,000	\$ -	\$ 48,655,000	0.58%	0.52%	\$ 198.88
2006	\$ 10,985,000	\$ 9,300,000	\$ -	\$ 22,877,284	0.25%	0.26%	\$ 93.68
2005	\$ 12,800,000	\$ 9,500,000	\$ -	\$ 22,300,000	0.29%	0.41%	\$ 91.80
2004	\$ 15,256,000	\$ 9,500,000	\$ -	\$ 24,756,000	0.33%	0.41%	\$ 102.25
2003	\$ 14,620,000	\$ 9,500,000	\$ -	\$ 24,120,000	0.33%	0.38%	\$ 99.62
2002	\$ 17,515,000	\$ -	\$ -	\$ 17,515,000	0.25%	0.27%	\$ 73.41
2001	\$ 19,310,000	\$ -	\$ -	\$ 19,310,000	0.28%	0.27%	\$ 80.93
2000	\$ 18,770,000	\$ -	\$ -	\$ 18,770,000	0.28%	0.25%	\$ 78.67

Source: County of Kalamazoo, Michigan, Office of Finance.

Note: 2009 percentage calculated using 2008 personal income data, which is the most recent available.

# County of Kalamazoo, Michigan

## Schedule 10 - Direct and Overlapping Governmental Activities Debt, as of December 31, 2009 (Unaudited)

<i>Governmental Unit</i>	<i>Debt Outstanding</i>	<i>Estimated Percentage Applicable</i>	<i>Estimated Share of Direct and Overlapping Debt</i>
<b>Libraries:</b>			
Kalamazoo District	\$ 5,300,000	100%	\$ 5,300,000
Otsego	3,495,000	31%	1,075,412
Richland	735,000	100%	735,000
<b>Total Libraries</b>			<b>7,110,412</b>
<b>Townships:</b>			
Brady	2,203,200	100%	2,203,200
Charleston	4,717	100%	4,717
Comstock	1,525,000	100%	1,525,000
Cooper	1,900,000	100%	1,900,000
Kalamazoo	4,585,000	100%	4,585,000
Pavilion	810,000	100%	810,000
Schoolcraft	1,100	100%	1,100
Texas	1,742,000	100%	1,742,000
<b>Total Townships</b>			<b>12,771,017</b>
<b>Cities:</b>			
Galesburg	2,268,000	100%	2,268,000
Kalamazoo	45,790,000	100%	45,790,000
Parchment	405,000	100%	405,000
Portage	100,416,100	100%	100,416,100
<b>Total Cities</b>			<b>148,879,100</b>
<b>Villages:</b>			
Augusta	1,335,000	100%	1,335,000
Climax	130,000	100%	130,000
Richland	125,000	100%	125,000
Schoolcraft	710,000	100%	710,000
Vicksburg	-	100%	-
<b>Total Villages</b>			<b>2,300,000</b>

# County of Kalamazoo, Michigan

## Schedule 10 - Direct and Overlapping Governmental Activities Debt, as of December 31, 2009 (Concluded) (Unaudited)

<i>Governmental Unit</i>	<i>Debt Outstanding</i>	<i>Estimated Percentage Applicable</i>	<i>Estimated Share of Direct and Overlapping Debt</i>
<b>School Districts:</b>			
Athens	\$ 1,120,000	5%	\$ 61,264
Climax Scotts	11,113,407	88%	9,767,574
Comstock	8,296,000	100%	8,296,000
Galesburg Augusta	18,165,707	100%	18,165,707
Gull Lake	41,381,000	83%	34,358,644
Kalamazoo	134,395,000	100%	134,395,000
Lawton	29,074,674	1%	188,985
Mattawan	25,635,000	65%	16,580,717
Mendon	15,453,914	2%	258,080
Otsego	61,048,994	38%	23,375,660
Parchment	33,869,062	100%	33,869,062
Plainwell	55,573,083	34%	18,700,342
Portage	135,675,000	100%	135,675,000
Schoolcraft	16,304,025	100%	16,304,025
Vicksburg	18,874,000	97%	18,398,376
<b>Total School Districts</b>			<b>468,394,437</b>
<b>Community Colleges:</b>			
Glen Oaks	690,000	0%	1,173
Kellogg	6,300,000	0%	11,970
<b>Total Community Colleges</b>			<b>13,143</b>
<b>Intermediate School Districts:</b>			
Allegan	120,000	12%	14,184
Kalamazoo RESA	23,825,000	98%	23,293,703
<b>Total Intermediate School Districts</b>			<b>23,307,887</b>
<b>Subtotal, Overlapping Debt</b>			<b>662,775,995</b>
<b>Total Direct Debt</b>			<b>45,295,000</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 708,070,995</b>

Source: County of Kalamazoo, Michigan, Office of Finance.

Note: Percentage of overlap based on assessed property values.

<i>December 31,</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
<b>Legal Debt Margin:</b>				
Assessed value of property*	\$ 9,613,919,694	\$ 9,836,819,541	\$ 9,500,767,380	\$ 9,075,219,802
Debt limit, 10% of assessed value (constitutional debt limit)	\$ 961,391,969	\$ 983,681,954	\$ 950,076,738	\$ 907,521,980
Amount of debt applicable to limit:				
Debt issues for purpose of the County functions only:				
Building Authority	36,350,000	36,950,000	37,420,000	9,300,000
Notes payable	7,971	386,918	741,244	1,090,282
Debt issues for benefit of local improvements:				
Water	770,000	820,000	875,000	930,000
Sewage	7,565,000	9,070,000	9,730,000	10,790,000
Water and sewage		-	-	-
Drainage	610,000	430,000	630,000	-
Notes payable	240,000	240,950	422,900	767,000
<b>Total net debt applicable to limit</b>	<b>45,542,971</b>	<b>47,897,868</b>	<b>49,819,144</b>	<b>22,877,282</b>
<b>Legal Debt Margin</b>	<b>\$ 915,848,999</b>	<b>\$ 935,784,086</b>	<b>\$ 900,257,594</b>	<b>\$ 884,644,698</b>
<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>	<b>4.74%</b>	<b>4.87%</b>	<b>5.24%</b>	<b>2.52%</b>

