



County of Kalamazoo, Michigan

Comprehensive Annual Financial Report
and Single Audit Act Compliance

Year Ended December 31, 2015

County of Kalamazoo, Michigan

Comprehensive Annual Financial Report and
Single Audit Act Compliance
Year Ended December 31, 2015

County of Kalamazoo, Michigan

Comprehensive Annual Financial Report and Single Audit Act Compliance
Year Ended December 31, 2015

Prepared By:

Tracie L. Moored, Director, Finance and Internal Services/Controller
John Faul, Deputy County Administrator

This page intentionally left blank.

County of Kalamazoo, Michigan

Contents

Introductory Section

List of Officials for 2015	i
Organization Chart	ii
GFOA Certificate of Achievement	iii
Letter of Transmittal	1-5

Financial Section

Independent Auditor's Report	6-8
Management Discussion and Analysis	9-20
Government-Wide Financial Statements:	
Statement of Net Position	21-22
Statement of Activities	23-24
Fund Financial Statements:	
<i>Government Funds:</i>	
Balance Sheets	25-26
Reconciliation of the Fund Balance of Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	27
Statements of Revenues, Expenditures, and Changes in Fund Balance	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	29
Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - <i>General Fund</i>	30
<i>Law Enforcement Fund</i>	31
<i>Health Fund</i>	32
<i>Proprietary Funds:</i>	
Statement of Net Position	33-34
Statement of Revenues, Expenses, and Change in Net Position	35
Statement of Cash Flows	36-37
<i>Fiduciary Funds:</i>	
Statement of Fiduciary Net Position	38
Statement of Changes in Fiduciary Net Position	39

County of Kalamazoo, Michigan

Contents (Continued)

Fund Financial Statements (Concluded):

Component Units:

Combining Statement of Net Position	40
Combining Statement of Activities	41-42

Notes to Basic Financial Statements	43-82
-------------------------------------	-------

Required Supplementary Information

Kalamazoo County Employees' Retirement System Schedule of Changes in Employers' Net Pension Asset and Related Ratios	83
---	----

Kalamazoo County Employees' Retirement System Schedule of Contributions	84-85
--	-------

Schedule of Funding Progress	86
------------------------------	----

Supplementary Information

Combining and Individual Fund Statements and Schedules:

<i>General Fund:</i>	87
----------------------	----

Schedule of Sources and Uses of Financial Resources	88-93
---	-------

<i>Nonmajor Government Funds:</i>	94-96
-----------------------------------	-------

Combining Balance Sheet	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	98

Nonmajor Special Revenue Funds:

Combining Balance Sheet	99-100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	101-102

Nonmajor Debt Service Funds:

Combining Balance Sheet	103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	104-105

Nonmajor Capital Projects Funds:

Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	107

County of Kalamazoo, Michigan

Contents (Continued)

Combining and Individual Fund Statements and Schedules (Concluded):

Nonmajor Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:

Parks and Recreation	108
Friend of the Court	109
Accommodation Tax	110
Concealed Pistol Licensing	111
Law Library	112
Area Agency on Aging	113
Child Care Probate	114
Veterans' Trust	115
Community Healthy Start	116
HIV/AIDS Consortium	117
Community Corrections	118
Judicial Special Grants	119
Public Safety Special Grants	120
Public Works Special Grants	121
Health and Welfare Special Grants	122
Community Economic Development Special Grants	123
Capital Outlay Special Grants	124

Internal Service Funds: 125

Combining Statement of Net Position	126
Combining Statement of Revenues, Expenses, and Changes in Net Position	127
Combining Statement of Cash Flows	128

Agency Funds: 129

Statement of Fiduciary Assets and Liabilities	130
Combining Statement of Changes in Assets and Liabilities	131

Component Units:

At-Large Drains:

Balance Sheet	132
Statement of Revenues, Expenditures, and Changes in Fund Balance	133

DHS/Child Care Welfare:

Balance Sheet	134
Statement of Revenues, Expenditures, and Changes in Fund Balance	135

Lake Level Fund:

Balance Sheet	136
Statement of Revenues, Expenditures, and Changes in Fund Balance	137

County of Kalamazoo, Michigan

Contents (Continued)

Statistical Section (Unaudited)

Contents	138
Schedule 1 - Net Position by Component, Last Ten Fiscal Years - 2015-2006	139-140
Schedule 2 - Changes in Net Position, Last Ten Fiscal Years 2015-2006	141-144
Schedule 3 - Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2015-2006	145-146
Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2015-2006	147-148
Schedule 5 - Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years - 2015-2006	149
Schedule 6 - Direct and Overlapping Property Tax Rates, Last Ten Years - 2015-2006	150
Schedule 7 - Principal Property Taxpayers, Current Year and Nine Years Ago - December 31, 2014 and 2005	151
Schedule 8 - Property Tax Levies and Collections, Last Ten Years - 2015-2006	152
Schedule 9 - Ratios of General Bonded Debt Outstanding, Last Ten Years - 2015-2006	153
Schedule 10 - Direct and Overlapping Governmental Activities Debt, As of December 31, 2015	154-155
Schedule 11 - Legal Debt Margin Information, Last Ten Years - 2015-2006	156-157
Schedule 12 - Demographic and Economic Statistics, Last Ten Fiscal Years - 2015-2006	158
Schedule 13 - Employment by Principal Industries, Current Year and Nine Years Ago - December 31, 2014 and 2005	159
Schedule 14 - Full-time Equivalent County Governmental Employees by Function, Last Ten Fiscal Years - 2015-2006	160
Schedule 15 - Operating Indicators by Function, Last Ten Fiscal Years - 2015-2006	161
Schedule 16 - Capital Asset Statistics by Function, Last Ten Fiscal Years - 2015-2006	162

County of Kalamazoo, Michigan

Contents (Concluded)

Information on Single Audit

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	163-164
Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance	165-166
Schedule of Expenditures of Federal Awards	167-173
Supplemental Schedule of Expenditures by Service	174-175
Notes to Schedule of Expenditures of Federal Awards	176-177
Schedule of Findings and Questioned Costs	178-179

This page intentionally left blank.

Introductory Section

County of Kalamazoo, Michigan

List of Officials for 2015

County Board of Commissioners

John Taylor - Chairperson
Jeff Heppler - Vice Chairperson
John Gisler
Scott McGraw
Stephanie Moore
Larry Provancher
Julie Rogers
Michael Seals
Dale Shugars
Roger Tuinier
Kevin Wordelman

Circuit Court Judges

Curtis Bell - Chief Judge

Alexander Lipsey - Chief Judge Pro Tempore
Paul Bridenstine
Gary Giguere, Jr.
Stephen Gorsalitz
Pamela Lightvoet
Julie Phillips
G. Scott Pierangeli

District Court Judges

Richard Santoni - Chief Judge

Anne E. Blatchford - Chief Judge Pro Tempore
Tiffany Ankley
Christopher T. Haenicke
Robert Kropf
Julie Phillips - Family Division
Vincent Westra

Probate Judges

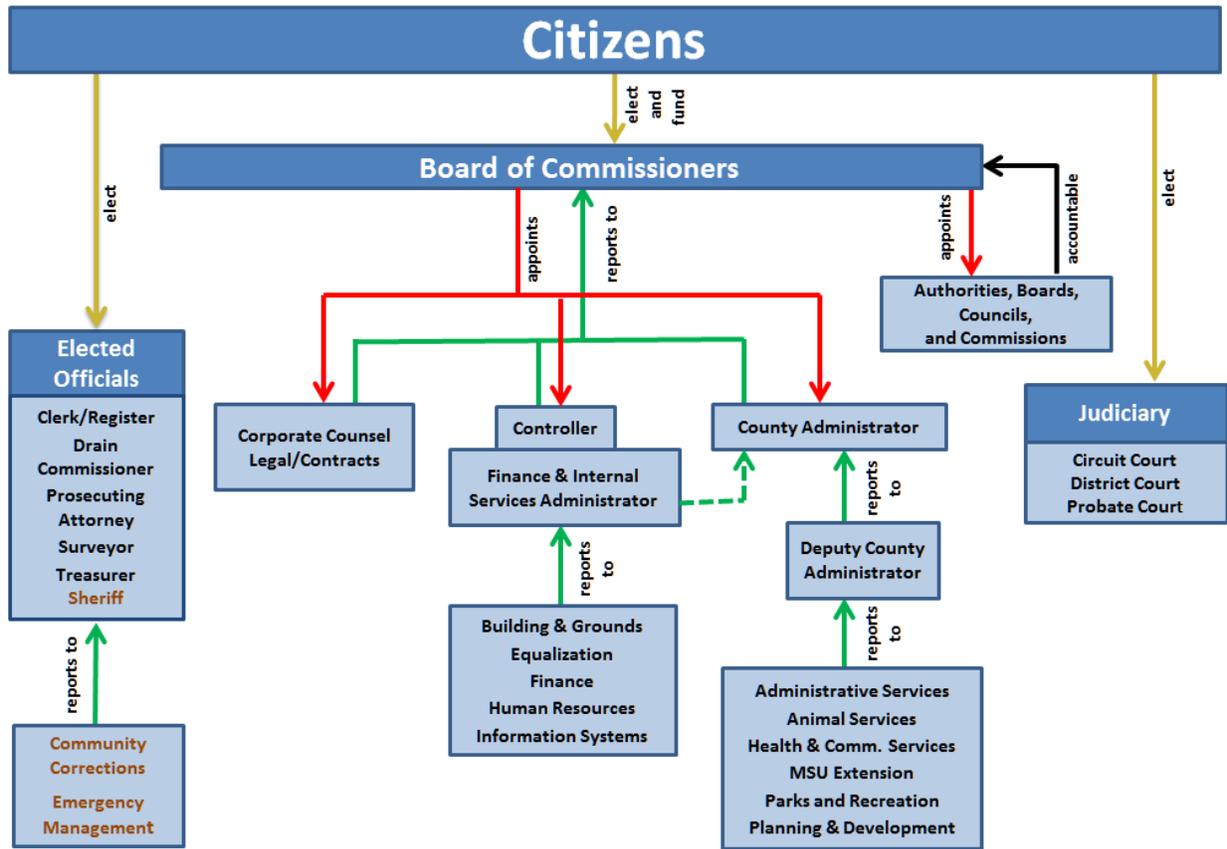
Curtis Bell, Chief Judge
G. Scott Pierangeli

Others

Prosecutor - Jeffrey Getting
Sheriff - Richard Fuller
Treasurer - Mary Balkema
County Clerk/Register of Deeds - Timothy Snow
Surveyor - Gary Hahn
Drain Commissioner - Patricia Crowley

County of Kalamazoo, Michigan

Organization Chart



County of Kalamazoo
GFOA Certificate of Achievement



Government Finance Officers Association

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, 2014

A handwritten signature in black ink, which appears to read "Jeffrey R. Emen".

Executive Director/CEO



Office of Finance

201 West Kalamazoo Avenue, Kalamazoo, Michigan 49007

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

www.kalcounty.com

Tracie L. Moored, Director, Finance and Internal Services and
Controller

June 24, 2016

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, 2015. The basic financial statements included in this report have been audited by BDO USA, 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, 2015, 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 unmodified opinion and that the County's financial statements for the year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's 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 163 through 166.

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 auditor's 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 2015 estimated census population of 260,263, 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 2010 population of the County resides as follows: townships (119,130), cities (124,367), and villages (6,834). 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 in 2015, consists of 11 members. The County Board is responsible for establishing policies, adopting the budget, appointing committee memberships, and hiring the County Administrator and Corporation Counsel. The Administrator 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 Controller. These requests form the basis for the development of a proposed budget. The 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 funds 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 30 as part of the basic financial statements for the governmental funds. For nonmajor government funds this comparison is found starting on Page 94.

Financial Condition Factors

Local Economy. As the entire state experienced declining shifts in the economy, the County 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.

Forecasting and budgetary stewardship have 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 focus 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. The Board of Commissioners are committed to ensure long-term fiscal stability of the County. The County has operated cautiously making sound financial decisions.

The County monitors budgetary spending throughout the year. Quarterly projections are prepared and spending goals are reviewed based on analysis. Future forecasting projects revenues to remain stable. The County will continue to align expenditures to these indicators.

Capital Improvement. In 2015, the County designated 7.30% 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 Master plan has been established. The primary mission of this plan is to account for and develop a countywide strategy for facilities. This completed project included a property manual update with physical descriptions of all buildings, a facilities audit with planned maintenance, and projected long-term capital improvement requirements. The plan is 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 reserve was established to ensure an amount was encumbered for an unforeseen situation, which could create 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 requires a plan of action for reimbursement to the fund.

To solidify the County Board commitment to financial responsibility, a Fund Balance Policy was adopted. Recognizing Governmental Accounting Standards Board Statement No. 54, the target of unassigned General Fund balance to General Operating Revenues will be 20%. It is the intent that should the General Fund Balance fluctuate above or below this target by 5% or more, Administration will make recommendations to the County Board to adhere to the policy objective. The 2015 unrestricted, uncommitted and unassigned fund balance in comparison to revenues was 25.20%.

Major Initiatives. Budgetary pressures have continued to be placed on the County. Long-term pressures resulted from diminished revenue streams and long-term facility needs. In an effort to remain committed to providing essential services, a strategic initiative has been outlined and utilized. 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 2015, the following strategic initiatives were enhanced or completed.

- ***Courthouse Improvement Funding***

In 2012, the need to construct consolidated court space was apparent. This year the first phase of construction began. Without bonding or millage assistance, the \$25 million project is expected to be completed in 2016.

- ***Facilities Assessment and Master Plan***

A formal Master plan has been submitted and adopted by the Board to achieve \$40 million of construction and maintenance over the next five years. The funding of these projects is facilitated through contributions to the Capital Improvement fund.

- ***Governmental Collaboration***

Recognizing the benefits of collaborative efficiencies, the County, with other local municipalities, has begun reviewing processes that could be combined with other governmental agencies to create efficiencies. In 2015, partnering municipalities authorized the creation of the 911 Central Dispatch Authorities. This collaboration signifies the acknowledgement and benefits of partnering to bring the most efficient and cost effective services to the taxpayers. This establishment came from several years of dedication to a goal identified. The Authority continues to be diligent in the mission of creating a central authority.

- ***Child Care Fund Restructuring***

In 2015, the 9th Circuit Court took a proactive approach to becoming involved in additional oversight of State Department of Health and Human Services funding. The collaboration between these two entities created financial efficiencies within the Child Care fund.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kalamazoo, Michigan, for its comprehensive annual financial report for the fiscal year ended 2015. This was the sixteenth 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 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,



Tracie L. Moored
Controller/Director, Finance and Internal Services



John Faul
Deputy Administrator/Interim County Administrator

This page intentionally left blank.

Financial Section



Tel: 269-382-0170
Fax: 269-345-1666
www.bdo.com

211 East Water Street
Suite 300
Kalamazoo, MI 49007

Independent Auditor's Report

Board of Commissioners
County of Kalamazoo, Michigan
Kalamazoo, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kalamazoo, Michigan (the County), as of and for the year ended December 31, 2015 (September 30, 2015, for certain component units), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kalamazoo County Road Commission, the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), the Kalamazoo County Transportation Authority or the Kalamazoo County Public Housing Commission, which represent 96%, 96%, and 97% respectively, of the assets, net position, and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kalamazoo County Road Commission, KCMHSAS, the Kalamazoo County Transportation Authority and the Kalamazoo County Public Housing Commission, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Law Enforcement Fund, and the Health Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 20 and the Schedule of Changes in Employers' Net Pension Asset and Related Ratios, Schedule of Contributions, and Schedule of Funding Progress on pages 83 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, such as the introductory section, combining and individual fund financial statements and schedules, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Supplemental Schedule of Expenditures by Service, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 24, 2016 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BDO USA, LLP

Kalamazoo, Michigan
June 24, 2016

Management Discussion and Analysis

County of Kalamazoo, Michigan

Management 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, 2015. 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 5 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$201,789,484 (net position). Of this amount, \$69,291,308 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and future creditors.
- The government's total net position decreased by \$6,467,837.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$45,095,782, a decrease of \$6,735,316 in comparison with the prior year. Approximately 53% of this total amount, \$23,575,844 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,634,426 (68%) of the total General Fund expenditures, not including transfers out.
- The County's total long-term obligations increased by \$5,155,390 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 Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

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 Reversion Fund, and the Delinquent Tax Revolving Funds.

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, Lake Level Districts, Land Bank Authority, and 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 21 to 24 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 funds 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 27 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, Health Fund, and the General County Public Improvement Fund, all of which are considered to be major funds. Data from the other 23 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 25 to 29 of this report.

County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

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.

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 43 to 82 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 83 to 86.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$201,789,484 at the close of the most recent fiscal year.

A substantial portion of the County's net position (54%) 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
Management Discussion and Analysis (Continued)

County of Kalamazoo, Michigan - Net Position

<i>December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Assets:						
Current and other assets	\$ 106,066,771	\$ 129,333,926	\$ 28,693,449	\$ 29,410,086	\$ 134,760,220	\$ 158,744,012
Capital assets, net of accumulated depreciation	93,748,781	81,399,762	54,678,519	55,900,694	148,427,300	137,300,456
Total Assets	\$ 199,815,552	\$ 210,733,688	\$ 83,371,968	\$ 85,310,780	\$ 283,187,520	\$ 296,044,468
Deferred Outflows of Resources	\$ 12,663,645	\$ 602,296	\$ 626,792	\$ 449,154	\$ 13,290,437	\$ 1,051,450
Liabilities:						
Long-term liabilities outstanding	\$ 52,398,241	\$ 46,577,247	\$ 6,095,783	\$ 6,802,784	\$ 58,494,024	\$ 53,380,031
Other liabilities	15,846,977	24,468,134	523,731	337,414	16,370,708	24,805,548
Total Liabilities	\$ 68,245,218	\$ 71,045,381	\$ 6,619,514	\$ 7,140,198	\$ 74,864,732	\$ 78,185,579
Deferred Inflows of Resources	\$ 19,548,584	\$ 13,992,146	\$ 275,157	\$ -	\$ 19,823,741	\$ 13,992,146
Net Position:						
Net investment in capital assets	\$ 60,182,534	\$ 54,014,762	\$ 48,993,268	\$ 49,480,694	\$ 109,175,802	\$ 103,495,456
Restricted	22,862,531	36,523,766	459,843	247,565	23,322,374	36,771,331
Unrestricted	41,640,330	35,759,929	27,650,978	28,891,477	69,291,308	64,651,406
Total Net Position	\$ 124,685,395	\$ 126,298,457	\$ 77,104,089	\$ 78,619,736	\$ 201,789,484	\$ 204,918,193

An additional portion of the County's net position (12%) represents resources that are subject to external restrictions (statutes, special voted millage, bond covenants, or granting agencies) on how they may be used. Restricted net position decreased by \$13,448,957 from prior year primarily due to the implementation of GASB No. 68 and the change of the net pension asset. The County may use the remaining balance of unrestricted net position of \$69,291,308 (32%) to meet its ongoing obligations to citizens and creditors.