# County of Kalamazoo, Michigan

## Schedule 11 - Legal Debt Margin Information, Last Ten Years - 2009-2000 (Unaudited)

2005*	2004	2003	2002	2001	2000
\$8,549,329,614	\$ 8,022,206,352	\$ 7,534,009,202	\$ 7,041,241,892	\$ 6,514,825,076	\$ 6,326,199,816
\$ 854,932,961	\$ 802,220,635	\$ 753,400,920	\$ 704,124,189	\$ 651,482,508	\$ 632,619,982
9,500,000	9,500,000	9,500,000	325,000	850,000	1,350,000
1,424,813	1,750,000	-	-	-	-
970,000	245,000	270,000	1,015,000	1,085,000	1,155,000
11,830,000	12,860,000	13,725,000	15,475,000	16,600,000	15,415,000
-	-	625,000	-	775,000	850,000
-	-	-	-	-	-
289,500	401,000	-	700,000	-	-
24,014,313	24,756,000	24,120,000	17,515,000	19,310,000	18,770,000
\$ 830,918,648	\$ 777,464,635	\$ 729,280,920	\$ 686,609,189	\$ 632,172,508	\$ 613,849,982
2.81%	3.09%	3.20%	2.49%	2.96%	2.97%

Source: County of Kalamazoo, Michigan, Equalization Department and Office of Finance.

Note: Prior to Board of Review actions.

\* Beginning in 2005, Assessed Value includes Ad Valorem Taxes, Assessed Value of the Taxable Value of Act 198 Exemptions, and DNR Properties State Equalized Value.

# County of Kalamazoo, Michigan

## Schedule 12 - Demographic and Economic Statistics, Last Ten Fiscal Years - 2009-2000 (Unaudited)

<i>Year</i>	<i>Population</i>	<i>Personal Income</i>	<i>Per Capita Personal Income</i>	<i>Unemployment Rate</i>
2009	248,407	*	*	10.00%
2008	246,157	\$ 8,662,318,000	\$ 35,190	6.2%
2007	244,651	\$ 8,406,641,000	\$ 34,362	5.2%
2006	243,434	\$ 8,102,108,000	\$ 33,283	5.1%
2005	242,617	\$ 7,735,983,000	\$ 31,886	5.1%
2004	242,110	\$ 7,522,956,000	\$ 31,411	5.7%
2003	242,110	\$ 7,370,638,000	\$ 30,534	5.5%
2002	238,603	\$ 7,111,167,000	\$ 29,590	4.7%
2001	238,603	\$ 6,843,529,000	\$ 28,626	4.1%
2000	238,603	\$ 6,642,895,000	\$ 27,809	3.0%

Source: State of Michigan Department of Labor and Economic Growth, U.S. Census Bureau, and U.S. Department of Commerce - Bureau of Economic Analysis.

\* Personal income and per capita personal income information is not yet available for 2009.

# County of Kalamazoo, Michigan

## Schedule 13 - Principal Employers, Current Year and Nine Years Ago - December 31, 2009 and 2000 (Unaudited)

<i>Employer</i>	<i>Fiscal Year 2009</i>			<i>Fiscal 2000</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total County Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total County Employment</i>
Bronson Methodist Hospital	4,700	1	3.93%	2,705	4	2.10%
Borgess Medical Center	4,201	2	3.51%	3,535	2	2.74%
Western Michigan University	4,045	3	3.38%	3,485	3	2.70%
Pfizer/Pharmacia	3,200	4	2.67%	6,100	1	4.73%
Stryker Corporation	2,083	5	1.74%	1,000	10	0.78%
PNC (National City)	2,000	6	1.67%	1,900	7	1.47%
Kalamazoo Public School District	1,848	7	1.54%	2,200	5	1.71%
MPI	1,250	8	1.04%			
Meijer, Inc.	1,200	9	1.00%	2,120	6	1.64%
Kalamazoo Valley Community College	1,150	10	0.96%			
Summit Polymers, Inc.	830		0.69%	1,200	8	0.93%
Portage Public Schools	977		0.82%	1,132	9	0.88%
	27,484		22.96%	25,377		19.69%
<b>Total County Employment</b>	<b>119,688</b>		<b>100%</b>	<b>128,897</b>		<b>100%</b>

Source: Kalamazoo Chamber of Commerce and W.E. Upjohn Institute.

# County of Kalamazoo, Michigan

## Schedule 14 - Full-time Equivalent County Government Employees by Function, Last Ten Fiscal Years - 2009-2000 (Unaudited)

<i>Function/Program</i>	<i>Full-time Equivalent Employees as of December 31,</i>									
	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
General government	129.2	128.2	128.2	128.7	127.7	128.4	133.4	130.8	134.8	132.1
Public safety	226.5	226.5	226.5	226.0	225.9	227.2	236.0	231.4	238.5	233.8
Health and welfare	295.6	278.0	299.3	306.3	314.4	316.2	328.3	321.9	331.9	325.1
Recreation and culture	19.0	19.0	17.3	17.7	19.5	19.8	20.5	20.1	20.8	20.3
Legislative	6.3	6.3	6.0	6.0	9.8	9.8	10.3	10.1	10.4	10.2
Judicial	226.0	225.1	222.1	225.1	225.9	227.3	235.9	231.3	238.5	223.6
Other	31.6	29.6	29.6	28.9	29.5	29.6	30.8	30.2	31.1	30.5
Airport	23.5	23.5	23.5	23.5	19.5	19.8	20.5	20.2	20.8	20.3
<b>Total</b>	<b>957.8</b>	<b>936.2</b>	<b>952.5</b>	<b>962.3</b>	<b>972.2</b>	<b>978.0</b>	<b>1015.6</b>	<b>995.7</b>	<b>1026.6</b>	<b>995.8</b>

Source: County of Kalamazoo, Michigan, Office of Finance.

# County of Kalamazoo, Michigan

## Schedule 15 - Operating Indicators by Function, Last Ten Fiscal Years - 2009-2000 (Unaudited)

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>General Government:</b>										
Revenue from sale of maps, aerial photos, and street directories	\$ 865	\$ 1,490	\$12,117	\$ 1,039	\$ 1,809	\$ 262	\$ 362	\$ 1,034	\$ 580	\$ 733
Revenue from soil erosion and sedimentation control permits issued	\$22,715	\$ 30,173	\$36,180	\$47,147	\$50,011	\$60,728	\$58,353	\$60,361	\$22,423	\$ 18,563
<b>Public Safety:</b>										
Jail bookings	11,849	11,539	11,499	12,319	11,777	11,305	10,652	9,214	8,578	8,347
Average daily population	388	391	366	340	365	359	340	340	341	342
<b>Judicial:</b>										
8th District Court caseloads	67,143	73,210	80,700	79,257	82,326	80,608	79,296	71,796	69,045	68,198
<b>Airport:</b>										
Based aircraft	143	143	148	148	144	130	123	111	NA	NA
Enplanements	139,712	166,986	206,659	236,744	222,343	223,244	234,796	233,572	NA	NA

Source: County of Kalamazoo, Michigan, Office of Finance and individual county departments.

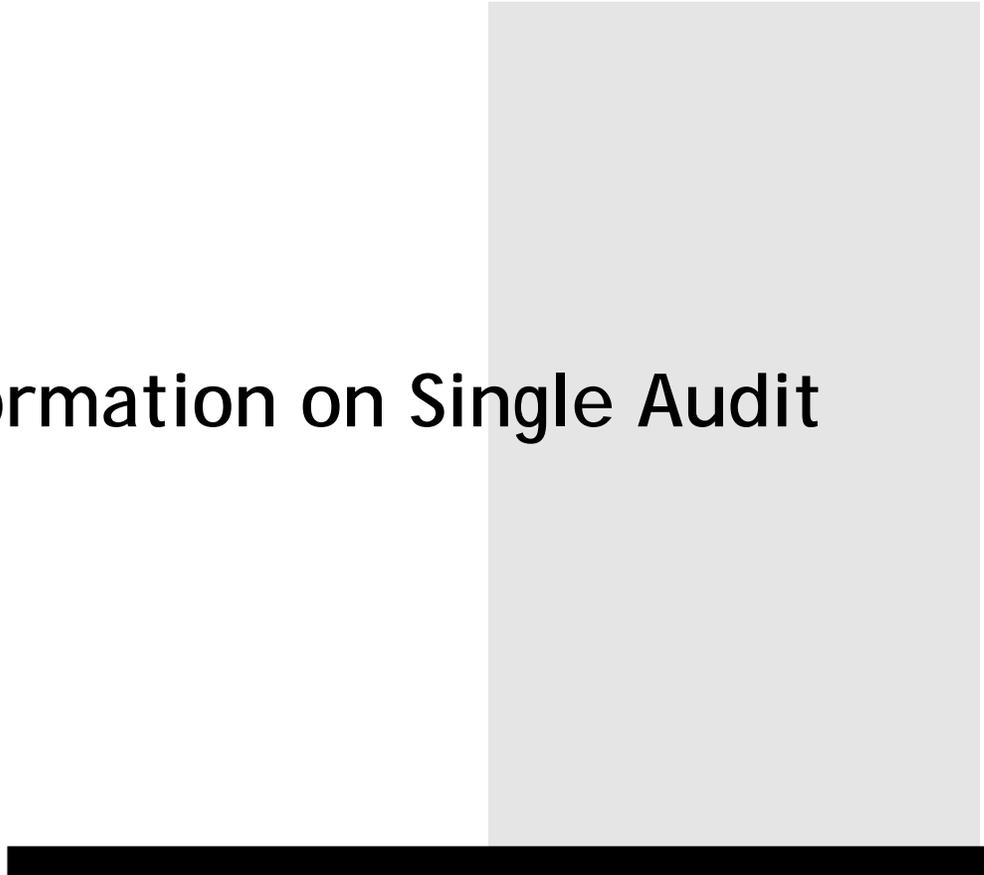
# County of Kalamazoo, Michigan

## Schedule 16 - Capital Asset Statistics by Function, Last Ten Fiscal Years - 2009-2000 (Unaudited)

<i>Function/Program</i>	<i>Fiscal Year</i>									
	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2000</i>
<b>Public Safety:</b>										
Correction facility capacity	327	327	327	327	327	327	327	327	327	327
Juvenile Home capacity	64	40	40	40	40	40	40	40	40	40
<b>Recreation and Culture:</b>										
Parks	6	6	6	6	6	6	6	6	6	6
County Fairground	1	1	1	1	1	1	1	1	1	1
<b>Judicial -</b>										
Courthouse buildings	3	3	3	3	3	3	2	2	1	1
<b>Airport Operations:</b>										
Number of runways	3	3	3	3	3	3	3	3	3	3
Terminals	1	1	1	1	1	1	1	1	1	1
Number of hangars	95	95	95	95	95	95	95	95	95	95

Source: County of Kalamazoo, Michigan, Office of Finance and individual county departments.