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

County of Kalamazoo, Michigan
Management Discussion and Analysis (Continued)

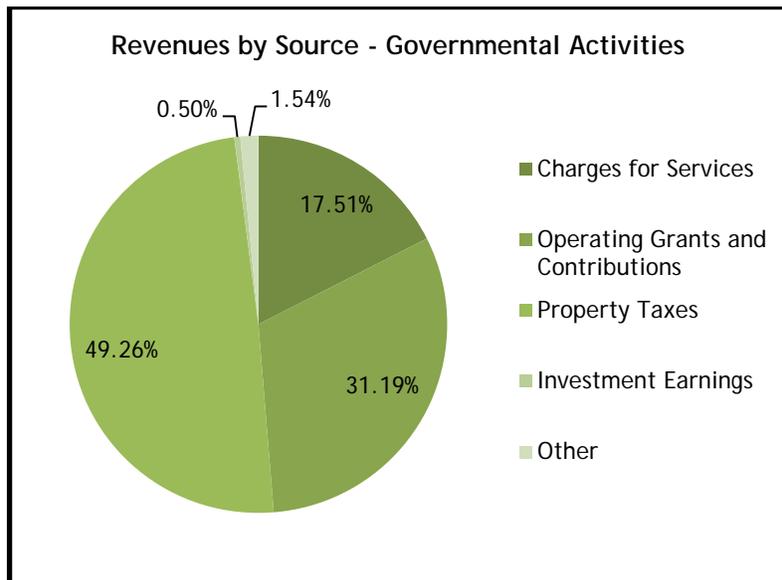
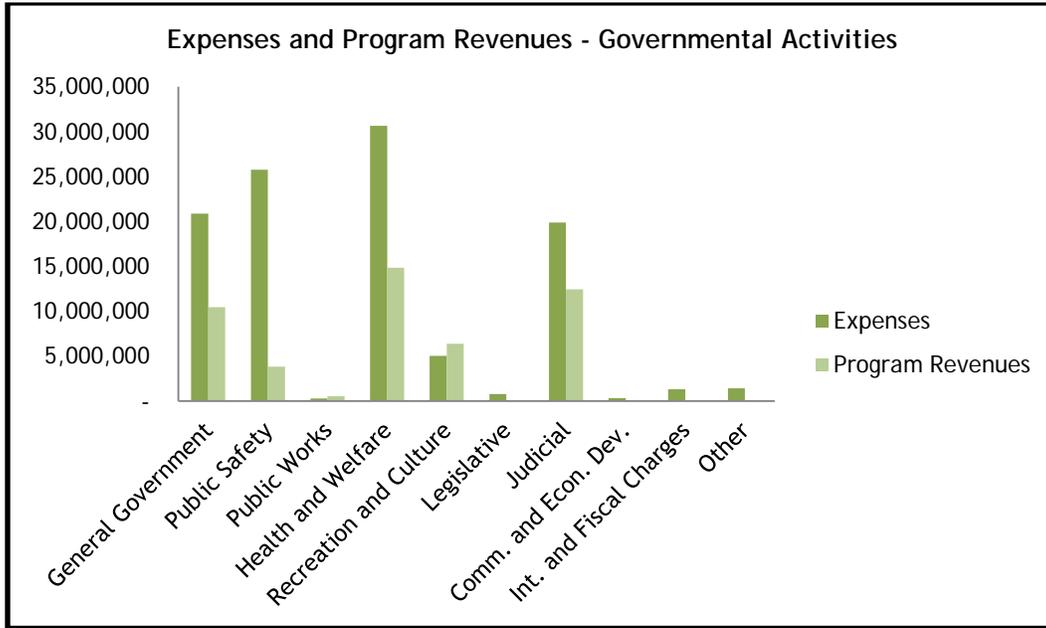
County of Kalamazoo, Michigan - Changes in Net Position

<i>Year Ended December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Revenues:						
Program revenues:						
Charges for services	\$ 17,477,906	\$ 16,368,876	\$ 7,297,196	\$ 7,847,205	\$ 24,775,102	\$ 24,216,081
Operating grants and contributions	31,129,216	33,888,826	249,649	1,212,558	31,378,865	35,101,384
Capital grants and contributions	-	-	1,440,882	1,538,535	1,440,882	1,538,535
General revenues:						
Property taxes	49,166,240	51,140,600	-	-	49,166,240	51,140,600
Other	1,537,244	1,647,760	37,500	-	1,574,744	1,647,760
Unrestricted investment earnings	503,800	1,784,898	41,636	12,932	545,436	1,797,830
Total Revenues	99,814,406	104,830,960	9,066,863	10,611,230	108,881,269	115,442,190
Expenses:						
General government	21,807,060	20,897,572	-	-	21,807,060	20,897,572
Public safety	26,082,119	25,452,319	-	-	26,082,119	25,452,319
Public works	493,776	843,526	-	-	493,776	843,526
Health and welfare	30,666,561	28,763,908	-	-	30,666,561	28,763,908
Recreation and culture	5,029,523	4,690,557	-	-	5,029,523	4,690,557
Legislative	789,219	1,032,729	-	-	789,219	1,032,729
Judicial	19,884,101	20,157,134	-	-	19,884,101	20,157,134
Community Economic Development	331,984	178,482	-	-	331,984	178,482
Interest and fiscal charges	1,329,290	1,268,294	-	-	1,329,290	1,268,294
Tax reversion	-	-	573,542	630,876	573,542	630,876
Airport operations	-	-	8,119,278	7,144,340	8,119,278	7,144,340
Public housing commission	-	-	242,653	-	242,653	-
Total Expenses	106,413,633	103,284,521	8,935,473	7,775,216	115,349,106	111,059,737
Increase (Decrease) in Net Position Before Transfers	(6,599,227)	1,546,439	131,390	2,836,014	(6,467,837)	4,382,453
Transfers In (Out)	1,880,000	7,614,391	(1,880,000)	(7,614,391)	-	-
Change in Net Position	(4,719,227)	9,160,830	(1,748,610)	(4,778,377)	(6,467,837)	4,382,453
Net Position, beginning of year	129,404,622	102,490,467	78,852,699	83,139,639	208,257,321	185,630,106
GASB No. 65 Adjustment	-	(14,525,549)	-	-	-	(14,525,549)
GASB No. 68 Adjustment	-	29,172,709	-	258,474	-	29,431,183
Restated Net Position, beginning of year	129,404,622	117,137,627	78,852,699	83,398,113	208,257,321	200,535,740
Net Position, end of year	\$ 124,685,395	\$ 126,298,457	\$ 77,104,089	\$ 78,619,736	\$ 201,789,484	\$ 204,918,193

County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

Governmental Activities. Governmental activities decreased the County's net position by \$4,719,227. The decrease resulted from expenses exceeding revenues and transfers in. The chart below represents Governmental Activities program revenues and the associated expenses.



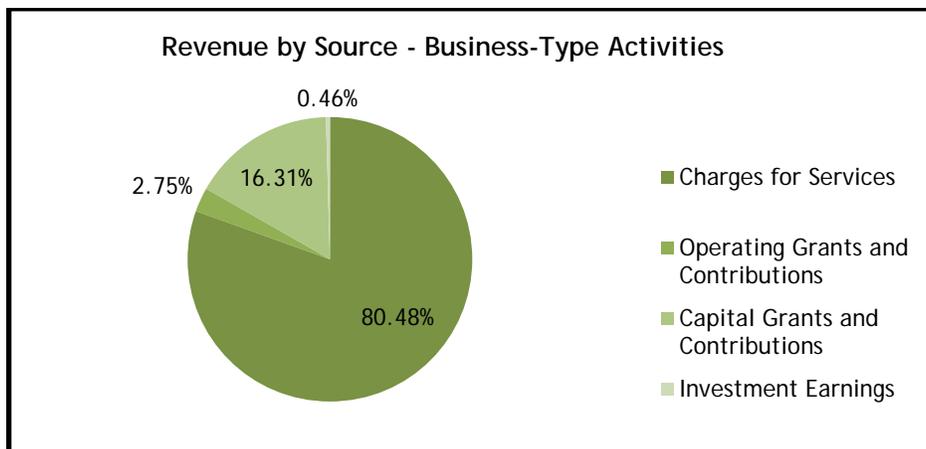
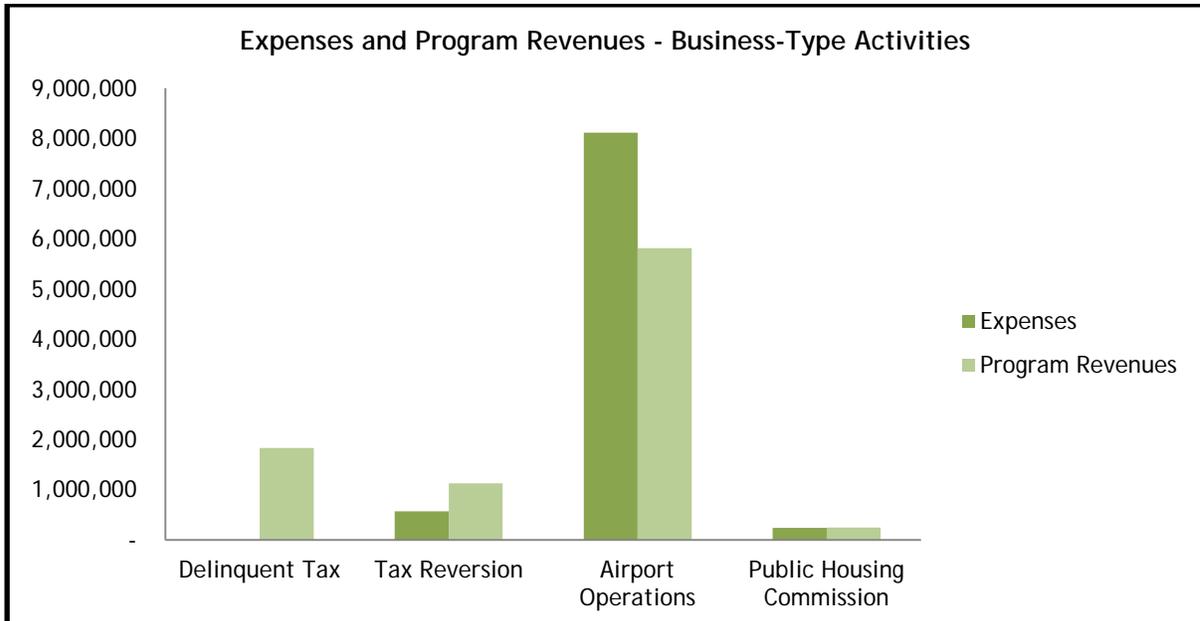
County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

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

Business-Type Activities. Business-type activities decreased the County's net position by \$1,748,610. The key elements of this decrease consist of the following:

- The Airport operations resulted in \$2,322,814 decrease in net position. This is primarily due to a decrease in capital contributions for prior year expenditures.
- The Delinquent Tax Revolving Fund saw an increase in net position in the amount of \$347,701. This is primarily the result of the collection of interest and fees for delinquent property taxes.
- The Tax Reversion Fund saw an increase in net position in the amount of \$194,835. This is a result of the higher than expected proceeds from the sale of foreclosed property.



County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balance components have been classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the fund.

Committed Fund Balance, one of the largest components of fund balance, at 25% of total, is at \$17.1 million. Spending of these resources is constrained by the Board of Commissioners. These commitments are for General County Public Improvement fund capital expenditures that are one-time in nature with \$5.2 million for new buildings and renovations outlined in our Facilities Master Plan and \$7.9 million in the General Fund for the County's capital equipment needs, and \$4 million for Other Governmental Funds.

Restricted fund balances make up approximately \$3.5 million (19%) of the fund balance. Spending of these resources is constrained by externally imposed (statutory, bond covenant, contracts, or grantors) limitations on their use. \$2.5 million is restricted for budget stabilization of the General Fund. The remaining amounts are for debt service, capital, and special revenue funds.

Unassigned fund balance represents the General Fund remaining fund balance. The General Fund unassigned fund balance is available to support general operations of the fund. The unassigned amount represents 53% of the total governmental fund balances.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,634,426, while total fund balance amounted to \$34,622,064. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40% of total General Fund expenditures and transfers out, while total fund balance represents 58% of that same amount.

The fund balance of the County's General Fund increased by \$2.5 million during the current fiscal year. The key factor in this change is the rate that the revenues outpaced the operating expenditures.

The Law Enforcement Fund accounts for specific revenue derived from a special voter approved millage, state and federal grants, charges for services, and are to be expended as dictated by legal, regulatory, or administrative requirements. At the end of the current fiscal year, restricted fund balance of the Law Enforcement Fund was \$657,936. The fund balance of the County's Law Enforcement Fund decreased by \$698,585 during the current fiscal year. The key factor for change was expected expenditures in public safety.

The Health Fund accounts for special revenue set aside for the purpose of providing health protection for citizens within the County. Revenues are provided through state and federal grants and General Fund appropriations. The Health Fund saw a minor change in fund balance, decreasing by \$2,257.

County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

The General County Public Improvement Fund was established to account for renovation/construction projects performed on the County facilities. These projects are funded primarily by the General Fund. The County continues to transfer a portion of the State Shared Revenue payments into the General County Public Improvement Fund to pay for capital facility needs. The fund balance decreased in the amount of \$8,442,904 due to the construction payments for a new court facility and the continued implementation of the Facilities Master Plan bringing the total in the fund to \$5,221,443.

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 position of the Airport Fund at the end of the year amounted to \$5.1 million. The net position for the Delinquent Tax Revolving Fund amounted to \$20.1 million, the net position for the Tax Reversion Fund totaled \$2.5 million, and the net position of the Public Housing Commission totaled \$0.2 million. The Airport Fund had a total decrease in net position of \$2,322,814, the Delinquent Tax Revolving Fund experienced an increase in net position of \$347,701, the Tax Reversion Fund saw an increase in net position in the amount of \$194,835, and the Public Housing Commission saw an increase of \$6,996. Other factors concerning the finances of these three 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 budgeted revenues were an increase of \$671,300 and differences between the original budget and the final amended budgeted expenditures were a decrease of \$215,300 or a 0.4% decrease in appropriations and are briefly summarized as follows:

- \$180,800 increase in projected revenues from the state of Michigan funding.
- \$250,000 increase in projected revenues for Court costs.
- \$1,461,400 decrease in judicial expenditures based on projected reductions related to State Child Care.
- The \$771,900 change in Other Sources (Uses) was due to increases in transfers in and decreases in transfers out due to revised projections based on actual expenses.

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

Revenues:

Taxes - \$369,592. The County saw a reduction in delinquent property taxes resulting in actual collections received or current property taxes being greater than anticipated.

Intergovernmental - \$355,438. State revenue received for court funding was higher than State projections.

Charges for Services - \$(402,886). This revenue variance is primarily the result of lower than projected collections in the District Court for various fees.

Fines and Forfeitures - \$(439,356). This revenue shortfall is primarily the result of a decrease in collections of ordinance fines and costs in the District Court.

Interest - \$(619,998). This revenue shortfall is primarily the result of a loss on investments held by the County.

County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

Expenditures:

General Government - \$1,340,016. This activity was under budget due to lower than expected costs for facility operations and utilities.

Public Safety - \$1,668,162. This activity was under budget primarily due to lower than anticipated administrative salary costs and jail operational expenses.

Capital Outlay - \$1,656,413. This favorable budget variance was primarily due to the timing in the completion of the capital projects.

Transfers Out - \$891,821. This is primarily related to the Health Fund and the Child Care Fund and is due to a combination of underutilization of operating budgets, and increases in federal and state grants.

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, 2015, amounts to approximately \$148.4 million (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 8% (an increase of 15% for governmental activities and a decrease of 2% for business-type activities).

The major capital asset event during the current fiscal year was continued work on a new court facility, which is scheduled for completion in 2016.

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>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Land	\$ 3,816	\$ 3,839	\$ 5,183	\$ 5,183	\$ 8,999	\$ 9,022
Construction in progress	21,744	7,492	2,693	816	24,437	8,308
Capital assets in progress	433	-	-	-	433	-
Intangible easements	147	147	-	-	147	147
Land improvements	8,904	9,304	14,662	15,678	23,566	24,982
Buildings and improvements	54,949	56,479	28,881	30,312	83,830	86,791
Machinery and equipment	2,643	3,141	3,260	3,912	5,903	7,053
Motor vehicles	1,112	998	-	-	1,112	998
Total	\$ 93,748	\$ 81,400	\$ 54,679	\$ 55,901	\$148,427	\$137,301

Additional information on the County's capital assets is found in Note 5 on Pages 62 to 64 of this report.

County of Kalamazoo, Michigan

Management Discussion and Analysis (Continued)

Long-Term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$58,494,024. The County obligations represent bonds and associated premiums secured solely by specified revenue sources (i.e., revenue bonds), compensated absences to be liquidated by the appropriate fund, and net OPEB obligation.

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>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Primary Government:						
Compensated absences	\$ 3,289	\$ 3,261	\$ -	\$ -	\$ 3,289	\$ 3,261
Bonds and notes	33,713	30,038	6,096	6,761	39,809	36,799
OPEB obligation	15,396	13,279	-	-	15,396	13,279
Total	\$ 52,398	\$ 46,578	\$ 6,096	\$ 6,761	\$ 58,494	\$ 53,339

The County's total obligation increased by roughly \$5.2 million or 9.7% during the current fiscal year. An increase in bonds and an increase in the OPEB obligation were the primary components of this change.

The County maintains an "AA+" rating from Standard & Poor's and "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 \$861,026,312, 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 65 to 67.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County, as of April, 2016, is currently 4.1%, which is a decrease from the rate a year ago. This compares favorably to the state's average of 4.8% and is lower than the national average rate of 5%.
- Inflationary trends in the region compare favorably to national indices.
- Property values decreased by 1.7% in 2016.

These factors were considered in preparing and monitoring the County's budget for the 2016 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund is \$23,634,426. The County has an assigned amount of \$290,500 for spending in the 2016 fiscal year budget. This has allowed the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2016 fiscal year.

County of Kalamazoo, Michigan
Management Discussion and Analysis (Concluded)

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

This page intentionally left blank.

Government-Wide Financial Statements

County of Kalamazoo, Michigan
Government-Wide Financial Statements
Statement of Net Position

<i>December 31, 2015</i>	<i>Primary Government</i>			<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	
Assets:				
Cash	\$ 14,225,901	\$ 9,381,789	\$ 23,607,690	\$ 18,426,678
Investments	47,362,837	8,799,356	56,162,193	1,956,248
Receivables:				
Accounts	3,383,725	1,290,105	4,673,830	9,087,586
Taxes, current	12,644,852	-	12,644,852	-
Taxes, delinquent	228,404	7,242,813	7,471,217	-
Due from state of Michigan	-	86,345	86,345	4,185,550
Interest	283,163	1,297,241	1,580,404	-
Intergovernmental	6,780,941	-	6,780,941	-
Inventories	175,907	39,049	214,956	3,371,662
Prepaid expenses	686,546	25,317	711,863	957,635
OPEB asset	-	-	-	280,879
Other assets	-	-	-	169,197
Restricted assets:				
Cash	987,418	293	987,711	561,287
Receivables	-	71,298	71,298	-
Net pension asset	19,307,077	329,711	19,636,788	16,666,949
Beneficial interest in assets held by Kalamazoo Community Foundation	-	130,132	130,132	-
Land	3,816,322	5,182,935	8,999,257	27,281,081
Intangible easements	146,734	-	146,734	-
Capital assets in progress	432,896	-	432,896	-
Construction in progress	21,744,460	2,692,878	24,437,338	-
Capital assets, net of accumulated depreciation	67,608,369	46,802,706	114,411,075	106,154,244
Total Assets	\$ 199,815,552	\$ 83,371,968	\$ 283,187,520	\$ 189,098,996
Deferred Outflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 11,400,031	\$ 194,681	\$ 11,594,712	\$ 1,426,401
Contributions subsequent to the measurement date	-	-	-	384,977
Changes in assumptions	1,263,614	21,579	1,285,193	122,766
Deferred charge on airport refunding bonds	-	410,532	410,532	-
Total Deferred Outflows of Resources	\$ 12,663,645	\$ 626,792	\$ 13,290,437	\$ 1,934,144

County of Kalamazoo, Michigan
Government-Wide Financial Statements
Statement of Net Position

<i>December 31, 2015</i>	<i>Primary Government</i>			<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	
Liabilities:				
Checks issued against future deposits	\$ 6,177,808	\$ -	\$ 6,177,808	\$ -
Accounts payable	3,100,822	280,031	3,380,853	7,047,347
Retainage payable	817,601	-	817,601	-
Accrued liabilities	1,131,514	96,406	1,227,920	1,360,367
Interest payable	324,363	31,971	356,334	-
Intergovernmental payable	1,254,624	-	1,254,624	5,887,245
Liability for estimated claims	1,666,364	-	1,666,364	-
Other payables	134,077	12,742	146,819	-
Unearned revenue	1,239,804	102,581	1,342,385	425,055
Noncurrent liabilities:				
Due within one year	2,845,442	640,000	3,485,442	1,035,495
Due in more than one year	49,552,799	5,455,783	55,008,582	5,815,557
Total Liabilities	\$ 68,245,218	\$ 6,619,514	\$ 74,864,732	\$ 21,571,066
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,743,176	\$ 29,769	\$ 1,772,945	\$ -
Changes in proportion and differences between employer contributions and share of contributions	3,174,849	245,388	3,420,237	-
Difference between expected and actual experience	-	-	-	169,358
Differences between proportionate shares	-	-	-	-
Levied property taxes	14,630,559	-	14,630,559	2,564,781
Total Deferred Inflows of Resources	\$ 19,548,584	\$ 275,157	\$ 19,823,741	\$ 2,734,139
Net Position:				
Net investment in capital assets	\$ 60,182,534	\$ 48,993,268	\$ 109,175,802	\$ 128,376,398
Restricted:				
Budget Stabilization	2,500,000	-	2,500,000	-
KCLBA	-	-	-	2,590,706
KCMHSAS	-	-	-	15,494,987
KCRC	-	-	-	371,967
Pension Funds	19,307,077	329,711	19,636,788	-
Special Revenue Grants:				
Law Enforcement	689,936	-	689,936	-
Public Housing Commission	-	130,132	130,132	-
Non-Major Funds	100,219	-	100,219	-
Debt Service	236,488	-	236,488	-
Capital Projects	28,811	-	28,811	-
Unrestricted	41,640,330	27,650,978	69,291,308	19,893,877
Total Net Position	\$ 124,685,395	\$ 77,104,089	\$ 201,789,484	\$ 166,727,935

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan
Government-Wide Financial Statements
Statement of Activities

<i>Year Ended December 31, 2015</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>
Primary Government:				
Governmental activities:				
General government	\$ 21,807,060	\$ 4,839,529	\$ 5,638,554	\$ -
Public safety	26,082,119	2,556,031	1,302,264	-
Public works	493,776	371,576	186,508	-
Health and welfare	30,666,561	1,825,814	13,019,722	-
Recreation and culture	5,029,523	3,763,599	2,640,112	-
Legislative	789,219	-	-	-
Judicial	19,884,101	4,121,357	8,342,056	-
Community Economic Development	331,984	-	-	-
Interest and fiscal charges	1,329,290	-	-	-
Total governmental activities	106,413,633	17,477,906	31,129,216	-
Business-type activities:				
Delinquent tax	-	1,832,230	-	-
Tax reversion	573,542	1,128,377	-	-
Airport operations	8,119,278	4,336,589	-	1,440,882
Public Housing Commission	242,653	-	249,649	-
Total business-type activities	8,935,473	7,297,196	249,649	1,440,882
Total Primary Government	\$ 115,349,106	\$ 24,775,102	\$ 31,378,865	\$ 1,440,882
Component Units	\$ 95,504,010	\$ 3,082,991	\$ 85,222,690	\$ 8,777,222
General Revenues:				
Property taxes levied for operating				
Other				
Unrestricted investment earnings				
Total General Revenues				
Transfers In (Out)				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, beginning of year				
Adoption of GASB No. 68				
Restated Net Position, beginning of year				
Net Position, end of year				

County of Kalamazoo, Michigan
Government-Wide Financial Statements
Statement of Activities

<i>Net Revenue (Expense) and Changes in Net Position</i>			
<i>Primary Government</i>			
<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	<i>Component Units</i>
\$ (11,328,977)	\$ -	\$ (11,328,977)	\$ -
(22,223,824)	-	(22,223,824)	-
64,308	-	64,308	-
(15,821,025)	-	(15,821,025)	-
1,374,188	-	1,374,188	-
(789,219)	-	(789,219)	-
(7,420,688)	-	(7,420,688)	-
(331,984)	-	(331,984)	-
(1,329,290)	-	(1,329,290)	-
(57,806,511)	-	(57,806,511)	-
-	1,832,230	1,832,230	-
-	554,835	554,835	-
-	(2,341,807)	(2,341,807)	-
-	6,996	6,996	-
-	52,254	52,254	-
\$ (57,806,511)	\$ 52,254	\$ (57,754,257)	\$ -
\$ -	\$ -	\$ -	\$ 1,578,893
49,166,240	-	49,166,240	-
1,537,244	37,500	1,574,744	5,356,794
503,800	41,636	545,436	23,854
51,207,284	79,136	51,286,420	5,380,648
1,880,000	(1,880,000)	-	-
53,087,284	(1,800,864)	51,286,420	5,380,648
(4,719,227)	(1,748,610)	(6,467,837)	6,959,541
129,404,622	78,852,699	208,257,321	144,444,382
-	-	-	15,324,012
129,404,622	78,852,699	208,257,321	159,768,394
\$ 124,685,395	\$ 77,104,089	\$ 201,789,484	\$ 166,727,935

See accompanying notes to basic financial statements.

This page intentionally left blank.

Fund Financial Statements

County of Kalamazoo, Michigan

Government Funds Balance Sheets

<i>December 31, 2015</i>	<i>Special Revenue</i>			<i>General County Public Improvement Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
	<i>General</i>	<i>Law Enforcement</i>	<i>Health</i>			
Assets:						
Cash	\$ 14,969	\$ -	\$ -	\$ 4,321,336	\$ 4,595,728	\$ 8,932,033
Restricted cash	-	-	-	987,418	-	987,418
Investments	34,442,571	4,884,774	-	1,850,728	808,770	41,986,843
Receivables:						
Accounts	1,256,551	17,500	236,529	-	1,431,744	2,942,324
Taxes, current	1,265,759	9,682,085	-	-	1,697,008	12,644,852
Taxes, delinquent	185,107	43,297	-	-	-	228,404
Interest	211,946	33,079	-	13,311	-	258,336
Due from other government units	998,864	-	23,463	-	3,668,614	4,690,941
Inventories	22,880	-	46,420	-	-	69,300
Advances to other funds	219,386	-	-	-	-	219,386
Prepays	280,238	-	12,162	-	190,135	482,535
Total Assets	\$ 38,898,271	\$ 14,660,735	\$ 318,574	\$ 7,172,793	\$ 12,391,999	\$ 73,442,372

County of Kalamazoo, Michigan

Government Funds Balance Sheets

December 31, 2015	<i>Special Revenue</i>			<i>General County</i>	<i>Other</i>	<i>Total</i>
	<i>General</i>	<i>Law</i>	<i>Health</i>	<i>Public</i>	<i>Governmental</i>	<i>Governmental</i>
		<i>Enforcement</i>		<i>Improvement</i>	<i>Funds</i>	<i>Funds</i>
				<i>Fund</i>		
Liabilities:						
Checks issued against						
future deposits	\$ 1,109,883	\$ 2,168,178	\$ 129,438	\$ -	\$ 2,770,309	\$ 6,177,808
Accounts payable	45,363	7,712	34,704	1,131,810	1,356,144	2,575,733
Retainage payable	-	-	-	817,601	-	817,601
Accrued liabilities	470,192	196,512	60,039	1,939	210,374	939,056
Liability for						
estimated claims	478,486	-	-	-	-	478,486
Due to other						
governmental units	1,153,023	-	21,238	-	80,363	1,254,624
Other payables	13,533	-	-	-	-	13,533
Advances from						
other funds	-	-	-	-	219,386	219,386
Unearned revenue	-	-	73,155	-	1,166,649	1,239,804
Total Liabilities	3,270,480	2,372,402	318,574	1,951,350	5,803,225	13,716,031
Deferred Inflows of Resources -						
Levied property taxes	1,005,727	11,598,397	-	-	2,026,435	14,630,559
Fund Balance:						
Non-spendable	303,118	-	58,582	-	203,906	565,606
Restricted for:						
Budget Stabilization	2,500,000	-	-	-	-	2,500,000
Special Revenue Grants	-	-	-	-	100,219	100,219
Law Enforcement	-	657,936	-	-	-	657,936
Debt Service	-	-	-	-	236,488	236,488
Capital Projects	-	-	-	-	28,811	28,811
Committed for future expenditures	7,894,020	32,000	-	5,221,443	3,992,915	17,140,378
Assigned to -						
Subsequent year's budget						
appropriation of fund balance	290,500	-	-	-	-	290,500
Unassigned (Deficit)	23,634,426	-	(58,582)	-	-	23,575,844
Total Fund Balance	34,622,064	689,936	-	5,221,443	4,562,339	45,095,782
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 38,898,271	\$ 14,660,735	\$ 318,574	\$ 7,172,793	\$ 12,391,999	\$ 73,442,372

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

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

<i>December 31, 2015</i>	<i>Amount</i>
Total Fund Balance - Total governmental funds (from Page 26)	\$ 45,095,782
 Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:	
Capital assets, at cost	143,353,757
Accumulated depreciation	<u>(49,604,976)</u>
Net capital assets	93,748,781
 Other long-term assets are not available to pay for current period expenditures and, therefore, are unearned in the funds. These assets consist of:	
Intergovernmental receivable	2,090,000
Bond discount	127,750
Net pension asset	19,307,077
Deferred outflow on pension plan investments	12,663,645
 Internal Service Funds are used by management to charge the costs of certain activities such as Employee Benefits, Nazareth Facility, 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 Position.	
	9,420,739
 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, 2015, were:	
Bonds payable	(33,650,000)
Net OPEB obligation	(15,395,775)
Compensated absences	(3,288,849)
Deferred inflow on pension plan investments	(4,918,025)
Bond premium	(191,367)
Accrued interest on bonds	(324,363)
Net Position of Governmental Activities (from page 22)	\$ 124,685,395

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Government Funds Statements of Revenues, Expenditures, and Changes in Fund Balance

Year Ended December 31, 2015	<i>Special Revenue</i>			<i>General County</i>	<i>Other</i>	<i>Total</i>
	<i>General</i>	<i>Law Enforcement</i>	<i>Health</i>	<i>Public Improvement Fund</i>	<i>Governmental Funds</i>	<i>Governmental Funds</i>
Revenues:						
Taxes	\$ 37,784,592	\$ 11,381,648	\$ -	\$ -	\$ 2,935,533	\$ 52,101,773
Licenses and permits	645,322	-	535,681	-	37,022	1,218,025
Intergovernmental	12,390,838	-	1,450,101	-	18,202,631	32,043,570
Charges for services	6,362,214	-	1,471,422	-	2,577,016	10,410,652
Fines and forfeitures	1,246,244	70,000	-	-	-	1,316,244
Interest	480,902	-	-	227,450	22,898	731,250
Other	1,155,781	-	35	-	784,013	1,939,829
Donations and contributions	18,663	-	4,779	-	659,621	683,063
Total Revenues	60,084,556	11,451,648	3,462,018	227,450	25,218,734	100,444,406
Expenditures:						
Current:						
General government	12,101,284	2,148,513	-	-	256,949	14,506,746
Public safety	15,745,238	7,879,799	-	-	1,574,046	25,199,083
Public works	-	-	-	-	493,772	493,772
Health and welfare	4,824,865	-	5,092,980	-	20,792,207	30,710,052
Recreation and culture	287,631	-	-	-	3,902,119	4,189,750
Legislative	797,279	-	-	-	-	797,279
Judicial	11,771,091	1,900,101	-	-	5,483,275	19,154,467
Community Economic Development	-	-	-	-	331,984	331,984
Debt service:						
Principal	-	-	-	-	1,605,000	1,605,000
Interest and other charges	-	-	-	-	1,341,322	1,341,322
Capital outlay	1,315,387	-	-	14,500,112	145,166	15,960,665
Total Expenditures	46,842,775	11,928,413	5,092,980	14,500,112	35,925,840	114,290,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,241,781	(476,765)	(1,630,962)	(14,272,662)	(10,707,106)	(13,845,714)
Other Financing Sources (Uses):						
Transfers in	2,080,289	-	1,628,705	5,829,758	6,156,358	15,695,110
Transfers out	(12,791,779)	(221,820)	-	-	(876,670)	(13,890,269)
Note proceeds	-	-	-	-	150,000	150,000
Bond proceeds	-	-	-	-	5,000,000	5,000,000
Bond premium	-	-	-	-	155,557	155,557
Total Other Financing Sources (Uses)	(10,711,490)	(221,820)	1,628,705	5,829,758	10,585,245	7,110,398
Net Change in Fund Balance	2,530,291	(698,585)	(2,257)	(8,442,904)	(121,861)	(6,735,316)
Fund Balance, beginning of year	32,091,773	1,388,521	2,257	13,664,347	4,684,200	51,831,098
Fund Balance, end of year	\$ 34,622,064	\$ 689,936	\$ -	\$ 5,221,443	\$ 4,562,339	\$ 45,095,782

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, 2015</i>	<i>Amount</i>
Net Change in Fund Balance - Total governmental funds (from Page 28)	\$ (6,735,316)
 Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
	12,410,363
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable taxes	(3,381,189)
Intergovernmental receivable	(630,000)
 Bond proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Proceeds from issuance of debt	(5,150,000)
Bond premium	(155,557)
Repayments	1,605,000
Bond premium amortization	32,186
Bond discount amortization	(7,588)
 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	(12,566)
Compensated absences	(28,267)
Loss on disposal of asset	(61,344)
Net OPEB obligation	(2,116,767)
Pension expense	(1,490,970)
 Internal Service Funds are used by management to charge the costs of certain activities, such as Employee Benefits, Nazareth Facility, Central Stores, and Technology Systems to individual funds. The change in net position of the Internal Service Funds is reported in governmental activities.	
	1,002,788
Change in Net Position of Governmental Activities (from page 24)	\$ (4,719,227)

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes	\$ 37,365,000	\$ 37,415,000	\$ 37,784,592	\$ 369,592
Licenses and permits	622,800	622,800	645,322	22,522
Intergovernmental	11,844,600	12,035,400	12,390,838	355,438
Charges for services	6,490,800	6,765,100	6,362,214	(402,886)
Fines and forfeitures	1,680,600	1,685,600	1,246,244	(439,356)
Interest	1,100,900	1,100,900	480,902	(619,998)
Other	966,600	1,101,800	1,155,781	53,981
Donations and contributions	11,500	27,500	18,663	(8,837)
Total Revenues	60,082,800	60,754,100	60,084,556	(669,544)
Expenditures:				
Current:				
General government	13,750,000	13,441,300	12,101,284	1,340,016
Public safety	17,688,300	17,413,400	15,745,238	1,668,162
Health and welfare	5,039,900	4,952,800	4,824,865	127,935
Recreation and culture	300,600	292,400	287,631	4,769
Legislative	979,000	871,700	797,279	74,421
Judicial	13,089,600	11,628,200	11,771,091	(142,891)
Capital outlay	939,500	2,971,800	1,315,387	1,656,413
Total Expenditures	51,786,900	51,571,600	46,842,775	4,728,825
Excess of Revenues Over Expenditures	8,295,900	9,182,500	13,241,781	4,059,281
Other Financing Sources (Uses):				
Transfers in	1,754,300	2,015,800	2,080,289	64,489
Transfers out	(12,650,200)	(13,683,600)	(12,791,779)	891,821
Total Other Financing Uses	(10,895,900)	(11,667,800)	(10,711,490)	956,310
Net Change in Fund Balance	(2,600,000)	(2,485,300)	2,530,291	5,015,591
Fund Balance, beginning of year	32,091,773	32,091,773	32,091,773	-
Fund Balance, end of year	\$ 29,491,773	\$ 29,606,473	\$ 34,622,064	\$ 5,015,591

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

Year Ended December 31, 2015	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes - Non-departmental	\$ 11,432,100	\$ 11,376,600	\$ 11,381,648	\$ 5,048
Fines and forfeitures	70,000	70,000	70,000	-
Other	-	1,030,900	-	(1,030,900)
Total Revenues	11,502,100	12,477,500	11,451,648	(1,025,852)
Expenditures -				
Judicial:				
Circuit Court - Trial Division	535,500	511,500	507,955	3,545
Circuit Court - Family Division	506,300	493,400	499,182	(5,782)
District Court	535,500	891,000	892,964	(1,964)
Total Judicial	1,577,300	1,895,900	1,900,101	(4,201)
General Government:				
Prosecuting Attorney	1,747,100	2,072,800	2,050,518	(22,282)
Interest	-	-	97,995	97,995
Total General Government	1,747,100	2,072,800	2,148,513	75,713
Public Safety:				
Community Corrections	11,000	11,000	4,300	6,700
Sheriff - Admin/Support	342,600	511,900	323,024	188,876
Sheriff - Jail	4,700,500	4,764,900	4,810,781	(45,881)
Sheriff - Field Operations	2,173,900	2,184,700	2,105,385	79,315
Animal Services and Enforcement	329,500	345,300	338,026	7,274
Capital Improvements	273,600	305,600	298,283	7,317
Total Public Safety	7,831,100	8,123,400	7,879,799	243,601
Other:				
Contingencies	50,000	88,800	-	88,800
Interest	-	-	97,995	(97,995)
Restricted Reserve	64,400	64,400	-	64,400
Total Other	114,400	153,200	97,995	55,205
Total Expenditures	11,269,900	12,245,300	11,928,413	316,887
Excess (Deficiency) of Revenues Over (Under) Expenditures	232,200	232,200	(476,765)	(708,965)
Other Financing Uses -				
Transfers out:				
Friend of the Court Fund	(20,000)	(20,000)	(20,000)	-
Child Care Probate Fund	(182,200)	(182,200)	(182,200)	-
Public Safety Special Grants Fund	(30,000)	(30,000)	(19,620)	10,380
Total Other Financing Uses	(232,200)	(232,200)	(221,820)	10,380
Net Change in Fund Balance	-	-	(698,585)	(698,585)
Fund Balance, beginning of year	1,388,521	1,388,521	1,388,521	-
Fund Balance, end of year	\$ 1,388,521	\$ 1,388,521	\$ 689,936	\$ (698,585)

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal Grants	\$ 60,600	\$ 128,300	\$ 182,681	\$ 54,381
State Grants	1,375,700	1,340,200	1,267,420	(72,780)
Local unit contributions	100	100	-	(100)
Donations and contributions	2,600	2,600	4,779	2,179
Charges for services	1,499,400	1,506,600	1,471,422	(35,178)
Licenses and permits	512,700	512,700	535,681	22,981
Other	-	3,000	35	(2,965)
Total Revenues	3,451,100	3,493,500	3,462,018	(31,482)
Expenditures -				
Health and welfare	5,171,300	5,193,200	5,092,980	100,220
Total Expenditures	5,171,300	5,193,200	5,092,980	100,220
Deficiency of Revenues Over (Under) Expenditures	(1,720,200)	(1,699,700)	(1,630,962)	68,738
Other Financing Sources -				
Transfers in:				
General Fund	1,720,200	1,699,700	1,628,002	(71,698)
Family Planning	-	-	703	703
Total Other Financing Sources	1,720,200	1,699,700	1,628,705	(70,995)
Net Change in Fund Balance	-	-	(2,257)	(2,257)
Fund Balance, beginning of year	2,257	2,257	2,257	-
Fund Balance, end of year	\$ 2,257	\$ 2,257	\$ -	\$ (2,257)

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Proprietary Funds Statement of Net Position