# Information on Single Audit





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## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
County of Kalamazoo, Michigan  
Kalamazoo, Michigan

We have audited the 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 Kalamazoo, Michigan (the County), as of and for the year ended December 31, 2009 (September 30, 2009, for certain component units), and have issued our report thereon dated June 4, 2010. We did not audit the financial statements of the Kalamazoo County Road Commission or the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), which represents 97% of the total assets of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for the Kalamazoo County Road Commission and KCMHSAS, 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.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the County's Board of Commissioners, management, others within the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BDO Seidman, LLP*

Certified Public Accountants

June 4, 2010



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## Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

Board of Commissioners  
County of Kalamazoo, Michigan  
Kalamazoo, Michigan

### Compliance

We have audited the compliance of the County of Kalamazoo, Michigan (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Road Commission, which expended \$4,051,885 in federal awards, and KCMHSAS, which expended \$7,709,615 in federal awards, and are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2009. Our audit, described below, did not include the operations of the Road Commission and KCMHSAS because the component units' audits in accordance with *OMB Circular A-133* were performed separately and a separate report was issued.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County's Board of Commissioners, management, others within the County, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

*BDO Seidman, LLP*

Certified Public Accountants

June 4, 2010

# Schedule of Expenditures of Federal Awards



# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Agriculture:</b>		
<i>Passed-through Michigan State University:</i>		
Family Nutrition Program	10.551	\$ 4,923
<i>Passed-through Michigan Department of Education:</i>		
School Breakfast Program:		
Breakfast - Project No. 91970	10.553	21,584
Breakfast - Project No. 101970	10.553	9,314
		30,898
National School Lunch Program:		
Section 4 - All Lunches - Project No. 91950	10.555	3,596
Section 4 - All Lunches - Project No. 101950	10.555	1,484
Section 11 - Free and Reduced - Project No. 91950	10.555	32,262
Section 11 - Free and Reduced - Project No. 101960	10.555	13,353
USDA Commodities - National School Lunch & Breakfast Program	10.555	5,620
		56,315
<i>Passed-through Michigan Department of Community Health:</i>		
Special Supplemental Food Program for Women, Infants, and Children	10.557	440,246
<i>Passed-through Michigan Department of Education:</i>		
Child Care Food Program	10.558	247,826
<i>Passed-through Michigan Department of Human Services:</i>		
Food Stamp Fraud Prosecution	10.561	20,460
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
Food Stamp Assistance - Type A - Program Operations	10.561	135,354
Food Stamp Assistance - Type B - Support Services	10.561	1,273
<i>Passed-through Michigan State University:</i>		
Food Stamp Nutrition Education	10.561	18,473
		175,560
<b>Total U.S. Department of Agriculture</b>		<b>955,768</b>

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Housing and Urban Development:</b>		
<i>Passed-through City of Kalamazoo:</i>		
CDBG Contracted Lead Services	14.218	\$ 371
<i>Passed-through Kalamazoo Neighborhood Housing Services, Inc.:</i>		
CDBG Contracted Lead Services	14.218	2,230
		2,601
<i>Passed-through Michigan Department of Consumer and Industry Services:</i>		
CDBG Housing Grant	14.228	23,945
<i>Passed-through City of Kalamazoo:</i>		
Emergency Shelter Grants Program - MSHDA - ESG	14.231	7,167
<i>Passed-through Michigan Department of Consumer and Industry Services:</i>		
Emergency Shelter Grants Program - MSHDA - ESG	14.231	8,220
		15,387
<b>Total U.S. Department of Housing and Urban Development</b>		<b>41,933</b>
<b>U.S. Department of Justice:</b>		
Direct Program - Comprehensive Approaches to Sex Offender Management		
Discretionary Grant	16.203	76,079
<i>Passed-through Michigan Department of Community Health:</i>		
Crime Victim Assistance:		
Domestic Assault/Sexual Assault - Project 20081-12V07	16.575	49,813
Domestic Assault/Sexual Assault - Project 20081-13V09	16.575	17,081
		66,894
Direct Program - State Criminal Alien Assistance Program	16.606	9,844
Direct Program - Bulletproof Vest Partnership Program	16.607	934
Direct Program - Public Safety Partnership and Community Policing Grants - COPS Grant 2006-CK-WX-0555	16.710	4,925

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Justice (Concluded):</b>		
<i>Passed-through Western Michigan University:</i>		
Reduction and Prevention of Children's Exposure to Violence - Safe Start - Project "Revoc"	16.730	\$ 5,451
<i>Passed-through City of Kalamazoo:</i>		
Kalamazoo County Sheriff's Dept. Byrne JAG Grant	16.738	5,100
<i>Passed-through Michigan State Police:</i>		
SWET 70888-2-10-B	16.738	26,476
SWET 70888-1-09-B	16.738	30,561
Adult Drug Court 2009-DJ-BX-0086	16.738	39,600
<i>Passed-through Michigan Department of Community Health:</i>		
Adult Drug Court 2008-DJ-BX-0013	16.738	52,436
		154,173
<i>Passed-through Michigan State Police:</i>		
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States & Territories:		
ARRA - 9th Circuit Court - Women's Drug Treatment Court Program	16.803	127,918
ARRA - 8th Circuit Court - Sobriety Court Enhancement Project	16.803	16,160
		144,078
<i>Passed-through City of Kalamazoo:</i>		
Grants to Units of Local Government:		
ARRA - Kalamazoo County Sheriff's Dept. - JAG Grant	16.804	14,000
ARRA - 8th District Court - Sobriety Court - JAG Grant	16.804	3,000
		17,000
<b>Total U.S. Department of Justice</b>		<b>479,378</b>

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Labor:</b>		
Direct Program - EBSA - COBRA Premium Assistance Program	17.151	\$ 12,411
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
Wagner-Peyser No Worker Left Behind	17.207	14
MI National Career Readiness Certificate	17.207	355
ARRA Wagner-Peyser Employment Service	17.207	2,756
ARRA MI National Career Readiness Certificate	17.207	8,581
Wagner-Peyser Employment Service 7(a)	17.207	474,169
		485,875
Trade Act Type A - Trade Adjustment Assistance	17.245	260,969
<b>Work Force Investment Act Adult Program:</b>		
ARRA - WIA Adult	17.258	204,193
ARRA - WIA Local Administration	17.258	61,399
ARRA - WIA SWA Kalamazoo Additional Youth	17.258	27,778
WIA Adult Type A - Adult Regular	17.258	947,316
WIA Local Administration Type A - Local Admin.	17.258	117,431
WIA SWA MI - National Career Readiness Certificate	17.258	305
WIA SWA Type N - High Concentration Youth	17.258	6,396
WIA SWA Type D - Performance Incentive	17.258	12,784
WIA SWA MWA Service Center Operations	17.258	23,223
WIA SWA Type A - One Stop Operations	17.258	41,854
WIA SWA Type E - Capacity Building	17.258	8,000
WIA SWA Type M - WF Support	17.258	21,307
		1,471,986
<b>Work Force Investment Act Youth Activities:</b>		
ARRA - WIA Youth	17.259	1,904,497
ARRA - WIA Local Administration	17.259	61,399
ARRA - WIA SWA Kalamazoo Additional Youth	17.259	27,778
WIA Youth Type A - Youth Regular	17.259	1,541,474
WIA Local Administration	17.259	117,431
WIA SWA MI - National Career Readiness Certificate	17.259	305
WIA SWA Type N - High Concentration Youth	17.259	6,396
WIA SWA Type D - Performance Incentive	17.259	12,784
WIA SWA MWA Service Center Operations	17.259	23,223
WIA SWA Type A - One Stop Operations	17.259	41,854
WIA SWA Type E - Capacity Building	17.259	8,000
WIA SWA Type M - WF Support	17.259	21,307
		3,766,448