December 31, 2015	<i>Business-Type Activities - Enterprise Funds</i>					<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Non-Major</i>		<i>Total</i>	
			<i>Tax Reversion</i>	<i>Public Housing Commission</i>		
Assets:						
Current assets:						
Cash	\$ 1,509,395	\$ 5,452,304	\$ 2,286,150	\$ 133,940	\$ 9,381,789	\$ 5,293,868
Investments	3,030,522	5,768,834	-	-	8,799,356	5,375,994
Receivables:						
Accounts	474,353	289,736	362,026	7,726	1,133,841	597,665
Due from state of Michigan	86,345	-	-	-	86,345	-
Taxes, delinquent	-	7,242,813	-	-	7,242,813	-
Interest	-	1,297,241	-	-	1,297,241	24,827
Inventories	39,049	-	-	-	39,049	106,607
Prepaid items	25,317	-	-	-	25,317	204,011
Total current assets	5,164,981	20,050,928	2,648,176	141,666	28,005,751	11,602,972
Noncurrent assets:						
Restricted assets:						
Cash	293	-	-	-	293	-
Accounts receivable	71,298	-	-	-	71,298	-
Pension asset	329,711	-	-	-	329,711	-
Beneficial interest in assets held by Kalamazoo						
Community Foundation	-	-	-	130,132	130,132	-
Land	5,182,935	-	-	-	5,182,935	-
Construction in progress	2,692,878	-	-	-	2,692,878	-
Capital assets, net of accumulated depreciation	46,802,706	-	-	-	46,802,706	885,978
Total noncurrent assets	55,079,821	-	-	130,132	55,209,953	885,978
Total Assets	\$ 60,244,802	\$ 20,050,928	\$ 2,648,176	\$ 271,798	\$ 83,215,704	\$ 12,488,950
Deferred Outflows of Resources:						
Net difference between projected and actual investment earnings on pension plan investments						
Changes of assumptions	\$ 194,681	\$ -	\$ -	\$ -	\$ 194,681	\$ -
Deferred charge on airport refunding bonds	21,579	-	-	-	21,579	-
Deferred charge on airport refunding bonds	410,532	-	-	-	410,532	-
Total Deferred Outflows of Resources	\$ 626,792	\$ -	\$ -	\$ -	\$ 626,792	\$ -

County of Kalamazoo, Michigan

Proprietary Funds Statement of Net Position

December 31, 2015	<i>Business-Type Activities - Enterprise Funds</i>					<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Non-Major</i>		<i>Total</i>	
			<i>Tax Reversion</i>	<i>Public Housing Commission</i>		
Liabilities:						
Current liabilities:						
Accounts payable	\$ 148,439	\$ -	\$ 99,753	\$ 31,839	\$ 280,031	\$ 525,089
Accrued liabilities	96,406	-	-	-	96,406	192,458
Liability for estimated claims	-	-	-	-	-	1,187,878
Deposits payable	12,742	-	-	-	12,742	120,544
Accrued interest	31,971	-	-	-	31,971	-
Unearned revenues	102,581	-	-	-	102,581	-
Current maturities of long-term debt	640,000	-	-	-	640,000	-
Total current liabilities	1,032,139	-	99,753	31,839	1,163,731	2,025,969
Noncurrent liabilities -						
General obligation limited tax bonds	5,455,783	-	-	-	5,455,783	-
Total Liabilities	\$ 6,487,922	\$ -	\$ 99,753	\$ 31,839	\$ 6,619,514	\$ 2,025,969
Deferred Inflows of Resources:						
Net difference between projected and actual investment earnings on pension plan investments						
	\$ 29,769	\$ -	\$ -	\$ -	\$ 29,769	\$ -
Changes in proportion and differences between employer contributions and share of contributions						
	245,388	-	-	-	245,388	-
Total Deferred Inflows of Resources	\$ 275,157	\$ -	\$ -	\$ -	\$ 275,157	\$ -
Net Position:						
Net investment in capital assets	\$ 48,993,268	\$ -	\$ -	\$ -	\$ 48,993,268	\$ 885,978
Restricted	-	-	-	130,132	130,132	-
Unrestricted	5,115,247	20,050,928	2,548,423	109,827	27,824,425	9,577,003
Total Net Position	\$ 54,108,515	\$ 20,050,928	\$ 2,548,423	\$ 239,959	\$ 76,947,825	\$ 10,462,981
Adjustment Reflecting Consolidation of Internal Service Fund Activities Related to Enterprise Funds					156,264	
Net Position of Business Type Activities					\$ 77,104,089	

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Proprietary Funds Statement of Revenues, Expenses, and Change in Net Position

Year Ended December 31, 2015	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Airport	Delinquent Tax Revolving	Non-Major		Total	
			Tax Reversion	Public Housing Commission		
Operating Revenues:						
Charges for services:						
Airport concessions	\$ 834,742	\$ -	\$ -	\$ -	\$ 834,742	\$ -
Airfield maintenance	654,817	-	-	-	654,817	-
Airport terminal maintenance	859,379	-	-	-	859,379	-
Airport parking	1,427,059	-	-	-	1,427,059	-
Airport leases site and other income	81,555	-	-	-	81,555	-
Penalties and interest	-	1,369,615	-	-	1,369,615	-
Collection fees	-	462,615	1,128,377	-	1,590,992	23,012,107
Grants and donations	-	-	-	208,789	208,789	-
Other	-	-	-	40,860	40,860	-
Total Operating Revenues	3,857,552	1,832,230	1,128,377	249,649	7,067,808	23,012,107
Operating Expenses:						
Airport administration	1,362,175	-	-	-	1,362,175	-
Airfield maintenance	1,146,725	-	-	-	1,146,725	-
Airport building maintenance	1,328,116	-	-	-	1,328,116	-
Airport parking	456,892	-	-	-	456,892	-
Airport security	417,126	-	-	-	417,126	-
Depreciation	3,184,019	-	-	-	3,184,019	189,345
Employee benefits	-	-	-	-	-	19,200,828
Other	16,164	-	573,542	239,966	829,672	2,694,305
Total Operating Expenses	7,911,217	-	573,542	239,966	8,724,725	22,084,478
Operating Income (Loss)	(4,053,665)	1,832,230	554,835	9,683	(1,656,917)	927,629
Nonoperating Revenues (Expenses):						
Passenger facility charges	479,037	-	-	-	479,037	-
Interest income	6,165	35,471	-	-	41,636	-
Federal revenue	98,019	-	-	-	98,019	-
Interest expense and charges	(232,733)	-	-	(2,687)	(235,420)	-
Other contract revenue	37,500	-	-	-	37,500	-
Total Nonoperating Revenues (Expenses)	387,988	35,471	-	(2,687)	420,772	-
Income (Loss) Before						
Contributions and Transfers	(3,665,677)	1,867,701	554,835	6,996	(1,236,145)	927,629
Capital Contributions Received	1,342,863	-	-	-	1,342,863	-
Transfers In (Out)	-	(1,520,000)	(360,000)	-	(1,880,000)	75,159
Change in Net Position	(2,322,814)	347,701	194,835	6,996	(1,773,282)	1,002,788
Net Position, beginning of year	56,431,329	19,703,227	2,353,588	232,963	78,721,107	9,460,193
Net Position, end of year	\$ 54,108,515	\$ 20,050,928	\$ 2,548,423	\$ 239,959	\$ 76,947,825	\$ 10,462,981
Change in Net Position of Business Type Activities					(1,773,282)	
Adjustment to Reflect Current Year Effect for Consolidation of Internal Service Fund Activities Related to Enterprise Funds					24,672	
Change in Net Position of Business Type Activities					\$ (1,748,610)	

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2015	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Airport	Delinquent Tax Revolving	Non-Major		Total	
			Tax Reversion	Public Housing Commission		
Operating Activities:						
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,138,115
Cash received from customers and users	4,881,920	2,770,720	1,360,567	245,554	9,258,761	-
Cash paid to employees	(981,768)	-	-	-	(981,768)	(1,378,399)
Cash paid for interfund services used	(393,317)	-	-	-	(393,317)	(3,306,356)
Cash paid to suppliers	(3,294,907)	-	(524,198)	(231,787)	(4,050,892)	(17,204,341)
Cash Provided by Operating Activities	211,928	2,770,720	836,369	13,767	3,832,784	1,249,019
Capital and Related Financing Activities:						
Capital contributions	1,342,863	-	-	-	1,342,863	-
Passenger facility charges	479,037	-	-	-	479,037	-
Acquisition of capital assets	(1,961,845)	-	-	-	(1,961,845)	(439,696)
Principal paid on debt	(640,000)	-	-	-	(640,000)	-
Interest and fiscal charges paid	(227,184)	-	-	-	(227,184)	-
Cash Used in Capital and Related Financing Activities	(1,007,129)	-	-	-	(1,007,129)	(439,696)
Non-Capital Financing Activities:						
Cash received from other governmental units	135,519	-	-	-	135,519	-
Transfers from (to) other funds	-	(1,520,000)	(360,000)	-	(1,880,000)	75,159
Cash Provided by (Used in) Non-Capital Financing Activities	135,519	(1,520,000)	(360,000)	-	(1,744,481)	75,159
Investing Activities:						
Purchase of investments	(11,709)	(3,268,074)	-	-	(3,279,783)	-
Sale of investments	1,100,000	-	-	-	1,100,000	1,603,499
Interest received	6,165	35,471	-	501	42,137	-
Cash Provided by (Used in) Investing Activities	1,094,456	(3,232,603)	-	501	(2,137,646)	1,603,499
Net Increase (Decrease) in Cash	434,774	(1,981,883)	476,369	14,268	(1,056,472)	2,487,981
Cash, beginning of year	1,074,914	7,434,187	1,809,781	119,672	10,438,554	2,805,887
Cash, end of year	\$ 1,509,688	\$ 5,452,304	\$ 2,286,150	\$ 133,940	\$ 9,382,082	\$ 5,293,868
Reconciliation of Cash to Statement of Net Position:						
Cash	\$ 1,509,395	\$ 5,452,304	\$ 2,286,150	\$ 133,940	\$ 9,381,789	\$ 5,293,868
Restricted cash	293	-	-	-	293	-
Total Cash at December 31, 2015	\$ 1,509,688	\$ 5,452,304	\$ 2,286,150	\$ 133,940	\$ 9,382,082	\$ 5,293,868

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Proprietary Funds Statement of Cash Flows (Concluded)

Year Ended December 31, 2015	<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>Public Housing Commission</i>	<i>Total</i>	
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities						
Operating Activities:						
Operating income (loss)	\$ (4,053,665)	\$ 1,832,230	\$ 554,835	\$ 9,683	\$ (1,656,917)	\$ 927,629
Adjustments to reconcile operating income (loss) to cash provided by operating activities:						
Depreciation and amortization	3,184,020	-	-	-	3,184,020	189,345
Pension gain	(12,340)	-	-	-	(12,340)	-
(Increase) decrease in:						
Accounts receivable	24,485	32,029	232,190	(4,095)	284,609	117,323
Delinquent taxes receivable	-	750,261	-	-	750,261	-
Penalties and interest receivable	-	156,200	-	-	156,200	8,685
Due from state of Michigan	999,883	-	-	-	999,883	-
Inventories	(14,776)	-	-	-	(14,776)	(10,814)
Prepaid items	(22,946)	-	-	-	(22,946)	(102,785)
Increase (decrease) in:						
Deposits payable	(2,577)	-	-	-	(2,577)	53,676
Accounts payable	44,079	-	49,344	8,179	101,602	6,518
Accrued expenses	(21,599)	-	-	-	(21,599)	(67,265)
Unearned revenues	87,364	-	-	-	87,364	-
Liability for estimated claims	-	-	-	-	-	126,707
Cash Provided by Operating Activities	\$ 211,928	\$ 2,770,720	\$ 836,369	\$ 13,767	\$ 3,832,784	\$ 1,249,019

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2015	<i>Primary Government</i>			
	<i>Trust Funds</i>			<i>Agency Funds</i>
	<i>Retiree Health Care Trust Fund</i>	<i>Pension Trust Fund</i>	<i>Cemetery Trust Fund</i>	
Assets:				
Cash and money market funds	\$ 10,887,169	\$ 7,332,364	\$ 2,462	\$ 3,723,025
Receivables:				
Interest and dividends	-	1,382,328	-	-
Employer contributions	-	37,645	-	-
Accounts	114,265	-	-	-
Investments, at fair value:				
Mutual funds	-	80,252,774	-	-
Common trust funds	-	57,564,082	-	-
Corporate bonds	-	24,666,985	-	-
U.S. government securities	-	18,031,340	-	-
Pooled mortgages	-	5,250,889	-	-
Real estate pooled separate account	-	5,689,576	-	-
Prepaid expenses	126,730	-	-	-
Total Assets	\$ 11,128,164	\$ 200,207,983	\$ 2,462	\$ 3,723,025
Liabilities:				
Vouchers and accounts payable	\$ 5,181	\$ 6,483,368	\$ -	\$ -
Due to other governmental units	-	-	-	254,804
Benefits payable	96,199	823,597	-	-
Other payables	-	-	-	3,468,221
Total Liabilities	101,380	7,306,965	-	3,723,025
Net Position Restricted -				
Held in trust:				
Other post-retirement benefits	11,026,784	-	-	-
Employees' pensions	-	192,901,018	-	-
Individuals and organizations	-	-	2,462	-
Total Net Position	11,026,784	192,901,018	2,462	-
Total Liabilities and Net Position	\$ 11,128,164	\$ 200,207,983	\$ 2,462	\$ 3,723,025

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2015	<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>
Additions:			
Investment income:			
Interest and dividends	\$ 248,181	\$ 1,268,122	\$ -
Income on pooled separate accounts	-	259,994	-
Income on mutual funds	-	3,915,316	-
Realized gain on investments	118,064	-	-
Retiree drug subsidy	53,686	-	-
Less investment expense	(16,350)	(779,820)	-
Net investment income	403,581	4,663,612	-
Contributions:			
Employer	3,244,541	1,320,723	-
Participant	711,023	4,500	-
Total contributions	3,955,564	1,325,223	-
Total Additions	4,359,145	5,988,835	-
Deductions:			
Net depreciation in fair value of investments	604,754	8,062,977	-
Benefit payments	2,771,729	9,187,843	-
Stop loss expense	105,103	-	-
Administrative expenses	192,299	345,891	-
Other	-	-	1,466
Total Deductions	3,673,885	17,596,711	1,466
Change in Net Position	685,260	(11,607,876)	(1,466)
Net Position, beginning of year	10,341,524	204,508,894	3,928
Net Position, end of year	\$ 11,026,784	\$ 192,901,018	\$ 2,462

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Component Units Combining Statement of Net Position

	September 30, 2015								
	Kalamazoo Community Mental Health and Substance Abuse Services								
	Kalamazoo County Land Bank Authority	Kalamazoo County Road Commission	Kalamazoo County Health and Substance Abuse Services	At-Large Drains	September 30, 2015 Transportation Authority	DHS/ Child Care Welfare	Lake Level Fund	Kalamazoo County Consolidated Dispatch Authority	Total
December 31, 2015									
Assets:									
Cash	\$ 304,600	\$ 5,650,977	\$ 9,877,763	\$ 1,098,492	\$ 1,441,834	\$ 28	\$ 39,513	\$ 13,471	\$ 18,426,678
Investments	-	-	1,956,248	-	-	-	-	-	1,956,248
Accounts receivable	333,198	429,325	8,027,185	219,386	78,492	-	-	-	9,087,586
Due from									
state of Michigan	-	3,818,086	367,464	-	-	-	-	-	4,185,550
Inventory	2,416,804	954,858	-	-	-	-	-	-	3,371,662
Prepaid expenses	17,517	193,920	744,556	-	-	-	-	1,642	957,635
Restricted cash	-	561,287	-	-	-	-	-	-	561,287
Capital assets not depreciated	-	22,278,880	5,002,201	-	-	-	-	-	27,281,081
Capital assets, net of									
accumulated depreciation	3,417,295	100,370,991	2,365,958	-	-	-	-	-	106,154,244
Pension asset	-	1,875,773	14,791,176	-	-	-	-	-	16,666,949
OPEB asset	-	280,879	-	-	-	-	-	-	280,879
Other assets	-	86,108	83,089	-	-	-	-	-	169,197
Total Assets	\$ 6,489,414	\$ 136,501,084	\$ 43,215,640	\$ 1,317,878	\$ 1,520,326	\$ 28	\$ 39,513	\$ 15,113	\$ 189,098,996
Deferred Outflows of Resources:									
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 1,107,567	\$ 318,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,426,401
Changes in assumptions	-	122,766	-	-	-	-	-	-	122,766
Contributions subsequent to the measurement date	-	-	384,977	-	-	-	-	-	384,977
Total Deferred Outflows of Resources	\$ -	\$ 1,230,333	\$ 703,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,934,144
Liabilities:									
Accounts payable	\$ 163,536	\$ 654,827	\$ 5,966,455	\$ 225,871	\$ 36,658	\$ -	\$ -	\$ -	\$ 7,047,347
Accrued liabilities	40,689	871,029	438,059	-	10,590	-	-	-	1,360,367
Due to other government units	-	-	-	8,123	-	-	-	-	8,123
Due to state of Michigan	-	-	2,143,352	-	-	-	-	-	2,143,352
Due to affiliates	-	-	3,438,842	-	-	-	-	-	3,438,842
Due to providers	-	-	296,928	-	-	-	-	-	296,928
Unearned revenue	22,188	-	402,867	-	-	-	-	-	425,055
Noncurrent liabilities:									
Due within one year	-	-	1,034,470	-	-	-	1,025	-	1,035,495
Due in more than one year	255,000	-	5,560,557	-	-	-	-	-	5,815,557
Total Liabilities	481,413	1,525,856	19,281,530	233,994	47,248	-	1,025	-	21,571,066
Deferred Inflows of Resources:									
Difference between expected and actual experience	-	169,358	-	-	-	-	-	-	169,358
Differences between proportionate shares	-	2,564,781	-	-	-	-	-	-	2,564,781
Total Deferred Inflows of Resources	-	2,734,139	-	-	-	-	-	-	2,734,139
Net Position:									
Net investment in capital									
assets	3,417,295	122,649,871	2,309,232	-	-	-	-	-	128,376,398
Restricted	2,590,706	371,967	15,494,987	-	-	-	-	-	18,457,660
Unrestricted	-	10,449,584	6,833,702	1,083,884	1,473,078	28	38,488	15,113	19,893,877
Total Net Position	6,008,001	133,471,422	24,637,921	1,083,884	1,473,078	28	38,488	15,113	166,727,935
Total Liabilities, Deferred Inflows, and Net Position	\$ 6,489,414	\$ 137,731,417	\$ 43,919,451	\$ 1,317,878	\$ 1,520,326	\$ 28	\$ 39,513	\$ 15,113	\$ 191,033,140

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Component Units Combining Statement of Activities

<i>Year Ended December 31, 2015</i>	<i>Program Revenues</i>			
<i>Expenses</i>	<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	
Component Units:				
Kalamazoo County Land Bank Authority	\$ 1,424,753	\$ 37,600	\$ 2,217,709	\$ 229,645
Kalamazoo County Road Commission	17,419,934	730,200	13,876,724	8,547,577
Kalamazoo Community Mental Health and Substance Abuse Services - September 30, 2015 Health and Welfare	72,961,081	2,265,191	69,128,229	-
At-Large Drains	77,345	-	-	-
Kalamazoo County Transportation Authority - September 30, 2015	3,582,940	-	-	-
DHS/Child Care Welfare	-	-	28	-
Lake Level Fund	3,070	-	-	-
Kalamazoo County Consolidated Dispatch Authority	34,887	50,000	-	-
Total Component Units	\$ 95,504,010	\$ 3,082,991	\$ 85,222,690	\$ 8,777,222
		General Revenues: Unrestricted investment earnings Other		
		Total General Revenues		
		Change in Net Position		
		Net Position, beginning of year		
		Adoption of GASB No. 68		
		Restated Net Position, beginning of year		
		Net Position, end of year		

County of Kalamazoo, Michigan

Component Units Combining Statement of Activities

<i>Net Revenue (Expense) and Changes in Net Position</i>								
Kalamazoo County Land Bank Authority	Kalamazoo County Road Commission	Kalamazoo Community Mental Health and Substance Abuse Services	At-Large Drains	Kalamazoo County Transpor- tation Authority	DHS/ Child Care Welfare	Lake Level Fund	Kalamazoo County Consolidated Dispatch Authority	Total
\$ 1,060,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060,201
-	5,734,567	-	-	-	-	-	-	5,734,567
-	-	(1,567,661)	-	-	-	-	-	(1,567,661)
-	-	-	(77,345)	-	-	-	-	(77,345)
-	-	-	-	(3,582,940)	-	-	-	(3,582,940)
-	-	-	-	-	28	-	-	28
-	-	-	-	-	-	(3,070)	-	(3,070)
-	-	-	-	-	-	-	15,113	15,113
\$ 1,060,201	\$ 5,734,567	\$ (1,567,661)	\$ (77,345)	\$ (3,582,940)	\$ 28	\$ (3,070)	\$ 15,113	\$ 1,578,893
-	-	21,801	208	1,845	-	-	-	23,854
250,000	113,064	1,550,400	153,514	3,281,888	-	7,928	-	5,356,794
250,000	113,064	1,572,201	153,722	3,283,733	-	7,928	-	5,380,648
1,310,201	5,847,631	4,540	76,377	(299,207)	28	4,858	15,113	6,959,541
4,697,800	127,623,791	9,309,369	1,007,507	1,772,285	-	33,630	-	144,444,382
-	-	15,324,012	-	-	-	-	-	15,324,012
4,697,800	127,623,791	24,633,381	1,007,507	1,772,285	-	33,630	-	159,768,394
\$ 6,008,001	\$ 133,471,422	\$ 24,637,921	\$ 1,083,884	\$ 1,473,078	\$ 28	\$ 38,488	\$ 15,113	\$ 166,727,935

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 11 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.