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Labor (Concluded):</b>		
Work Force Investment Act Dislocated Workers:		
ARRA - WIA Dislocated Worker	17.260	\$ 484,754
ARRA - WIA Local Administration	17.260	61,399
ARRA - WIA SWA Kalamazoo Additional Youth	17.260	27,778
WIA Dislocated Worker Type A - Dislocated Worker	17.260	1,115,419
WIA Local Administration Type A - Local Admin.	17.260	117,431
WIA SWA MI - National Career Readiness Certificate	17.260	305
WIA SWA Type N - High Concentration Youth	17.260	6,396
WIA SWA Type D - Performance Incentive	17.260	12,784
WIA SWA MWA Service Center Operations	17.260	23,223
WIA SWA Type A - One Stop Operations	17.260	41,854
WIA SWA Type E - Capacity Building	17.260	8,000
WIA SWA Type M - WF Support	17.260	21,307
WIA Rapid Response Type C - 21st Century Workforce	17.260	24,000
WIA Rapid Response Type I - Incumbent Worker	17.260	156,183
WIA NEG AUTO	17.260	227,296
		2,328,129
Work Incentive Grant - WIA Disability Program Navigator		833
<b>Total U.S. Department of Labor</b>		<b>8,326,651</b>
 <b>U.S. Department of Transportation:</b>		
<i>Passed-through Michigan Department of State Police:</i>		
State and Community Highway Safety:		
Drunk Driving and Safety Belt Enforcement	20.600	6,411
 <i>Passed-through Michigan Department of State Police:</i>		
Alcohol Impaired Driving Countermeasures Incentive Grants I:		
High Visibility Drunk Driving Enforcement and Underage Drinking Enforcement	20.601	7,591
 <i>Passed-through Michigan Department of State Police:</i>		
Interagency Hazardous Materials Public Sector Training & Planning Grants		
Hazardous Materials Emergency Planning Grant	20.703	4,089
<b>Total U.S. Department of Transportation</b>		<b>18,091</b>

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Treasury:</b>		
Direct Program - Taxpayer Service - Internal Revenue Service VITA Program	21.003	\$ 7,498
<hr/>		
<b>Total U.S. Department of Treasury</b>		<b>7,498</b>
<hr/>		
<b>U.S. Environmental Protection Agency:</b>		
Direct Program - Great Lakes Program:		
Collection of Unwanted Household Electronics and Medicines	66.469	6,050
<hr/>		
<i>Passed-through Michigan Department of Environmental Quality:</i>		
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs - Nontransient NCW System	66.471	4,934
<hr/>		
<i>Passed-through City of Kalamazoo:</i>		
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies - Lead Media Awareness Campaign	66.716	18,458
<hr/>		
Direct Program - Brownfield Assessment and Cleanup Cooperative Agreements - Brownfield Assessment	66.818	198,445
<hr/>		
<b>Total U.S. Environmental Protection Agency</b>		<b>227,887</b>
<hr/>		
<b>U.S. Department of Energy:</b>		
<i>Passed-through Michigan Department of Human Services:</i>		
Weatherization Assistance for Low-Income Persons:		
Low Income Home Energy Assistance	81.042	54,270
ARRA - Weatherization Assistance Program	81.042	246,518
Weatherization Assistance Program	81.042	374,730
<hr/>		
<b>Total U.S. Department of Energy</b>		<b>675,518</b>
<hr/>		

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Education:</b>		
<i>Passed-through Western Michigan University:</i>		
Early Reading First:		
Early Reading First Program	84.359	\$ 8,641
<b>Total Department of Education</b>		<b>8,641</b>
<b>U.S. Department of Health and Human Services:</b>		
<i>Passed-through Michigan Office of Services to the Aging:</i>		
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation - Title VII EAP Services	93.041	9,413
Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals - Title VII/A LTC Ombudsman		10,185
Title III, Part D - Disease Prevention and Health Promotion Services - Title III D Services		13,816
Title III, Part B - Grants for Supportive Services and Senior Centers:		
Title III B - Administration	93.044	23,517
Title III B - Services (Program Development)	93.044	40,141
Title III B - Services	93.044	167,389
		231,047
Title III, Part C - Nutrition Services -		
Title III Administration	93.045	41,798
Title III C1/C2 Services	93.045	340,348
Title III C1/C2 Services - Care Management	93.045	106
		382,252
Title IV and Title II - Discretionary Projects:		
Nursing Home Diversion Grant	93.048	30,203

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Health and Human Services (Continued):</b>		
National Family Caregiver Support Program, Title III, Part E:		
Title III E - NFCSP	93.052	\$ 44,840
Title III E - Care Management	93.052	10,792
Title III E - Administration	93.052	10,546
Title III E - Information and Assistance	93.052	30,718
		<b>96,896</b>
Nutrition Services Incentive Program - USDA Senior Citizen Meals	93.053	118,681
<i>Passed-through Michigan Department of Community Health:</i>		
Public Health Emergency Preparedness:		
Bioterrorism Lab H1N1	93.069	9,469
H1N1 - Phase 1 & 11	93.069	73,761
H1N1 - Phase III	93.069	106,806
		<b>190,036</b>
<i>Passed-through Michigan Department of Mental Health:</i>		
Projects for Assistance in Transition from Homelessness	93.150	15,671
<i>Passed-through Michigan Department of Community Health:</i>		
Childhood Lead Poisoning	93.197	7,000
<i>Passed-through Michigan Department of Community Health:</i>		
Immunization Grants:		
Vaccine Provided	93.268	453,139
Case Management Services - CSHCS	93.268	6,291
Infant Immunization Initiative	93.268	119,137
		<b>578,567</b>
Centers for Disease Control and Prevention -		
Investigations and Technical Assistance:		
CDCP Investigative Tech Asst - Lab Services	93.283	138,125
Bioterrorism - Coordination	93.283	166,704
Chronic Disease Obesity	93.283	32,077
Asthma Coalition	93.283	2,717
BCCCP - BCCCP Coordination	93.283	235,606
BCCCP - Family Planning	93.283	18,000
BCCCP - Wise Woman Coordination	93.283	8,094
BCCCP - Case Management Services (Health Advantage)	93.283	750
		<b>602,073</b>

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Health and Human Services (Continued):</b>		
<i>Passed-through Michigan Department of Human Services:</i>		
Promoting Safe and Stable Families - MSU - Kinship Care SFSC-08-39002	93.556	\$ 40,453
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
TANF Work First JET	93.558	335,373
TANF Work First JET E	93.558	15,000
TANF Work First JET T	93.558	1,801,419
Temporary Assistance for Needy Families	93.558	24,343
		2,176,135
<i>Passed-through Michigan Department of Human Services:</i>		
Child Support Enforcement:		
CS/FOC-10-39001	93.563	520,380
CS/FOC-09-39001	93.563	1,551,882
CS/PA-10-39002	93.563	111,772
CS/PA-09-39002	93.563	341,090
Federal Performance Incentive Payment:		
CS/FOC-10-39001	93.563	72,736
CS/FOC-09-39001	93.563	218,912
CS/PA-10-39002	93.563	12,835
CS/PA-09-39002	93.563	37,826
		2,867,433
Low-Income Home Energy Assistance	93.568	8,681
LCA Deliverable Fuel	93.568	28,430
		37,111
Community Services Block Grant	93.569	605,436
Community Services Block Grant - Discretionary	93.569	10,615
		616,051
<i>Passed-through SCAO:</i>		
Grants to States for Access and Visitation Programs -		
Access and Visitation Grant	93.597	6,570
Direct Program - Head Start:		
Head Start 05CH5120/34	93.600	3,740,053
Head Start 05CH5120/35	93.600	866,026
		4,606,079

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Health and Human Services (Concluded):</b>		
<i>Passed-through Michigan Department of Human Services:</i>		
Foster Care - Title IV-E - Prosecuting Attorney DHS Grant PROFC-08-39001	93.658	\$ 38,438
<i>Passed-through Michigan Office of Services to the Aging:</i>		
ARRA - Senior Nutrition Program - Home Delivered	93.705	19,914
ARRA - Senior Nutrition Program - Congregate Nutrition	93.707	8,182
<i>Direct Program - Head Start:</i>		
ARRA - Head Start - Stimulus	93.708	100,803
<i>Passed-through Michigan Department of Human Services:</i>		
ARRA - Community Services Block Grant	93.710	4,146
<i>Passed-through Michigan Department of Community Health:</i>		
<i>Medical Assistance Program:</i>		
Infant Mortality - Nurse Family Partnership	93.778	165,644
Michigan Infant Mortality Initiative	93.778	34,868
Southwest Michigan Single Point of Entry Project	93.778	28,691
Case Management Services - CHSCS	93.778	58,575
Medicaid Outreach Activities	93.778	132,317
<i>Passed-through Office of Services to the Aging:</i>		
Targeted Case Management	93.778	15,345
		435,440
<i>Passed-through Area Agency on Aging Association of Michigan:</i>		
CMS Research, Demonstrations and Evaluations - MMAP	93.779	29,484
Direct Program - Healthy Start Initiative	93.926	508,836
<i>Passed-through Michigan Department of Community Health:</i>		
HIV Prevention Activities - Health Department Based: AIDS/HIV Prevention	93.940	113,304
<i>Preventative Health Services - Sexually Transmitted Diseases Control Grants:</i>		
Laboratory Services	93.977	38,944
<i>Preventative Health and Health Services Block Grant:</i>		
Sexually Transmitted Disease Control	93.991	72,933
<i>Maternal and Child Health Services Block Grant to the States:</i>		
MCH Block Grant	93.994	156,047
Childhood Lead	93.994	54,782
Case Management Services - CSHCS	93.994	40,588
		251,417
<b>Total U.S. Department of Health and Human Services</b>		<b>14,257,513</b>

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 (Concluded)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
<b>U.S. Department of Homeland Security:</b>		
<i>Passed-through Michigan Department of State Police:</i>		
State Domestic Preparedness Equipment Grant	97.004	\$ 61
<i>Passed-through Michigan Department of Natural Resources:</i>		
<i>Boating Safety Financial Assistance:</i>		
Marine Safety Program	97.012	25,701
<i>Passed-through Michigan Department of State Police:</i>		
Emergency Management Performance Grant (PY2010)	97.042	11,377
Emergency Management Performance Grant (PY2009)	97.042	34,558
		45,935
<i>Passed-through Van Buren County:</i>		
Homeland Security Grant Program	97.067	594,234
Michigan Citizens Corps Grant Program	97.067	3,017
		597,251
<b>Total U.S. Department of Homeland Security</b>		<b>668,948</b>
<b>Total Primary Government Unit</b>		<b>\$ 25,667,826</b>