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 Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) and the Kalamazoo County Transportation Authority (the Authority), which have September 30 year-ends to be consistent with the fiscal period of their grantor agencies.

Blended Component Units

Building Authority

The Kalamazoo County Building Authority is governed by a five-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.

Brownfield Redevelopment Authority

This was established to account for the activity of the County's Brownfield Redevelopment Authority. Funding is provided through tax increment financing, federal and state grants, and General Fund appropriations.

Kalamazoo County Public Housing Commission

The Kalamazoo County Public Housing Commission was created by ordinance adopted by the Kalamazoo County Board of Commissioners in 2002. The Commission is authorized to acquire and operate housing facilities for low income families within unincorporated areas of Kalamazoo County, and to contract for similar services with incorporated areas of the County.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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.

Kalamazoo County Road Commission

The Kalamazoo County Road Commission, established pursuant to the County road law (MCL 224.1), is governed by a County Board appointed five-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.

Department of Human Services (DHS)/Child Care Welfare

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.

Kalamazoo County 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 end is September 30.

At -Large Drains/Lake Level Fund

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)

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.

The County drain commissioner also administers the activity reported in the County's Lake Level Fund, as permitted by Act 451 PA 1994, as amended, (MCL 324.30701 et al.). Lake level projects establish the lake levels for inland lakes and perform construction and maintenance related to maintaining the established levels. Projects may be funded through the levying of special assessments or by issuing debt. This fund started in 2012.

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. The net pension asset for KCMHSAS was determined based on the actuarial report dated December 31, 2014.

Kalamazoo County Land Bank Authority

The Kalamazoo County Land Bank Authority, established in 2009 under agreement with the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Kalamazoo with approval of the Board of Commissioners for the County of Kalamazoo under PA 128 of 2003 as amended, is governed by the County appointed seven member County Authority Board. The Kalamazoo County Land Bank Authority has the authority to acquire, manage, and dispose of interests in property, borrow money, and issue bonds and notes. Complete financial statements may be obtained from the Kalamazoo County Land Bank Authority's administration office.

Kalamazoo County Consolidated Dispatch Authority

The Kalamazoo County Consolidated Dispatch Authority was established to account for all operational funds collected by the County from the service supplier for the operation of the 9-1-1 system. Both the regular E-911 System and the Enhanced 911-Emergency Services for Wireless Telephone Systems pursuant to Public Act 81 of 1999 are accounted for in this fund.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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

Administrative Offices

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
Kalamazoo, Michigan 49048

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

Kalamazoo County Land Bank Authority
229 East Michigan Avenue, Suite 340
Kalamazoo, Michigan 49007

Kalamazoo County Consolidated Dispatch Authority
1720 Riverview Drive
Kalamazoo, Michigan 49004

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements 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.

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 statement.

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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. The General fund also reports \$2,500,000 in fund balance for stabilization arrangements established by the County Board of Commissioners. Per Public Act 30 of 1978, these funds may only be utilized during the budget process to prevent a reduction in the level of public service provided, or prevent a reduction in the number of employees providing these services. It can also be used due to a natural disaster. A 2/3 vote is required for utilization. Per budget policy, the release of these funds must accompany a pay-back plan. Per the Public Act, the amount of money in the fund shall not exceed 15% of the most recent General Fund Budget or the average of the last five adjusted budgets, whichever is less. Increases to the amount must also be approved by the County Board of Commissioners.

Law Enforcement Fund - This fund accounts for specific revenue derived from 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.

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, General Fund appropriations, and interfund transfers.

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

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.

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:

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.

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, 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, interest, and fiscal charges on long-term debt issued to fund various capital projects.

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

Internal Service Funds - These funds account for the employee benefits/programs, 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 position 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.

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.

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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.

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.

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

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

The County evaluates its capital assets for impairment in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Assets to be disposed of would be recognized at the lower of carrying value or fair value less the estimated cost of disposal. Assets held and in use are reviewed for impairment whenever indicators of impairment exist. All recognized impairment losses, whether for assets to be disposed of or assets to be held and used, are recorded as operating expenses. No impairments have been identified as of December 31, 2015.

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 restricted for airport construction and passenger facility charges restricted for debt service payments.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and is not recognized as expense until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not recognized as revenue until then.

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, 2015 (summer tax). The remaining Law Enforcement Fund and Juvenile Home Building Project Fund property taxes were levied on December 1, 2015 (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 6.4890 mills and a total taxable value of real and personal property of \$8,170,869,806.

The County levied \$37,374,861 for the General Fund summer property tax. Amounts collected prior to March 1, 2016, were available for use and recorded as property tax revenues in 2015. Any amounts not collected were unearned for use for the year ended December 31, 2016.

The County levied winter property taxes of \$2,015,823, \$11,555,101 and \$797,398 for the Juvenile Home Fund, Law Enforcement Fund, and Housing Assistance Fund, respectively during 2015. Winter property taxes for the Juvenile Home Fund, Law Enforcement Fund, and Housing Assistance Fund are deferred and budgeted for use for the year ended December 31, 2016.

Contributions and Appropriations

Contributions and appropriations between funds are accounted for as transfers.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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.

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 position.

In the fund financial statements, governmental fund types recognized bond premiums and discounts 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 investment in capital assets, if the assets are not owned.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is 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.

Fund Balance

Fund balance represents the difference between assets and liabilities in the governmental fund financial statements. The fund balance categories are:

- *Nonspendable* - Includes items that are not in a spendable form because they are either legally or contractually required to be maintained intact. The County reports nonspendable fund balance for inventories and prepaid expenditures.
- *Restricted* - Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed* - Includes items committed by the County Commissioners, by resolution of the Commission. Commitments may be modified or rescinded by similar resolution.
- *Assigned* - Intended to be used for specific purposes but does not meet the criteria for restricted or committed fund balance. The Board of Commissioners is authorized to assign amounts to a specific purpose.
- *Unassigned* - The residual fund balance of the General Fund, as well as the deficit fund balances of the special revenue funds as a result of overspending due to the classification of nonspendable items.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

The County's spending policy considers restricted fund balance will be spent first when both restricted and unrestricted fund balances are available. When expenditures are recorded using unrestricted fund balances, committed amounts are spent first, then assigned amounts, then unassigned amounts.

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.

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.

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 amount 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.

Subsequent Events

Management has evaluated the period from January 1, 2016, through June 24, 2016, 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, Lake Level and At-Large Drains 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), Kalamazoo County Consolidated Dispatch Authority and the Kalamazoo County Land Bank Authority have custody over their deposits and investments and are subject to their investment policies. The City of Kalamazoo has custody and authority to make investment decisions for the Kalamazoo County Transportation Authority (KCTA). As such, the deposits of the component unit are subject to the City's 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, 2015, \$55,871,260 of the County's bank balances of \$59,873,317 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, Savings, and Money Market</i>	<i>Certificates of Deposit</i>	<i>Total</i>
Uninsured and Uncollateralized:			
County	\$ 34,802,054	\$ 14,328,293	\$ 49,130,347
County Road Commission	5,643,265	-	5,643,265
At-Large Drains	1,097,648	-	1,097,648
Total Uninsured and Uncollateralized	\$ 41,542,967	\$ 14,328,293	\$ 55,871,260

At September 30, 2015, \$9,396,766 of KCMHSAS' bank balances of \$11,853,014 were exposed to custodial credit risk.

At September 30, 2015, \$980,342 of KCTA's bank balances of \$1,367,344 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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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, 2015, 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	\$ 29,401,189	\$ 8,868,569	\$ 17,634,421	\$ 2,898,199	\$ -
Money Market	11,296,431	11,296,431	-	-	-
Total	\$ 40,697,620	\$ 20,165,000	\$ 17,634,421	\$ 2,898,199	\$ -

KCMHSAS' investment policy complies with the state statutes and has no additional investment restrictions that would limit its investment choices. As of September 30, 2015, KCMHSAS had the following investments and maturities, excluding certificates of deposits -

	<i>Fair Value</i>	<i>Investment Maturities Less Than One Year</i>
Money Market	\$ 126,206	\$ 126,206

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 investments are not exposed to custodial risk since the securities are either held by the counterparty in the name of KCMHSAS or uncategorized as to risk. KCMHSAS does not have any additional policies for mitigating custodial credit risk over investments.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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.

This section intentionally left blank.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

At December 31, 2015, the County's investments had the following credit ratings:

<i>Debt Investments</i>	<i>Fair Value</i>	<i>S&P Rating</i>			
		<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>No Rating</i>
Federal Home Loan Bank (FHLB)	\$ 7,138,952	\$ -	\$ 7,138,952	\$ -	\$ -
Federal Home Loan Mortgage Corporation (FHLMC)	959,530	-	959,530	-	-
Federal National Mortgage Association (FNMA)	4,380,631	-	2,690,913	-	1,689,718
Alpena MI Regl Med	762,767	-	-	-	762,767
Bank of America StrNt	733,823	-	-	-	733,823
Berrien County	444,695	-	444,695	-	-
Branson School District	100,644	-	100,644	-	-
Caledonia SCHS-T	247,960	-	247,960	-	-
Colon Schools	239,479	-	239,479	-	-
Grand Rapids- Bld	556,690	-	556,690	-	-
Kalamazoo Schools - B	540,450	-	540,450	-	-
Kalamazoo- RF- DOW	364,144	-	364,144	-	-
Kent County Amt Ref	551,150	-	551,150	-	-
Lansing Charter-Ref	913,649	-	-	913,649	-
Macomb Bldg-A-RE	935,364	935,364	-	-	-
MI ST-Ref-B-Txb	1,019,980	-	1,019,980	-	-
Michigan Housing Development	528,715	528,715	-	-	-
Michigan State	2,011,522	-	2,011,522	-	-
Michigan Taxable Service	287,678	-	287,678	-	-
Midland Water Supply	144,882	-	144,882	-	-
Oakland County - Bld	991,894	991,894	-	-	-
Oakland County - MI Ctfs Partn	214,662	214,662	-	-	-
Portage Schools	299,373	-	299,373	-	-
Southfield Schools Ref	456,867	-	456,867	-	-
Wells Fargo Bank	498,995	-	-	-	498,995
Van Dyke School	559,964	-	-	-	559,964
Warren B Ref	361,656	-	361,656	-	-
Warren	1,543,306	-	1,543,306	-	-
Wayne ARPT-JR LI	1,611,767	-	-	1,611,767	-
Totals by Rating	\$ 29,401,189	\$ 2,670,635	\$ 19,959,871	\$ 2,525,416	\$ 4,245,267

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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, 2015, the money market investment held had no rating.

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, 2015, 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, 2015, KCMHSAS had no concentration of credit risk.

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, 2015, the System had deposit balances of \$7,332,364, all of which were uninsured and uncollateralized.

This section intentionally left blank.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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, 2015, 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>
Debt Securities:					
Asset Backed Corporate Bonds	\$ 1,336,635	\$ -	\$ 969,185	\$ 367,450	\$ -
Corporate Bonds	16,694,705	512,206	5,689,111	5,503,866	4,989,522
Collateralized Mortgage Obligation Securities (CMO)	29,791	-	29,791	-	-
Federal Home Loan Mortgage Corporation (FHLMC)	95,186	-	-	-	95,186
Federal National Mortgage Association (FNMA)	5,125,912	-	7,960	-	5,117,952
Government Issue FICO Strip Securities	1,127,442	-	968,289	-	159,153
U.S. Treasury Bonds	23,539,543	1,268,868	10,346,026	-	11,924,649
Total	\$ 47,949,214	\$ 1,781,074	\$ 18,010,362	\$ 5,871,316	\$ 22,286,462
Other Investments:					
Equity Index Collective Trust Fund	57,564,082				
Mutual International Small Cap Fund	19,336,364				
Mutual Emerging Markets Fund	18,176,670				
U.S. Small Cap Equity Mutual Fund	18,116,296				
U.S. Large Cap Equity Mutual Fund	9,560,272				
U.S. Micro Cap Equity Mutual Fund	8,803,016				
REIT Index Inst	6,260,156				
Real Estate Pooled Separate Account	5,689,576				
Total Investments	\$ 191,455,646				

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

As of December 31, 2015, the System had the following credit ratings:

<i>Debt Investments</i>	<i>Fair Value</i>	<i>S&P Rating</i>				
		<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>BBB</i>	<i>Unrated</i>
Asset Backed						
Corporate Bonds	\$ 1,336,635	\$ 1,336,635	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	16,694,705	306,117	2,339,241	6,337,220	7,712,127	-
Collateralized Mortgage						
Obligation						
Securities (CMO)	29,791	-	29,791	-	-	-
Federal Home Loan						
Mortgage						
Corporation (FHLMC)	95,186	95,186	-	-	-	-
Federal National						
Mortgage						
Association (FNMA)	5,125,912	5,125,912	-	-	-	-
Government Issue FICO						
Strip Securities	1,127,442	-	-	-	-	1,127,442
U.S. Treasury Bonds	23,539,543	23,539,543	-	-	-	-
Totals by Rating	\$ 47,949,214	\$ 30,403,393	\$ 2,369,032	\$ 6,337,220	\$ 7,712,127	\$ 1,127,442

<i>Funds</i>	<i>Fair Value</i>	<i>Morningstar Rating</i>		
		<i>★★</i>	<i>★★★</i>	<i>★★★★</i>
Equity Index Collective Trust Fund	\$ 57,564,082	\$ -	\$ 57,564,082	\$ -
International Small Cap Mutual Fund	19,336,364	-	-	19,336,364
Emerging Markets Mutual Fund	18,176,670	18,176,670	-	-
U.S. Small Cap Equity Mutual Fund	18,116,296	-	-	18,116,296
U.S. Large Cap Equity Mutual Fund	9,560,272	-	-	9,560,272
U.S. Micro Cap Equity Mutual Fund	8,803,016	-	-	8,803,016
REIT Index Inst	6,260,156	-	6,260,156	-
Totals by Rating	\$ 137,816,856	\$ 18,176,670	\$ 63,824,238	\$ 55,815,948

RREEF America REIT is a Private Real Estate Investment Trust (REIT), investing 100% in real estate and does not have a public rating. It was affirmed with a rating of NAIC-1 (National Association of Insurance Commissioners) in August of 2012 which is equivalent to the various A level ratings of Moody's, S&P and Fitch.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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.

As of December 31, 2015, 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, 2015, 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, 2015, the System invested \$19,336,000 in an international small company equity mutual fund that exposes the System's portfolio to foreign currency risk. The fund invests in equity securities of small, non-U.S. companies that the Advisor determines to be value stocks at the time of purchase. The portfolio intends to purchase the stocks of small companies within developed markets. Under normal market conditions, the portfolio intends to invest its assets in value stocks of small companies, organized or having a majority of their assets in or deriving a majority of their operating income in non-U.S. countries. Currently, no more than 25% of the portfolio's assets are invested in such companies in any one country.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

The System also has invested approximately \$18,177,000 in an emerging markets mutual fund that is also exposed to foreign currency risk. The fund invests in emerging market equity securities that are deemed to be large cap stocks at the time of purchase, and have characteristics of emerging markets as determined by the fund. Currently, no more than 19% of the portfolio's assets are invested in such companies in any one country.

4. Advances/Interfund Transfers/Due to-Due From

General Fund Advances

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

<i>Fund</i>	<i>Advances to Other Funds</i>
General Fund	\$ 219,386

<i>Fund</i>	<i>Advances from Other Funds</i>
Capital Projects - Drain Revolving Fund	\$ 219,386

To accommodate the payment of Drain Revolving Fund related expenditures prior to assessments levied, the General Fund has advanced \$219,386 to the Drain Revolving Fund. The Board of Commissioners established the advance at a level of \$245,000, with the recognition that appropriate assessments occur in order to repay the advances.

Due to-Due From

There were no due to-due from balances for the year ended December 31, 2015.

Interfund Transfers

Interfund transfers for the year ended December 31, 2015, consists of the following:

	<i>Transfer from</i>				<i>Total Transfers In</i>
	<i>General Fund</i>	<i>Law Enforce- ment</i>	<i>Nonmajor Governmental</i>	<i>All Others</i>	
<i>Transfer to:</i>					
General Fund	\$ -	\$ -	\$ 200,289	\$ 1,880,000	\$ 2,080,289
Health Fund	1,628,002	-	703	-	1,628,705
Justice Facilities Improvement Fund	5,829,758	-	-	-	5,829,758
Nonmajor Governmental	5,334,019	221,820	600,519	-	6,156,358
All Others	-	-	75,159	-	75,159
Total Transfers Out	\$ 12,791,779	\$ 221,820	\$ 876,670	\$ 1,880,000	\$ 15,770,269

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

The principal purposes of the interfund transfers are to move unrestricted revenues collected in the General Fund to finance various programs and/or projects accounted for in other funds in accordance with budgetary authorization, and move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

5. Capital Assets

Capital asset activity for the year ended December 31, 2015, consists of the following:

<i>Primary Government</i>	<i>Balance, January 1, 2015</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2015</i>
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 3,838,956	\$ -	\$ 22,634	\$ 3,816,322
Construction in progress (estimated costs to complete \$2,823,000)	7,492,359	14,252,101	-	21,744,460
Capital assets in progress	-	432,896	-	432,896
Intangible easements	146,734	-	-	146,734
Capital assets depreciated:				
Land improvements	14,815,900	342,390	111,804	15,046,486
Buildings and improvements	87,186,157	384,863	-	87,571,020
Furniture, machinery, and equipment	8,945,801	370,906	29,965	9,286,742
Vehicles	4,434,285	649,063	179,643	4,903,705
Law library books	405,392	-	-	405,392
Totals at Historical Cost	127,265,584	16,432,219	344,046	143,353,757
Less accumulated depreciation:				
Land improvements	5,512,083	686,040	55,391	6,142,732
Buildings and improvements	30,707,584	1,945,513	31,108	32,621,989
Furniture, machinery, and equipment	5,805,118	868,637	29,965	6,643,790
Vehicles	3,435,645	521,666	166,238	3,791,073
Law library books	405,392	-	-	405,392
Total accumulated depreciation	45,865,822	4,021,856	282,702	49,604,976
Total Governmental Activities - Net Capital Assets	\$ 81,399,762	\$ 12,410,363	\$ 61,344	\$ 93,748,781

Depreciation expense charged to governmental functions consisted of the following:

General government	\$ 442,405
Public safety	1,568,524
Health and welfare	120,656
Recreation and culture	844,590
Judicial	1,045,681
Total Depreciation Expense	\$ 4,021,856

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

<i>Primary Government</i>	<i>Balance, January 1, 2015</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2015</i>
Business-Type Activities:				
Capital assets not depreciated:				
Land	\$ 5,182,498	\$ 437	\$ -	\$ 5,182,935
Construction in progress (estimated costs to complete \$84,000)	815,681	2,598,674	721,477	2,692,878
Capital assets depreciated:				
Land improvements	45,021,674	609,635	-	45,631,309
Buildings and improvements	41,656,055	28,604	6,674,661	35,009,998
Furniture, machinery, and equipment	11,113,732	-	266,875	10,846,857
Totals at Historical Cost	103,789,640	3,237,350	7,663,013	99,363,977
Less accumulated depreciation:				
Land improvements	29,343,609	1,625,855	-	30,969,464
Buildings and improvements	11,343,591	930,579	6,144,941	6,129,229
Furniture, machinery, and equipment	7,201,746	627,586	242,567	7,586,765
Total accumulated depreciation	47,888,946	3,184,020	6,387,508	44,685,458
Total Business-Type Activities - Net Capital Assets	\$ 55,900,694	\$ 53,330	\$ 1,275,505	\$ 54,678,519

Capital asset activity for the Kalamazoo Community Mental Health and Substance Abuse Services for the year ended September 30, 2015, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, October 1, 2014</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, September 30, 2015</i>
Kalamazoo Community Mental Health and Substance Abuse Services:				
Capital Assets:				
Capital assets not depreciated:				
Land	\$ 690,911	\$ -	\$ -	\$ 690,911
Construction in progress	581,048	3,957,823	(227,581)	4,311,290
Capital assets depreciated:				
Buildings and improvements	3,752,457	505,001	197,692	4,455,150
Equipment and furniture	1,917,324	-	(199,924)	1,717,400
Motor vehicles	27,000	-	-	27,000
Total Capital Assets	6,968,740	4,462,824	(229,813)	11,201,751
Less accumulated depreciation	3,590,097	465,191	(221,696)	3,833,592
Total Kalamazoo Community Mental Health and Substance Abuse Services Net Capital Assets	\$ 3,378,643	\$ 3,997,633	\$ (8,117)	\$ 7,368,159

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, 2015, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, January 1, 2015</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2015</i>
Kalamazoo County Road Commission				
Capital Assets:				
Capital assets not depreciated:				
Land and improvements, infrastructure	\$ 21,253,130	\$ 550,151	\$ -	\$ 21,803,281
Land and improvements	705,935	-	(230,336)	475,599
Capital assets depreciated:				
Buildings and improvements	4,240,874	122,494	-	4,363,368
Land improvements	-	172,225	230,336	402,561
Road equipment	8,802,624	2,063,767	(552,885)	10,313,506
Other equipment	641,306	168,443	(4,900)	804,849
Infrastructure and improvements	175,806,657	9,400,016	(8,796,894)	176,409,779
		-		
Total Capital Assets	211,450,526	12,477,096	(9,354,679)	214,572,943
Less accumulated depreciation	92,375,236	8,898,449	(9,350,613)	91,923,072
Total Kalamazoo County Road Commission Net Capital Assets	\$119,075,290	\$ 3,578,647	\$ (4,066)	\$ 122,649,871

Capital asset activity for the Kalamazoo County Land Bank for the year ended December 31, 2015, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, January 1, 2015</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance, December 31, 2015</i>
Kalamazoo County Land Bank				
Capital Assets -				
Capital assets depreciated -				
Rental properties	\$ 2,408,551	\$ 1,390,247	\$ (3,441)	\$ 3,795,357
Less accumulated depreciation	232,553	145,795	(286)	378,062
Total Kalamazoo County Land Bank Net Capital Assets	\$ 2,175,998	\$ 1,244,452	\$ (3,155)	\$ 3,417,295

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

6. Long-Term Obligations

Changes in long-term liabilities consists of the following:

<i>Primary Government</i>	<i>Balance, January 1, 2015</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance, December 31, 2015</i>	<i>Due Within One Year</i>
Governmental Activities:					
Bonds and notes payable -					
General obligation debt	\$ 30,105,000	\$ 5,150,000	\$ 1,605,000	\$ 33,650,000	\$ 1,710,000
Other liabilities:					
Compensated absences	3,260,582	2,656,011	2,627,744	3,288,849	1,135,442
Net OPEB obligation	13,279,008	4,950,881	2,834,114	15,395,775	-
	46,644,590	12,756,892	7,066,858	52,334,624	2,845,442
Net Bond Premium	67,996	155,557	32,186	191,367	-
Net Bond Discount	(135,339)	-	(7,589)	(127,750)	-
Total Long-Term Liabilities - Governmental Activities	\$ 46,577,247	\$ 12,912,449	\$ 7,091,455	\$ 52,398,241	\$ 2,845,442
Business-Type Activities:					
Bonds payable -					
General obligation debt	\$ 6,420,000	\$ -	\$ 640,000	\$ 5,780,000	\$ 640,000
Net Bond Premium	382,784	-	28,709	354,075	-
Net Bond Discount	(41,397)	-	(3,105)	(38,292)	-
Total Long-Term Liabilities - Business-Type Activities	\$ 6,761,387	\$ -	\$ 665,604	\$ 6,095,783	\$ 640,000
<u>Discretely Presented Component Units</u>					
Total Long-Term Liabilities - Business-Type Activities:					
Note Payable	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 95,000
Compensated absences	852,200	1,042,067	954,797	939,470	939,470

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

Long-term bonds and notes at December 31, 2015 consist of the following:

<i>Primary Government</i>	<i>Final Maturity Dates</i>	<i>Interest Rates</i>	<i>Outstanding Balance</i>
Governmental Activities:			
1982 Water Supply System No. 1 Bonds	5/1/2020	5.00%	\$ 50,000
1996 Sewage Disposal System No. 7 Bonds	5/1/2016	4.75-7.75%	125,000
2010 Sewage Disposal Indian/Pickereel Lake Bonds	12/1/2017	4.00%	540,000
2012 Cooper Township Sewage Disposal System Bonds	5/1/2021	1.96%	805,000
2005 Village of Augusta Water Supply	5/1/2025	2.13%	425,000
2008 Townline Drain	3/1/2018	2.40-4.55%	145,000
2015 Eliza Street, Schoolcraft Project	9/14/2030	1.50%	150,000
Total Governmental Activities - without associated assets			\$ 2,240,000
2007 Juvenile Home Facilities Bond	4/1/2032	4.50-5.00%	\$ 24,150,000
2011 Expo Center Improvement Bonds	4/1/2026	3.20%	2,260,000
2015 CMH improvement Bond	5/1/2034	3.00%	5,000,000
Total Governmental Activities - with associated assets			\$ 31,410,000
Business-Type Activities with associated assets -			
2012 Airport Refunding Bonds	5/1/2028	2.00-4.00%	\$ 5,780,000
Discretely Presented Component Units -			
2015 Note Payable	6/1/2020	2.77%	\$ 500,000

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 investment in capital assets.

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 calculation of net investment in capital assets.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

There are a number of limitations and restrictions contained in the various debt issues. At December 31, 2015, 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 net pension obligations will be liquidated by the County's Employee Benefit Fund which is the internal service fund that contributes toward the pension funds.

The net other postemployment benefit obligation will be liquidated by the County's Employee Benefit Fund which is the internal service fund that contributes toward the net other postemployment benefit obligation funds.

The annual requirement 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>
2016	\$ 1,710,000	\$ 1,336,260	\$ 640,000	\$ 185,525
2017	1,735,000	1,271,453	615,000	173,075
2018	1,530,000	1,206,643	605,000	154,825
2019	1,635,000	1,149,351	605,000	130,625
2020	1,734,674	1,088,324	605,000	106,425
2021-2025	9,285,146	4,354,237	2,180,000	222,400
2026-2030	10,370,180	2,301,680	530,000	25,000
2031-2035	5,650,000	289,500	-	-
	\$ 33,650,000	\$ 12,997,448	\$ 5,780,000	\$ 997,875

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, 2014, there was one Industrial Revenue Bond outstanding - W.B.C. Properties Limited Partnership Project, 5.75% \$6,500,000 Series, issued September 1, 1985, was paid in full in 2015.

7. Retirement Commitments

Kalamazoo County Employees' Retirement System (the System)

Summary of Significant Accounting Policies

Basis of Accounting

The Kalamazoo County Employees' Retirement System (the System) 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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

Method Used to Value Instruments

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.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kalamazoo County Employees' Retirement System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

The System is a single-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 (the County), Kalamazoo Road Commission (the 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 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 Deputy Association, Sheriff's Supervisory Association, certain District Court employees, and Judges elected or appointed after March 31, 1997, are excluded from the plan pursuant to past negotiations.

The System is controlled by laws established by the state of Michigan. Any changes to the plan document must be approved by the Kalamazoo County Board of Commissioners and subsequently implemented by the Retirement Investment Committee and the County Administrator/Controller.

The System issues a publicly available financial report that includes financial statements and required supplementary 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.

Eligibility

An eligible employee becomes a member in the System as of his or her date of permanent employment. Participants become 100% vested for benefits after eight years of service. Terminated members vested in the System are eligible for deferred retirement benefits.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

As of December 31, 2014, the date of the latest actuarial valuation, the System's membership consisted of the following:

	<i>Kalamazoo County Government</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>Kalamazoo County Road Commission</i>	<i>Total</i>
Retirees and beneficiaries currently receiving benefits	290	31	40	361
Terminated members not yet receiving benefits	137	53	7	197
Current active members:				
Vested	317	73	25	415
Nonvested	313	117	15	445
Total Plan Membership	1,057	274	87	1,418

Contributions

It is the System's policy to fund the actuarial determined pension liability in order for funds to be available when a member retires. The employers are required to contribute a percentage of payroll at an actuarially determined rate. The contribution rate is based on the actuarial assumptions and experiences. Once a group is fully or overfunded, the County no longer contributes for that group. The employers were required to contribute the following percentages of payroll:

<i>Year ended December 31,</i>	2015	2014
Kalamazoo County:		
Airport	0.00%	0.00%
AS&E/B&G/Parks	2.86%	6.01%
District Court	0.00%	2.50%
Head Start I	0.00%	0.00%
Head Start II	0.00%	0.00%
Juvenile Court	10.07%	10.09%
Juvenile Home	0.00%	0.00%
Non-Represented	2.55%	4.42%
Road Commission - All eligible employees	0.00%	0.00%
Sheriff Command	0.00%	0.00%
Kalamazoo Community Mental Health and Substance Abuse Services:		
Managerial	9.30%	11.68%
Professional	1.93%	3.68%
TOPS	5.80%	6.80%

The Sheriff Command no longer has active members and therefore no contribution rate can be determined based on a percentage of payroll. The County contributed a fixed dollar amount for the Sheriff Command of \$42,310 and \$37,485 for the years ended December 31, 2015 and 2014, respectively.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

The employers' actual contributions were as follows:

<i>Year ended December 31, 2015</i>	Annual Required Contributions	Actual	Percent Contributed
Kalamazoo County Government	\$ 843,226	\$ 843,226	100.0%
Kalamazoo County Road Commission	-	-	100.0%
Kalamazoo Community Mental Health and Substance Abuse Services	477,497	477,497	100.0%
Total Contributions	\$ 1,320,723	\$ 1,320,723	100.0%

Plan members may purchase credited service for time served in the military. To purchase credited service for military leave, members pay an amount equal to 5% of the member's annual compensation for each year purchased. Members of the County Board of Commissioners electing to participate in the plan must contribute 100% of the actuarial cost annually. Plan members retain the right upon termination to withdraw their contributions plus regular interest, as defined by the System, in lieu of any pension rights they may have. Members may repurchase past service credit for an amount equal to the aggregate amount of contributions the County made at the time of the previous service plus accrued interest from the date of separation to the date of the deposit.

The System maintains a member deposit fund, which is used to accumulate contributions made by plan members and related accrued interest. As detailed in the plan document, the fund is legally required to distribute individual employee contributions and related interest, upon request by a terminated plan member. The balance in the member deposit fund at December 31, 2015, is approximately \$498,000.

Net Pension Asset

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension asset and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of December 31, 2014 and a measurement date of December 31, 2015.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

Net Pension Asset of the System

The components of the net pension asset of the System at December 31, 2015 were as follows:

	<i>Kalamazoo County Government</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>Kalamazoo County Road Commission</i>	<i>Total</i>
Total pension liability	\$ (125,235,731)	\$ (29,555,511)	\$ (11,962,951)	\$ (166,754,193)
Plan fiduciary net position	144,872,519	34,189,774	13,838,725	192,901,018
Net Pension Asset	\$ 19,636,788	\$ 4,634,263	\$ 1,875,774	\$ 26,146,825
Plan Fiduciary Net Position as a Percentage of Total Pension Liability				115.68%

Actuarial Assumptions

The total pension asset was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary increases*:	3.5% to 7.5% (Kalamazoo County Government)
	3.5% to 5.5% (Kalamazoo Community Mental Health and Substance Abuse Services)
	3.5% to 7.2% (Kalamazoo County Road Commission)
Investment rate of return*	7.50%

*Includes inflation at 3.5%

Mortality rates were based on the RP-2000 Mortality Combined Healthy Tables, projected 20 years with U.S. Projection Scale BB.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

<i>Fiscal year ended December 31, 2015</i>	<i>Total Plan</i>
Total Pension Liability	
Service cost	\$ 3,339,511
Interest on the total pension liability	11,895,347
Difference between expected and actual experience of the total pension liability	(2,986,458)
Changes of assumptions	2,164,854
Benefit payments and refunds	(9,187,843)
Net Change in Total Pension Liability	5,225,411
Total Pension Liability, beginning	161,528,782
Total Pension Liability, ending (a)	\$ 166,754,193
Plan Fiduciary Net Position	
Contributions - employer	\$ 1,320,723
Contributions - employee	4,500
Pension plan net investment loss	(3,399,365)
Benefit payments and refunds	(9,187,843)
Pension plan administrative expenses	(345,891)
Net Change in Plan Fiduciary Net Position	(11,607,876)
Plan Fiduciary Net Position, beginning	204,508,894
Plan Fiduciary Net Position, ending (b)	\$ 192,901,018
Net Pension Asset - Ending (a) - (b)	\$ 26,146,825
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	115.68%
Covered Employee Payroll*	\$ 41,152,336
Net Pension Asset as a Percentage of Covered Payroll	63.54%

**Reflects payroll as of the actuarial valuation date one year prior to the measurement date.*

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of the pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocations percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation of December 31, 2015 (see the discussion of the System's investment policy) are summarized in the following table:

<i>Asset Class</i>	Long-Term Expected Real Rate of Return*
U.S. Small Cap (Manager 1)	4.25%
U.S. Small Cap (Manager 2)	4.25%
International Developed Equity	3.95%
U.S. Large Cap (Manager 1)	3.75%
U.S. Large Cap (Manager 2)	3.75%
Emerging Markets	4.65%
Domestic Fixed Income	0.55%
Real Estate (Manager 1)	2.75%
Real Estate (Manager 2)	2.75%

* Real rate of return is based on investment manager inflation assumption of 2.25%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on System investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. There was not a change in assumptions from prior year. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following table presents the System's net pension asset, calculated using a single discount rate of 7.50%, as well as what the System's net pension asset would be if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Net Pension Asset	\$5,052,000	\$26,146,825	\$43,804,755

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

	<i>September 30, 2015</i>			
	<i>Kalamazoo County Government</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>Kalamazoo County Road Commission</i>	<i>Total</i>
Net Pension Asset	\$ 19,636,788	\$ 4,634,263	\$ 1,875,774	\$ 26,146,825
Proportionate Share	75.10%	17.72%	7.18%	100.00%
Deferred Outflows of Resources:				
Net difference between projected and investment earnings on pension plan investments	\$ 11,594,712	\$ 2,736,341	\$ 1,107,567	\$ 15,438,620
Changes of assumptions	1,285,193	303,304	122,766	1,711,263
Contributions subsequent to the measurement date	-	5,985,018	-	5,985,018
Total Deferred Outflows of Resources	\$ 12,879,905	\$ 9,024,663	\$ 1,230,333	\$ 23,134,901
Deferred Inflows of Resources:				
Net difference between projected and actual investment earnings on pension plan investments	\$ 1,772,945	\$ 418,414	\$ 169,358	\$ 2,360,717
Changes in proportion and differences between employer and employee and share of contributions	3,420,237	-	2,564,781	5,985,018
Total Deferred Inflows of Resources	\$ 5,193,182	\$ 418,414	\$ 2,734,139	\$ 8,345,735
Pension Expense -				
Proportionate share of plan pension expense	\$ 2,316,286	\$ 2,346,994	\$ (371,967)	\$ 4,291,313

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 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 2015 contribution of \$2,143,472. 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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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 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 2015 contributions on behalf of the District Court employees in the amount of \$31,249. 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, 2015, KCMHSAS and its employees each contributed \$606,333. 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 a single 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.

County policy established that retiring employees, who terminate employment after becoming eligible for immediate commencement of retirement benefits from the County, shall be eligible for group health insurance. Active participants of the FOP defined contribution plan are eligible under the terms of their collective bargaining agreement. Changes are made through collective bargaining. All other retiring employees reach eligibility based on hire date, years of retirement plan credited service and age at retirement. Employees hired on or before 12/31/2008 are eligible at age 55 with at least 8 years of service. Employees hired on or after 1/1/2009 are eligible at age 60 with at least 8 years of service. Employees hired on or after 1/1/2010 are eligible at age 60 with at least 8 years of service until they reach the age of 65. For employees hired on or before 12/31/2009, at age 65 the County will provide only supplemental insurance coverage. For employees hired on or after 1/1/2010, at age 65 the County will provide the retiree the opportunity to purchase supplemental coverage with the retiree responsible for 100% of the cost. A retiree and his/her covered dependents must obtain Medicare Parts A & B at the earliest date eligible. For employees hired on or after 1/1/2012, the County will not provide retiree health insurance. These benefits are established and can be amended by the County Board of Commissioners.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

Currently, there are 324 retirees of the primary government, 104 retirees of the FOP, 42 retirees of the Road Commission, and 47 retirees of KCMHSAS. Separate financial statements are not prepared.

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 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.

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, 2014 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%, (c) inflation assumption of 2.5%, and (d) 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 Commissioners. 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 50% 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 contribution rates shown include amortization of the unfunded actuarial accrued liability over a closed period of 26 years for General County and Mental Health. A closed period of 28 years for Road Commission, and a 30 year open period for Sheriff. The maximum time period permitted by the GASB Statements No. 43 and No. 45 is 30 years. A shorter amortization period would result in a higher ARC.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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

<i>Year Ended December 31,</i>	<i>Annual OPEB Cost</i>	<i>Actual Contributions</i>	<i>Percentage of OPEB Cost Contributed</i>
Kalamazoo County Government	2013 \$ 5,407,221	\$ 2,772,000	51.69%
	2014 \$ 5,033,067	\$ 2,863,700	56.90%
	2015 \$ 4,950,881	\$ 2,834,114	57.24%
Kalamazoo Community Mental Health and Substance Abuse Services	2013 \$ 366,102	\$ 445,684	123.34%
	2014 \$ 245,207	\$ 238,751	97.40%
	2015 \$ 233,369	\$ 238,751	102.31%
Kalamazoo County Road Commission	2013 \$ 222,255	\$ 168,504	75.69%
	2014 \$ 182,624	\$ 119,245	65.30%
	2015 \$ 181,569	\$ 171,676	94.55%
Totals	2013 \$ 5,995,578	\$ 3,386,188	56.48%
	2014 \$ 5,460,898	\$ 3,221,696	59.00%
	2015 \$ 5,365,819	\$ 3,244,541	60.47%

Calculation of Net OPEB Obligation

GASB No. 45 requires the disclosure of the components of the Net OPEB obligation calculation. This information is shown as follows:

<i>Year Ended December 31, 2015</i>	<i>Kalamazoo County Government</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>Kalamazoo County Road Commission</i>
Annual Required Contribution (ARC)	\$ 5,068,227	\$ 226,227	\$ 182,295
Interest on new OPEB obligation	531,160	(57,725)	7,312
Adjustment to ARC	(648,506)	64,867	(8,038)
Annual OPEB cost	4,950,881	233,369	181,569
Contributions made	2,834,114	238,751	171,676
Increase in net OPEB obligation	2,116,767	(5,382)	9,893
Net OPEB Obligation (Asset), December 31, 2014	13,279,008	(769,665)	97,499
Net OPEB Obligation (Asset), December 31, 2015	\$ 15,395,775	\$ (775,047)	\$ 107,392
Percentage of Annual OPEB Cost Contributed	57.24%	102.31%	94.55%

The County is only required to obtain actuarial valuations every two years. The below information was obtained from the 2015 actuarial valuations.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

The funded status of the plan, as of December 31, 2015, was as follows:

	<i>Kalamazoo County Government</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>Kalamazoo County Road Commission</i>	<i>Total</i>
Actuarial Accrued Liability (AAL)	\$ 78,994,809	\$ 4,800,580	\$ 3,201,365	\$ 86,996,754
Actuarial value of plan assets	6,541,999	3,083,914	1,431,221	11,057,134
Unfunded Actuarial Accrued Liability (UAAL)	\$ 72,452,810	\$ 1,716,666	\$ 1,770,144	\$ 75,939,620
Funded ratio (actuarial value of plan assets/AAL)	8.3%	64.2%	44.7%	12.7%
Covered payroll (active plan members)	\$ 34,745,205	\$ 6,008,440	\$ 1,414,527	\$ 42,168,172
UAAL as a percentage of covered payroll	208.5%	28.6%	125.1%	180.1%

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.