<i>Services</i>	<i>Federal Admin.</i>	<i>Title IIB</i>	<i>Title IIIC-1</i>	<i>Title IIIC-2</i>	<i>Title VII/EAP</i>	<i>Title VIA</i>
Personal care	\$ -	\$ 13,249	\$ -	\$ -	\$ -	\$ -
Homemaker	-	15,816	-	-	-	-
Home delivered meals	-	-	-	119,020	-	-
Adult day care	-	-	-	-	-	-
Care management	-	4,181	-	-	-	-
In-home respite care	-	4,531	-	-	-	-
Case coordination and support	-	37,128	-	-	-	-
Congregate meals	-	-	219,973	-	-	-
Transportation	-	38,905	-	-	-	-
Legal assistance	-	12,610	-	-	-	-
Information and assistance	-	7,399	-	-	-	-
EAP	-	-	-	-	8,258	-
Home injury control	-	3,000	-	-	-	-
Counseling	-	247	-	-	-	-
Gap services	-	70	-	-	-	-
Senior center operations	-	28,749	-	-	-	-
Program development	-	38,387	-	-	-	-
PERS	-	3,719	-	-	-	-
Medication management	-	-	-	-	-	-
Health promotion	-	-	-	-	-	-
Ombudsman	-	2,351	-	-	-	8,867
Nutrition counseling	-	-	492	492	-	-
Caregiver education support and training	-	-	-	-	-	-
<b>Subtotal</b>	-	210,342	220,465	119,512	8,258	8,867
Administration	72,517	-	-	-	-	-
<b>Total</b>	<b>\$ 72,517</b>	<b>\$ 210,342</b>	<b>\$ 220,465</b>	<b>\$ 119,512</b>	<b>\$ 8,258</b>	<b>\$ 8,867</b>



# County of Kalamazoo, Michigan

## Supplemental Schedule of Expenditures by Service September 30, 2009 (Concluded)

<i>Services</i>	<i>State NHO</i>	<i>State Alt. Care</i>	<i>State Respite/ Tobacco</i>	<i>Civil Money Penalty</i>	<i>State Merit Award Trust</i>	<i>Totals</i>
Personal care	\$ -	\$ 16,994	\$ -	\$ -	\$ -	\$ 50,034
Homemaker	-	51,940	-	-	-	105,579
Home delivered meals	-	-	-	-	-	411,400
Adult day care	-	-	22,785	-	54,500	82,359
Care management	-	-	-	-	-	171,168
In-home respite care	-	-	20,974	-	17,764	55,982
Case coordination and support	-	-	-	-	-	54,611
Congregate meals	-	-	-	-	-	266,933
Transportation	-	-	-	-	-	38,905
Legal assistance	-	-	-	-	-	12,610
Information and assistance	-	-	-	-	-	25,719
EAP	-	-	-	-	-	8,258
Home injury control	-	-	-	-	-	3,000
Counseling	-	-	-	-	-	7,767
Gap services	-	-	-	-	-	70
Senior center operations	-	-	-	-	-	28,749
Program development	-	-	-	-	-	38,387
PERS	-	-	-	-	-	3,719
Medication management	-	-	-	-	-	3,558
Health promotion	-	-	-	-	-	10,425
Ombudsman	30,216	-	-	48,269	-	89,703
Nutrition counseling	-	-	-	-	-	984
Caregiver education support and training	-	-	-	-	-	37,882
<b>Subtotal</b>	<b>30,216</b>	<b>68,934</b>	<b>43,759</b>	<b>48,269</b>	<b>72,264</b>	<b>1,507,802</b>
Administration	-	-	-	-	7,147	92,143
<b>Total</b>	<b>\$ 30,216</b>	<b>\$ 68,934</b>	<b>\$ 43,759</b>	<b>\$ 48,269</b>	<b>\$ 79,411</b>	<b>\$ 1,599,945</b>

**County of Kalamazoo, Michigan**  
**Schedule of Expenditures of Federal Awards**  
**Schedule of Federal Pass-Through Funds to Subrecipients**  
**Year Ended December 31, 2009**

<i>Program Name</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
Food Stamp Employment and Training and Supportive Services	10.561	\$ 136,627
ARRA - Wagner-Peyser Employment Service	17.207	2,756
ARRA - MI - NCRC (National Career Readiness Certificate)	17.207	8,581
Wagner-Peyser Employment Service (7a)	17.207	474,169
Wagner-Peyser Employment Service - No Worker Left Behind (NWLB)	17.207	14
MI - NCRC (National Career Readiness Certificate)	17.207	355
Trade Adjustment Assistance Type A	17.245	260,969
ARRA - Workforce Investment Act - Adult	17.258	204,193
Workforce Investment Act - Adult Type A	17.258	947,316
ARRA - Workforce Investment Act - Youth	17.259	1,904,497
Workforce Investment Act - Youth Type A	17.259	1,541,474
ARRA - Workforce Investment Act - Dislocated Worker	17.260	484,753
Workforce Investment Act - Dislocated Worker Type A	17.260	1,115,419
ARRA - Workforce Investment Act - Local Administration	17.258	61,399
	17.259	61,399
	17.260	61,399
ARRA - Workforce Investment Act - Kalamazoo Additional Youth	17.258	27,778
	17.259	27,778
	17.260	27,778
Workforce Investment Act - Local Administration Type A	17.258	117,432
	17.259	117,432
	17.260	117,432
Workforce Investment Act - High Concentration Youth Type N	17.258	6,396
	17.259	6,396
	17.260	6,396
Workforce Investment Act - One-Stop Operations Type A	17.258	41,854
	17.259	41,854
	17.260	41,854
Workforce Investment Act - Performance Incentive Type D	17.258	12,784
	17.259	12,784
	17.260	12,784
Workforce Investment Act - Capacity Building Type E	17.258	8,000
	17.259	8,000
	17.260	8,000
Workforce Investment Act - WF Support Type M	17.258	21,307
	17.259	21,307
	17.260	21,307
Workforce Investment Act - MWA Service Center Operations	17.258	23,223
	17.259	23,223
	17.260	23,223
Workforce Investment Act - MI - NCRC (National Career Readiness Certificate)	17.258	305
	17.259	305
	17.260	305
Workforce Investment Act - Rapid Response 21st Century Workforce Type C	17.260	24,000
Workforce Investment Act - Dislocated Worker Incumbent Type I	17.260	156,184
Workforce Investment Act - NEG AUTO	17.260	227,296
Workforce Investment Act - Disability Program Navigator (DPN)	17.266	833