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 \$550,000 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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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 \$150,000 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 2015 and 2014, 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>
General liability and crime:				
2014	\$ 266,736	\$ 118,248	\$ (154,787)	\$ 230,197
2015	\$ 230,197	\$ 330,572	\$ (82,283)	\$ 478,486

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 2015 and 2014, 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>
Workers' compensation:				
2014	\$ 370,026	\$ 492,788	\$ (304,792)	\$ 558,022
2015	\$ 558,022	\$ 220,055	\$ (117,661)	\$ 660,416
Employee health and medical:				
2014	\$ 436,591	\$ 6,819,198	\$ (6,773,189)	\$ 482,600
2015	\$ 482,600	\$ 7,021,333	\$ (7,006,486)	\$ 497,447
Employee dental:				
2014	\$ 23,542	\$ 383,023	\$ (386,016)	\$ 20,549
2015	\$ 20,549	\$ 576,285	\$ (563,827)	\$ 33,007

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Continued)

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 County 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 \$15,000,000 for aggregate general liability claim, and \$9,869,000 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.

This space intentionally left blank.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Concluded)

9. Stewardship, Compliance and Accountability

Violations of Legal or Contractual Provisions

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, 2015</i>	<i>Excess Expenditures</i>
General Fund:	
<i>Judicial - Circuit Court - Administration</i>	\$ (299,075)
<i>General Government - Treasurer</i>	(84,375)
Special Revenue Funds:	
Accommodation Tax Fund:	
<i>Recreation and culture</i>	(285,293)
<i>Transfers Out:</i>	
General Fund	(1,054)
Parks and Recreation Fund	(34,564)
<i>Health and Welfare</i>	(32,325)
Community Corrections Fund -	
<i>Public Safety</i>	(49,488)
<i>Transfers Out - General Fund</i>	(30,868)
Public Works Special Grants -	
<i>Public Works</i>	(150,381)
Health and Welfare Special Grants -	
<i>Transfers Out - General Fund</i>	(52,579)
Community Economic Development Special Grants -	
<i>Transfers Out - Local Site Remediation Fund</i>	(10,959)

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

Effective October 16, 2000, a state of Michigan law was enacted limiting a retirement plan's investment in common stocks to 70% of a plan's assets at market value.

At December 31, 2015, the System's investment in common stocks was 67.9% of plan assets at market value, thereby not exceeding the limit allowed by law.

Department of Labor (DOL)

During the 2014 audit, the DOL determined the Sheriff's Department was in violation of various Fair Labor Standards Act (FLSA) laws. The Sheriff's Department is working with the DOL to rectify the violations. This matter was resolved in 2015.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements (Concluded)

10. Commitments and Contingencies

At December 31, 2015, the County had the following contractual construction commitments:

	<i>Project Authorization</i>	<i>Expended Through December 31, 2015</i>	<i>Committed</i>	<i>Required Future Financing</i>
Airport improvements	\$ 8,336,431	\$ 6,659,776	\$ 1,676,655	\$ *
Governmental activities	23,436,865	22,032,229	1,404,636	-
	\$ 31,773,296	\$ 28,692,005	\$ 3,081,291	\$ -

* 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: 90%, 5%, and 5%, respectively.

The County leases several facilities under non-cancelable agreements that have been classified as operating leases. Total cost for such leases were \$240,649 in 2015. The future minimum lease payments for these leases consist of the following:

<i>Year Ending December 31,</i>	<i>Amount</i>
2016	\$ 232,477
2017	232,021
2018	232,021
	\$ 696,519

This page intentionally left blank.

Required Supplementary Information

County of Kalamazoo, Michigan

Kalamazoo County Employees' Retirement System Schedule of Changes in the Employers' Net Pension Asset and Related Ratios

<i>Fiscal year ended December 31,</i>	2015	2014
Total Pension Liability		
Service cost	\$ 3,339,511	\$ 3,629,274
Interest on the total pension liability	11,895,347	11,540,803
Difference between expected and actual experience of the total pension liability	(2,986,458)	- *
Changes of assumptions	2,164,854	- *
Benefit payments and refunds	(9,187,843)	(11,408,049)
Net Change in Total Pension Liability	5,225,411	3,762,028
Total Pension Liability, beginning	161,528,782	157,766,754
Total Pension Liability, ending (a)	\$ 166,754,193	\$ 161,528,782
Plan Fiduciary Net Position		
Contributions - employer	\$ 1,320,723	\$ 1,985,340
Contributions - employee	4,500	-
Pension plan net investment income (loss)	(3,399,365)	13,528,275
Benefit payments and refunds	(9,187,843)	(11,408,049)
Pension plan administrative expenses	(345,891)	(252,272)
Net Change in Plan Fiduciary Net Position	(11,607,876)	3,853,294
Plan Fiduciary Net Position, beginning	204,508,894	200,655,600
Plan Fiduciary Net Position, ending (b)	\$ 192,901,018	\$ 204,508,894
Net Pension Asset - Ending (a) - (b)	\$ 26,146,825	\$ 42,980,112
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	115.68%	126.61%
Covered Employee Payroll	\$ 41,152,336	\$ 41,180,449
Net Pension Asset as a Percentage of Covered Payroll	63.54%	104.37%

2015 Covered-employee payroll as provided by the County.

2014 Covered-employee payroll reflects payroll as of the actuarial valuation date one year prior to the measurement date.

Ultimately, 10 fiscal years will be displayed (which may be built prospectively starting from 2014).

* Due to the implementation of GASB 68 in 2014, these amounts are not applicable.

County of Kalamazoo, Michigan

Kalamazoo County Employees' Retirement System Schedule of Contributions

Total System					
<i>Fiscal year ended December 31,</i>	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 1,320,723	\$ 1,320,723	\$ -	\$ 41,152,336	3.21%
2014	1,985,340	1,985,340	-	41,180,449	4.82%
General County					
<i>Fiscal year ended December 31,</i>	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 843,226	\$ 843,226	\$ -	\$ 29,100,398	2.89%
2014	1,302,099	1,309,099	-	28,124,717	4.63%
Kalamazoo County Mental Health and Substance Abuse Services					
<i>Fiscal year ended December 31,</i>	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 477,497	\$ 477,497	\$ -	\$ 10,009,846	4.77%
2014	683,241	683,241	-	10,833,010	6.31%
Kalamazoo County Road Commission					
<i>Fiscal year ended December 31,</i>	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ -	\$ -	\$ -	\$ 2,042,092	0.00%
2014	-	-	-	2,222,722	0.00%

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is immediately prior to the beginning of the fiscal year in which contributions are reported.

County of Kalamazoo, Michigan
Kalamazoo County Employees' Retirement System
Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent-of-Payroll, Open Period
Remaining Amortization Period	10 years
Asset Valuation Method	Market Value with 5-year smoothing
Inflation	3.5% (which includes price inflation of 2.5%)
Salary Increases - General County	3.5% to 7.5%
Salary Increases - Mental Health Authority	3.5% to 5.5%
Salary Increases - Road Commission	3.5% to 7.2%
Investment Rate of Return	7.5% net of investment and administrative expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2004 - 2008.
Mortality	RP-2000 Mortality Combined Healthily Tables

Other Information

There were no benefit changes during the year.

County of Kalamazoo, Michigan

Schedule of Funding Progress

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)
	\$	\$	\$		\$	
Kalamazoo County Government:						
12/31/2011	5,169,571	68,730,743	63,561,172	7.5%	39,685,167	160.2%
12/31/2013	5,560,607	86,776,528	81,215,921	6.4%	40,160,494	202.2%
12/31/2015	6,541,999	78,994,809	72,452,810	8.3%	34,745,205	208.5%
Kalamazoo County Road Commission:						
12/31/2011	1,435,680	3,956,241	2,520,561	36.3%	2,891,359	87.2%
12/31/2013	1,562,405	3,245,689	1,683,284	48.1%	2,300,517	73.2%
12/31/2015	1,431,221	3,201,365	1,770,144	44.7%	1,414,527	125.1%
Kalamazoo Community Mental Health and Substance Abuse Services:						
12/31/2011	2,521,844	5,191,359	2,669,515	48.6%	8,626,811	30.9%
12/31/2013	3,148,454	4,621,935	1,473,481	68.1%	10,116,884	14.6%
12/31/2015	3,083,914	4,800,580	1,716,666	64.2%	6,008,440	28.6%
Totals:						
12/31/2011	9,127,095	77,878,343	68,751,248	11.7%	51,203,337	134.3%
12/31/2013	10,271,466	94,644,152	84,372,686	0.0%	52,577,895	160.5%
12/31/2015	11,057,134	86,996,754	75,939,620	12.7%	42,168,172	180.1%

The County is only required to obtain actuarial valuations every two years. Therefore, the above information was obtained from the latest actuarial valuations which was based on information for the year ended December 31, 2013, and the two preceding valuations. The Trust began in 2007.

This page intentionally left blank.

Combining and Individual Fund Statements and Schedules

This page intentionally left blank.

General Fund

County of Kalamazoo, Michigan

General Fund Schedule of Sources and Uses of Financial Resources

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
<i>Taxes:</i>				
Non-departmental - Property taxes	\$ 37,290,000	\$ 37,340,000	\$ 37,696,779	\$ 356,779
Treasurer	75,000	75,000	87,813	12,813
Total Taxes	37,365,000	37,415,000	37,784,592	369,592
<i>Licenses and Permits:</i>				
County Clerk/Register of Deeds	69,000	69,000	39,334	(29,666)
Animal Services and Enforcement	496,800	496,800	539,511	42,711
Treasurer	10,000	10,000	14,136	4,136
Soil Erosion and Sedimentation Control	30,000	30,000	34,158	4,158
Medical Examiner	17,000	17,000	18,183	1,183
Total Licenses and Permits	622,800	622,800	645,322	22,522
<i>Federal Grants:</i>				
Sheriff	43,000	43,000	35,758	(7,242)
Emergency Management	31,800	31,800	32,658	858
Health and Community Services	-	10,000	10,000	-
Prosecuting Attorney	78,850	78,850	136,279	57,429
Total Federal Grants	153,650	163,650	214,695	51,045
<i>State Grants:</i>				
State Shared Revenue	5,188,800	5,188,800	5,179,740	(9,060)
State Court Fund Distribution	1,254,000	1,214,000	1,444,254	230,254
Convention and Tourism	2,409,000	2,523,000	2,522,476	(524)
Animal Services and Enforcement	-	7,000	1,890	(5,110)
Elections	5,000	103,800	100,598	(3,202)
Friend of the Court	239,000	239,500	238,113	(1,387)
Circuit Court - Trial Division	186,000	186,500	181,617	(4,883)
Circuit Court - Family Division	343,000	343,000	325,675	(17,325)
District Court	362,400	362,400	350,832	(11,568)
Prosecuting Attorney	71,850	71,850	141,071	69,221
Probate Court	140,000	140,000	139,919	(81)
Sheriff	34,500	34,500	-	(34,500)
Health and Community Services	3,000	3,000	-	(3,000)
County Clerk/Register of Deeds	2,500	2,500	2,210	(290)
Total State Grants	10,239,050	10,419,850	10,628,395	208,545

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues (Continued):				
<i>Local Unit Contributions:</i>				
Sheriff	\$ 1,447,300	\$ 1,447,300	\$ 1,483,698	\$ 36,398
Treasurer	-	-	60,000	60,000
Veteran's Affairs	4,600	4,600	4,050	(550)
<i>Total Local Unit Contributions</i>	<i>1,451,900</i>	<i>1,451,900</i>	<i>1,547,748</i>	<i>95,848</i>
<i>Charges for Services:</i>				
Circuit Court - Administration	637,400	661,700	660,064	(1,636)
Circuit Court - Trial Division	-	-	45	45
District Court	1,961,600	2,211,600	1,796,157	(415,443)
Friend of the Court	180,000	180,000	164,907	(15,093)
Probate Court	66,500	66,500	77,824	11,324
Elections	125,000	125,000	141,242	16,242
County Clerk/Register of Deeds	2,106,200	2,106,200	2,123,522	17,322
Equalization	-	-	1,500	1,500
Human Resources	-	-	3,000	3,000
Prosecuting Attorney	29,500	29,500	30,702	1,202
Treasurer	41,100	41,100	58,688	17,588
Building and Grounds	-	-	479	479
Drain Commissioner	1,500	1,500	1,000	(500)
Sheriff	1,256,600	1,256,600	1,214,909	(41,691)
Animal Services and Enforcement	66,900	66,900	74,097	7,197
HCS Administration	3,000	3,000	2,730	(270)
MSU Extension	9,500	9,500	9,500	-
Planning	6,000	6,000	1,848	(4,152)
<i>Total Charges for Services</i>	<i>6,490,800</i>	<i>6,765,100</i>	<i>6,362,214</i>	<i>(402,886)</i>
<i>Fines and Forfeitures:</i>				
Circuit Court - Administration	20,000	25,000	28,693	3,693
District Court	1,660,000	1,660,000	1,217,376	(442,624)
Treasurer	300	300	175	(125)
Soil Erosion and Sedimentation Control	300	300	-	(300)
<i>Total Fines and Forfeitures</i>	<i>1,680,600</i>	<i>1,685,600</i>	<i>1,246,244</i>	<i>(439,356)</i>
<i>Interest and Rents</i>	<i>1,100,900</i>	<i>1,100,900</i>	<i>480,902</i>	<i>(619,998)</i>

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues (Concluded):				
<i>Other:</i>				
Non-departmental Revenue	\$ -	\$ 46,000	\$ (55,592)	\$ (101,592)
Circuit Court - Administration	800	800	988	188
District Court	45,000	45,000	(25)	(45,025)
Probate Court	3,000	3,000	3,822	822
Family Counseling Services	24,500	24,500	28,635	4,135
County Clerk/Register of Deeds	5,000	5,000	2,973	(2,027)
Finance	21,200	22,400	26,548	4,148
Indirect Costs	600,900	688,900	871,183	182,283
Prosecuting Attorney	2,000	2,000	2,750	750
Treasurer	-	-	(6)	(6)
Drain Commissioner	100	100	-	(100)
Sheriff	248,100	248,100	260,416	12,316
Animal Services and Enforcement	16,000	16,000	14,132	(1,868)
Emergency Management	-	-	(43)	(43)
Total Other	966,600	1,101,800	1,155,781	53,981
<i>Contributions and Donations:</i>				
Non-Departmental Revenue	-	16,000	10,500	(5,500)
Sheriff	500	500	562	62
Animal Services and Enforcement	6,000	6,000	1,950	(4,050)
Resource Development	-	-	651	651
MSU Extension	5,000	5,000	5,000	-
Total Contributions and Donations	11,500	27,500	18,663	(8,837)
Total Revenues	60,082,800	60,754,100	60,084,556	(669,544)

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Expenditures:				
<i>Legislative:</i>				
Board of Commissioners	\$ 209,000	\$ 279,800	\$ 224,130	\$ 55,670
County Administration	551,200	368,200	352,939	15,261
Legal Services	218,800	223,700	220,210	3,490
<i>Total Legislative</i>	<i>979,000</i>	<i>871,700</i>	<i>797,279</i>	<i>74,421</i>
<i>Judicial:</i>				
Circuit Court - Administration	5,932,100	4,906,700	5,205,775	(299,075)
Circuit Court - Trial Division	433,900	429,200	427,996	1,204
Circuit Court - Family Division	821,500	854,300	850,473	3,827
District Court	4,983,700	4,488,800	4,344,822	143,978
Jury Board	3,300	3,300	3,108	192
Probate Court	915,100	945,900	938,917	6,983
<i>Total Judicial</i>	<i>13,089,600</i>	<i>11,628,200</i>	<i>11,771,091</i>	<i>(142,891)</i>
<i>General Government:</i>				
Elections	167,900	342,200	338,790	3,410
County Clerk/Register of Deeds	683,300	689,000	678,406	10,594
Resource Development	64,100	60,800	58,289	2,511
Finance	1,323,300	1,319,400	1,289,005	30,395
Equalization	406,900	420,100	400,805	19,295
Human Resources	548,100	622,200	604,399	17,801
Information Systems	1,005,800	969,900	946,696	23,204
Prosecuting Attorney	2,276,800	1,890,200	1,832,929	57,271
Treasurer	753,800	1,023,800	1,108,175	(84,375)
Building and Grounds	2,365,800	2,501,600	2,342,216	159,384
Utilities	1,321,100	1,321,100	986,322	334,778
Security	573,100	547,200	522,580	24,620
Drain Commissioner	297,300	287,700	231,072	56,628
Soil Erosion and Sedimentation Control	87,300	91,500	88,395	3,105
Planning and Community Development	160,100	155,700	120,810	34,890
Appropriation to SW Michigan First	75,000	75,000	75,000	-
<i>Total General Government</i>	<i>12,109,700</i>	<i>12,317,400</i>	<i>11,623,889</i>	<i>693,511</i>

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Expenditures (Concluded):				
<i>Public Safety:</i>				
Sheriff	\$ 16,796,100	\$ 16,544,600	\$ 14,967,042	\$ 1,577,558
Animal Services and Enforcement	623,500	600,100	589,999	10,101
Emergency Management	218,000	218,000	153,878	64,122
Adult Probation	50,700	50,700	34,319	16,381
<i>Total Public Safety</i>	<i>17,688,300</i>	<i>17,413,400</i>	<i>15,745,238</i>	<i>1,668,162</i>
<i>Health and Welfare:</i>				
Human Services Administration	1,323,500	1,158,100	1,109,213	48,887
Veteran's Affairs	132,300	108,600	105,288	3,312
Medical Examiner	507,600	507,600	507,537	63
Veteran's Burial	115,000	111,000	74,346	36,654
Soldier and Sailor Relief	14,000	18,000	14,941	3,059
<i>Appropriations to:</i>				
Kalamazoo Community Mental Health and Substance Abuse Services	2,822,500	2,879,500	2,879,238	262
Public Housing	125,000	125,000	125,000	-
Michigan Department of Human Services	-	45,000	9,302	35,698
<i>Total Health and Welfare</i>	<i>5,039,900</i>	<i>4,952,800</i>	<i>4,824,865</i>	<i>127,935</i>
<i>Recreation and Culture - MSU Extension</i>	<i>300,600</i>	<i>292,400</i>	<i>287,631</i>	<i>4,769</i>
<i>Other:</i>				
Contingencies	100,500	23,500	-	23,500
Reserves	32,000	360,700	-	360,700
At-Large Drains	16,900	17,300	17,233	67
DD/MI/Other Personnel Costs	768,500	-	-	-
Insurance and Surety Bonds	707,400	707,400	450,162	257,238
Strategic Issues	15,000	15,000	10,000	5,000
<i>Total Other</i>	<i>1,640,300</i>	<i>1,123,900</i>	<i>477,395</i>	<i>646,505</i>
<i>Capital Outlay</i>	<i>939,500</i>	<i>2,971,800</i>	<i>1,315,387</i>	<i>1,656,413</i>
Total Expenditures	51,786,900	51,571,600	46,842,775	4,728,825
Excess of Revenues Over Expenditures	8,295,900	9,182,500	13,241,781	4,059,281

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Other Financing Sources:				
<i>Transfers In:</i>				
Accommodation Tax Fund	\$ 37,600	\$ 37,600	\$ 38,654	\$ 1,054
911 Service Fund	-	100,000	100,000	-
Internal Delinquent Tax Revolving Fund	1,500,000	1,500,000	1,520,000	20,000
Tax Reversion Fund	110,000	360,000	360,000	-
Circuit Court Grants	-	-	10,553	10,553
Wireless Emergency Fund	100,000	-	-	-
Family Planning	600	600	-	(600)
Maternal Infant Health Program	-	-	34,571	34,571
Michigan Infant Mortality Initiative	-	11,500	11,511	11
Veterans' Trust Fund	5,000	5,000	5,000	-
HCAO Fund	1,100	1,100	-	(1,100)
Total Transfers In	1,754,300	2,015,800	2,080,289	64,489
Other Financing Uses:				
<i>Transfers Out:</i>				
Parks and Recreation Fund	(157,800)	(46,000)	(46,000)	-
Friend of the Court Fund	(1,053,900)	(981,600)	(857,634)	123,966
GCPI	(5,838,800)	(5,838,800)	(5,829,758)	9,042
Health and Welfare Special Grants Fund	-	(75,100)	-	75,100
Health Fund	(1,720,200)	(1,699,700)	(1,628,002)	71,698
Law Library Fund	(57,900)	(57,900)	(56,998)	902
Area Agency on Aging Fund	(225,000)	(525,000)	(483,189)	41,811
Child Care Probate Fund	(3,411,600)	(4,274,500)	(3,739,903)	534,597
Judicial Special Grants Fund	(185,000)	(185,000)	(145,724)	39,276
Drain Commissioner Office Grants	-	-	(4,571)	(4,571)
Total Transfers Out	(12,650,200)	(13,683,600)	(12,791,779)	891,821
Total Other Financing Uses	(10,895,900)	(11,667,800)	(10,711,490)	956,310
Net Change in Fund Balance	\$ (2,600,000)	\$ (2,485,300)	\$ 2,530,291	\$ 5,015,591

Nonmajor Government Funds

County of Kalamazoo, Michigan

Nonmajor Government Funds

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.