# County of Kalamazoo, Michigan

## Schedule of Expenditures of Federal Awards Schedule of Federal Pass-Through Funds to Subrecipients Year Ended December 31, 2009 (Concluded)

<i>Program Name</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	\$ 13,110
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	111,844
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	340,348
National Family Caregiver Support	93.052	44,840
Nutrition Services Incentive Program (USDA) - Senior Citizens' Meal Program	93.053	118,681
Chronic Disease Obesity	93.283	32,077
Temporary Assistance for Needy Families - Work First JET	93.558	335,373
Temporary Assistance for Needy Families - Work First JET E	93.558	15,000
Temporary Assistance for Needy Families - Work First JET T	93.558	1,801,419
Community Services Block Grant	93.569	27,240
ARRA - Home Delivered Nutrition Programs	93.705	18,104
ARRA - Congregate Nutrition Services	93.707	8,182
Michigan Infant Mortality Initiative	93.778	417
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	27,314
Healthy Start Initiative - Phase II	93.926	235,963
Homeland Security Grant Program (Transfer of Equipment to City of Kalamazoo)	97.067	56,100
Homeland Security Grant Program (Transfer of Equipment to City of Portage)	97.067	8,321
Homeland Security Grant Program (Transfer of Equipment to City of Parchment)	97.067	622
Homeland Security Grant Program (Transfer of Equipment to City of Galesburg)	97.067	1,024
Homeland Security Grant Program (Transfer of Equipment to Western Michigan University)	97.067	3,950
Homeland Security Grant Program (Transfer of Equipment to Kalamazoo Township)	97.067	6,125
Homeland Security Grant Program (Transfer of Equipment to Village of Augusta)	97.067	1,264
Homeland Security Grant Program (Transfer of Equipment to Village of Richland)	97.067	1,403
Homeland Security Grant Program (Transfer of Equipment to Village of Schoolcraft)	97.067	1,281
Homeland Security Grant Program (Transfer of Equipment to Village of Vicksburg)	97.067	4,014
Homeland Security Grant Program (Transfer of Equipment to Alamo Township)	97.067	204
Homeland Security Grant Program (Transfer of Equipment to Climax Township)	97.067	212
Homeland Security Grant Program (Transfer of Equipment to Comstock Township)	97.067	425
Homeland Security Grant Program (Transfer of Equipment to Cooper Township)	97.067	298
Homeland Security Grant Program (Transfer of Equipment to Oshtemo Township)	97.067	425
Homeland Security Grant Program (Transfer of Equipment to Pavilion Township)	97.067	213
Homeland Security Grant Program (Transfer of Equipment to Ross/Augusta Fire Department)	97.067	255
Homeland Security Grant Program (Transfer of Equipment to South County Fire Department)	97.067	493
Homeland Security Grant Program (Transfer of Equipment to Texas Township)	97.067	297
Homeland Security Grant Program (Transfer of Equipment to Life EMS)	97.067	1,493
Homeland Security Grant Program (Transfer of Equipment to Pride Care EMS)	97.067	340
Homeland Security Grant Program (Transfer of Equipment to Kalamazoo County Medical Control Authority)	97.067	85
Homeland Security Grant Program (Transfer of Equipment to American Red Cross)	97.067	127
<b>Total Federal Pass-Through Funds to Subrecipients</b>		<b>\$ 11,669,753</b>

# County of Kalamazoo, Michigan

## Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2009

**Note 1**      The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of County of Kalamazoo, Michigan, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**Note 2**      *U.S. Department of Transportation Grants*

The County participates in the Airport Improvement Program of the U.S. Department of Transportation, CFDA 20.106. The discretely presented component unit (Road Commission) participates in the Highway Research, Planning, and Construction Program of the U.S. Department of Transportation, CFDA 20.205. The programs are both administered by the Michigan Department of Transportation, therefore, the County and the Road Commission have no responsibilities regarding fiscal or compliance controls over such assistance. These grants consist of the following:

<i>December 31, 2009</i>	<i>Federal CFDA Number</i>	<i>Current Year Expenditures</i>
<b>Primary Government -</b>		
<b>U.S. Department of Transportation -</b>		
<i>Passed-through Michigan Department of Transportation:</i>		
Airport Improvement Program	20.106	\$ 5,922,223
Airport Security Reimbursement	20.106	135,929
<hr/>		
<b>Total Primary Government -</b>		
<b>U.S. Department of Transportation</b>		<b>\$ 6,058,152</b>
<hr/>		
<b>Discretely Presented Component Unit -</b>		
<b>Governmental - Road Commission -</b>		
<b>U.S. Department of Transportation -</b>		
<i>Passed-through Michigan Department of Transportation -</i>		
Highway Research, Planning, and Construction	20.205	\$ 4,051,885
<hr/>		

# County of Kalamazoo, Michigan

## Schedule of Findings and Questioned Costs Year Ended December 31, 2009

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of <i>OMB Circular A-133</i> ?	No

Identification of major programs:

*CFDA No. Name of Federal Program or Cluster*

16.803	Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to States & Territories
16.804	Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government
17.207	Employment Service/Wagner-Peyser Funded Activities
17.258	WIA Cluster - Adult Program
17.259	WIA Cluster - Youth Activities
17.260	WIA Cluster - Dislocated Workers
81.042	Weatherization Assistance for Low-Income Persons
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.600	Head Start
93.705	ARRA - Senior Nutrition Program - Home Delivered
93.707	ARRA - Senior Nutrition Program - Congregate Nutrition
93.708	ARRA - Head Start
93.710	ARRA - Community Services Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs	\$ 770,035
Auditee qualified as low-risk auditee?	Yes

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.