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.

Concealed Pistol Licensing Fund - This fund was established to account for the fees collected and expenditures related to the County Clerk issuing licenses to carry a concealed pistol and administering Public Act 3 of 2015.

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.

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 Government Funds

Special Revenue Funds (Concluded)

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 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 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.

Community Economic Development Special Grants Fund - This fund was established to account for the activity of the County's Brownfield Redevelopment Authority. Funding is provided through tax increment financing, federal and state grants, and General Fund appropriations.

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.

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.

2015 CMH Improvements Fund - This fund was established to account for the collection of Kalamazoo Community Mental Health & Substance Abuse Service's contractual payments and the general obligation debt service. This debt is secured by the full faith and credit of the County, issued in connection with KCMHSAS' 2015 capital improvement project.

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 Government Funds

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.

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 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.

2010 Indian Lake/Pickerel 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.

2011 Expo Center Improvements - This fund was established to account for the transfer of the Accommodation Tax revenue and the payment of the limited tax general obligation debt service. This debt is secured by Accommodation Tax revenue and the limited taxing power of the County, issued in connection with the improvements to the Expo Center.

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).

2015 CMH Improvements Fund - This fund was established to account for the receipt and use of bond proceeds in connection with Kalamazoo Community Mental Health & Substance Abuse Service's 2015 capital improvement project.

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.

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.

County of Kalamazoo, Michigan

Nonmajor Government Funds Combining Balance Sheet

<i>December 31, 2015</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Other Governmental</i>
Assets:				
Cash	\$ 4,001,002	\$ 565,915	\$ 28,811	\$ 4,595,728
Investments	808,770	-	-	808,770
Receivables:				
Accounts	1,205,873	-	225,871	1,431,744
Taxes	-	1,697,008	-	1,697,008
Due from other governmental units	3,668,614	-	-	3,668,614
Prepays	190,135	-	-	190,135
<hr/>				
Total Assets	\$ 9,874,394	\$ 2,262,923	\$ 254,682	\$ 12,391,999
<hr/>				
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Checks issued against future deposits	\$ 2,770,309	\$ -	\$ -	\$ 2,770,309
Accounts payable	1,349,659	-	6,485	1,356,144
Due to governmental units	80,363	-	-	80,363
Accrued liabilities	210,374	-	-	210,374
Advances from other funds	-	-	219,386	219,386
Unearned revenue	1,166,649	-	-	1,166,649
<hr/>				
Total Liabilities	5,577,354	-	225,871	5,803,225
<hr/>				
Deferred Inflows of Resources -				
Levied property taxes	-	2,026,435	-	2,026,435
<hr/>				
Fund Balance:				
Nonspendable	203,906	-	-	203,906
Restricted	100,219	236,488	28,811	365,518
Unassigned	3,992,915	-	-	3,992,915
<hr/>				
Fund Balance	4,297,040	236,488	28,811	4,562,339
<hr/>				
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 9,874,394	\$ 2,262,923	\$ 254,682	\$ 12,391,999

County of Kalamazoo, Michigan

Nonmajor Government Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Year Ended December 31, 2015</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Other Governmental</i>
Revenues:				
Taxes	\$ 2,935,533	\$ -	\$ -	\$ 2,935,533
Licenses and permits	37,022	-	-	37,022
Federal grants	7,897,382	-	-	7,897,382
State grants	8,073,502	-	-	8,073,502
Local unit contributions	98,614	2,133,133	-	2,231,747
Donations and contributions	659,621	-	-	659,621
Charges for services	2,577,016	-	-	2,577,016
Interest	22,787	86	25	22,898
Other	426,129	357,884	-	784,013
Total Revenues	22,727,606	2,491,103	25	25,218,734
Expenditures:				
Current:				
Judicial	5,483,275	-	-	5,483,275
General government	256,949	-	-	256,949
Public safety	1,574,046	-	-	1,574,046
Public works	302,282	-	191,490	493,772
Health and welfare	15,792,207	-	5,000,000	20,792,207
Recreation and culture	3,902,119	-	-	3,902,119
Community Economic Development	331,984	-	-	331,984
Debt service:				
Principal	-	1,605,000	-	1,605,000
Interest and other charges	-	1,341,322	-	1,341,322
Capital outlay	145,166	-	-	145,166
Total Expenditures	27,788,028	2,946,322	5,191,490	35,925,840
Deficiency of Revenues Under Expenditures	(5,060,422)	(455,219)	(5,191,465)	(10,707,106)
Other Financing Sources (Uses):				
Transfers in	5,748,287	408,071	-	6,156,358
Transfers out	(721,113)	-	(155,557)	(876,670)
Note proceeds	150,000	-	-	150,000
Bond proceeds	-	-	5,000,000	5,000,000
Bond premium	-	-	155,557	155,557
Total Other Financing Sources	5,177,174	408,071	5,000,000	10,585,245
Net Change in Fund Balance	116,752	(47,148)	(191,465)	(121,861)
Fund Balance, beginning of year	4,180,288	283,636	220,276	4,684,200
Fund Balance, end of year	\$ 4,297,040	\$ 236,488	\$ 28,811	\$ 4,562,339

This page intentionally left blank.

County of Kalamazoo, Michigan

Nonmajor Special Revenue Funds Combining Balance Sheet

<i>Special Revenue</i>										
December 31, 2015	<i>Parks and Recreation</i>	<i>Friend of the Court</i>	<i>Accommodation Tax</i>	<i>Con- cealed Pistol Licensing</i>	<i>Law Library</i>	<i>Area Agency on Aging</i>	<i>Child Care Probate</i>	<i>Veterans' Trust</i>	<i>Community Healthy Start</i>	<i>HIV/AIDS Consortium</i>
Assets:										
Cash	\$ -	\$ -	\$ 402,240	\$ 45,702	\$ 15,875	\$ -	\$ -	\$ 4,312	\$ -	\$ 37,071
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	101,700	-	167	-	-	18,429	-	-	16,021	-
Due from other governmental units	-	662,930	-	-	-	238,021	1,390,967	-	121,756	-
Prepays	5,366	38,884	-	-	-	4,764	132,495	-	694	-
Total Assets	\$ 107,066	\$ 701,814	\$ 402,407	\$ 45,702	\$ 15,875	\$ 261,214	\$ 1,523,462	\$ 4,312	\$ 138,471	\$ 37,071
Liabilities and Fund Balance										
Liabilities:										
Checks issued against future deposits	\$ 77,864	\$ 639,117	\$ -	\$ -	\$ -	\$ 124,486	\$ 1,203,092	\$ -	\$ 104,192	\$ -
Accounts payable	16,067	17,607	169,302	30	15,875	79,305	246,327	-	7,893	-
Due to governmental units	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	13,135	45,090	-	-	-	3,360	74,043	-	7,282	-
Unearned revenues	-	-	-	-	-	1,765	-	4,312	-	-
Total Liabilities	107,066	701,814	169,302	30	15,875	208,916	1,523,462	4,312	119,367	-
Fund Balance:										
Nonspendable	5,366	38,884	-	-	-	4,764	132,496	-	693	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	(5,366)	(38,884)	233,105	45,672	-	47,534	(132,496)	-	18,411	37,071
Total Fund Balance	-	-	233,105	45,672	-	52,298	-	-	19,104	37,071
Total Liabilities and Fund Balance	\$ 107,066	\$ 701,814	\$ 402,407	\$ 45,702	\$ 15,875	\$ 261,214	\$ 1,523,462	\$ 4,312	\$ 138,471	\$ 37,071

County of Kalamazoo, Michigan

Nonmajor Special Revenue Funds Combining Balance Sheet

<i>Special Revenue</i>							
<i>Community Corrections</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>Community Economic Development Special Grants</i>	<i>Capital Outlay Special Grants</i>	<i>Total Special Revenue</i>
\$ 181,791	\$140,856	\$1,180,113	\$ 31,420	\$1,050,520	\$ 604,975	\$ 306,127	\$4,001,002
-	-	-	-	-	-	808,770	808,770
-	91,092	9,671	30,219	44,125	894,449	-	1,205,873
122,575	254,592	234,302	90,195	553,276	-	-	3,668,614
75	-	-	-	7,857	-	-	190,135
\$ 304,441	\$486,540	\$1,424,086	\$151,834	\$1,655,778	\$ 1,499,424	\$1,114,897	\$9,874,394
\$ -	\$148,895	\$ 94,938	\$ 38,969	\$ 338,756	\$ -	\$ -	\$2,770,309
22,868	159,259	133,651	110,065	101,960	269,128	322	1,349,659
5,385	11,454	10,691	2,363	50,470	-	-	80,363
9,742	17,111	3,142	-	36,780	-	689	210,374
13,732	78,183	58,701	-	22,356	987,600	-	1,166,649
51,727	414,902	301,123	151,397	550,322	1,256,728	1,011	5,577,354
75	-	-	-	7,857	-	13,771	203,906
219	-	100,000	-	-	-	-	100,219
252,420	71,638	1,022,963	437	1,097,599	242,696	1,100,115	3,992,915
252,714	71,638	1,122,963	437	1,105,456	242,696	1,113,886	4,297,040
\$ 304,441	\$486,540	\$1,424,086	\$151,834	\$1,655,778	\$ 1,499,424	\$1,114,897	\$9,874,394

County of Kalamazoo, Michigan

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

<i>Special Revenue</i>									
<i>Year Ended</i>	<i>Parks and</i>	<i>Friend</i>	<i>Accom-</i>	<i>Con-</i>		<i>Area</i>	<i>Child</i>	<i>Veterans'</i>	<i>Community</i>
<i>December 31, 2015</i>	<i>Recreation</i>	<i>of the</i>	<i>modation</i>	<i>cealed</i>	<i>Law</i>	<i>Agency on</i>	<i>Care</i>	<i>Trust</i>	<i>Healthy</i>
		<i>Court</i>	<i>Tax</i>	<i>Pistol</i>	<i>Library</i>	<i>Aging</i>	<i>Probate</i>		<i>Start</i>
Revenues:									
Taxes	\$ -	\$ -	\$ 2,574,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	37,022	-	-	-	-	-
Federal grants	-	2,290,780	-	-	-	783,733	94,709	-	632,075
State grants	-	-	-	-	-	289,633	4,484,696	57,326	-
Local unit contributions	-	-	-	-	-	-	4,500	-	67,224
Donations and contributions	112,636	-	-	-	-	112,801	1,340	-	-
Charges for services	1,179,892	80,136	-	8,250	-	39,039	104,161	-	-
Interest	8,218	-	-	-	-	-	-	-	-
Other	20,716	-	175,295	430	6,500	1,405	69,300	-	-
Total Revenues	1,321,462	2,370,916	2,749,502	45,702	6,500	1,226,611	4,758,706	57,326	699,299
Expenditures:									
Current:									
Judicial	-	3,248,550	-	-	63,498	-	-	-	-
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	30	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,340,537	8,680,809	52,326	699,299
Recreation and culture	1,513,026	-	2,389,093	-	-	-	-	-	-
Comm./Econ. Development	-	-	-	-	-	-	-	-	-
Debt Service - Capital outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	1,513,026	3,248,550	2,389,093	30	63,498	1,340,537	8,680,809	52,326	699,299
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	(191,564)	(877,634)	360,409	45,672	(56,998)	(113,926)	(3,922,103)	5,000	-
Other Financing Sources (Uses):									
Note proceeds	-	-	-	-	-	-	-	-	-
Transfers in	191,564	877,634	-	-	56,998	113,926	3,922,103	-	-
Transfers out	-	-	(436,732)	-	-	-	-	(5,000)	-
Total Other Financing Sources (Uses)	191,564	877,634	(436,732)	-	56,998	113,926	3,922,103	(5,000)	-
Net Change in Fund Balance	-	-	(76,323)	45,672	-	-	-	-	-
Fund Balance, beginning of year	-	-	309,428	-	-	52,298	-	-	19,104
Fund Balance, end of year	\$ -	\$ -	\$ 233,105	\$ 45,672	\$ -	\$ 52,298	\$ -	\$ -	\$ 19,104

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>Judicial Special Grants</i>	<i>Public Safety Special Grants</i>	<i>Public Works Special Grants</i>	<i>Health and Welfare Special Grants</i>	<i>Community Economic Development Special Grants</i>	<i>Capital Outlay Special Grants</i>	<i>Total Special Revenue</i>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,326	\$ -	\$2,935,533
-	-	-	-	-	-	-	-	37,022
-	-	842,444	87,584	65,975	3,100,082	-	-	7,897,382
-	441,918	637,547	693,272	90,314	1,378,796	-	-	8,073,502
-	-	26,890	-	-	-	-	-	98,614
-	-	380,287	6,672	30,219	8,161	-	7,505	659,621
-	356,757	96,155	300,757	-	190,279	10,250	211,340	2,577,016
-	-	13,994	-	-	-	-	575	22,787
37,071	-	1,500	1,009	111,203	1,700	-	-	426,129
37,071	798,675	1,998,817	1,089,294	297,711	4,679,018	371,576	219,420	22,727,606
-	-	2,171,227	-	-	-	-	-	5,483,275
-	-	-	-	-	-	-	256,949	256,949
-	826,295	-	747,721	-	-	-	-	1,574,046
-	-	-	-	302,282	-	-	-	302,282
-	-	-	-	-	5,019,236	-	-	15,792,207
-	-	-	-	-	-	-	-	3,902,119
-	-	-	-	-	-	331,984	-	331,984
-	-	-	89,909	-	238	-	55,019	145,166
-	826,295	2,171,227	837,630	302,282	5,019,474	331,984	311,968	27,788,028
37,071	(27,620)	(172,410)	251,664	(4,571)	(340,456)	39,592	(92,548)	(5,060,422)
-	-	-	-	-	-	150,000	-	150,000
-	-	166,039	19,620	4,571	395,832	-	-	5,748,287
-	-	(30,868)	(100,000)	-	(137,554)	(10,959)	-	(721,113)
-	-	135,171	(80,380)	4,571	258,278	139,041	-	5,177,174
37,071	(27,620)	(37,239)	171,284	-	(82,178)	178,633	(92,548)	116,752
-	280,334	108,877	951,679	437	1,187,634	64,063	1,206,434	4,180,288
\$ 37,071	\$ 252,714	\$ 71,638	\$1,122,963	\$ 437	\$ 1,105,456	\$ 242,696	\$1,113,886	\$4,297,040

County of Kalamazoo, Michigan

Nonmajor Debt Service Funds Combining Balance Sheet

<i>December 31, 2015</i>	<i>Debt Service</i>			<i>Total Debt Service</i>
	<i>2007 Juvenile Home Bond</i>	<i>2008 Townline Drain Bond</i>	<i>2015 CMH Improvements</i>	
Assets:				
Cash	\$ 420,765	\$ 80,543	\$ 64,607	\$ 565,915
Taxes receivable	1,697,008	-	-	1,697,008
Total Assets	\$ 2,117,773	\$ 80,543	\$ 64,607	\$ 2,262,923
 Liabilities, Deferred Inflows of Resources, and Fund Balance				
Deferred Inflows of Resources -				
Levied property taxes	\$ 2,026,435	\$ -	\$ -	\$ 2,026,435
 Fund Balance -				
Restricted	91,338	80,543	64,607	236,488
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,117,773	\$ 80,543	\$ 64,607	\$ 2,262,923

This page intentionally left blank.

County of Kalamazoo, Michigan

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

	<i>Debt Service</i>			
<i>Year Ended December 31, 2015</i>	<i>1982 Water Supply System No. 1 Bonds</i>	<i>1996 Sewage Disposal System No. 7 Bonds</i>	<i>2001 Cooper Township Sanitary Sewage Disposal System Bonds</i>	<i>2005 Village of Augusta Water Supply</i>
Revenues:				
Interest and rents	\$ -	\$ -	\$ -	\$ -
Local unit contributions	12,750	134,256	147,024	49,436
Other revenues	-	-	-	-
Total Revenues	12,750	134,256	147,024	49,436
Expenditures:				
Principal retirement	10,000	125,000	130,000	40,000
Interest and fiscal charges	2,750	9,256	17,024	9,436
Total Expenditures	12,750	134,256	147,024	49,436
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources - Transfer in	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

County of Kalamazoo, Michigan

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

<i>2007 Juvenile Home Bond</i>	<i>2008 Townline Drain Bond</i>	<i>2010 Indian Lake/ Pickerel Lake Sewage Disposal System Bonds</i>	<i>2011 Expo Center Improvements</i>	<i>2015 CMH Improvements</i>	<i>Total Debt Service</i>
\$ 5	\$ 12	\$ -	\$ -	\$ 69	\$ 86
1,789,167	-	-	-	500	2,133,133
-	44,709	313,175	-	-	357,884
1,789,172	44,721	313,175	-	569	2,491,103
800,000	45,000	280,000	175,000	-	1,605,000
1,092,563	8,085	33,175	77,514	91,519	1,341,322
1,892,563	53,085	313,175	252,514	91,519	2,946,322
(103,391)	(8,364)	-	(252,514)	(90,950)	(455,219)
-	-	-	252,514	155,557	408,071
(103,391)	(8,364)	-	-	64,607	(47,148)
194,729	88,907	-	-	-	283,636
\$ 91,338	\$ 80,543	\$ -	\$ -	\$ 64,607	\$ 236,488

County of Kalamazoo, Michigan

Nonmajor Capital Projects Funds
Combining Balance Sheet

<i>December 31, 2015</i>	<i>Capital Projects</i>		<i>Total Capital Projects</i>
	<i>Drains</i>	<i>Oshtemo Township Water Supply System Construction</i>	
Assets:			
Cash	\$ -	\$ 28,811	\$ 28,811
Accounts receivable	225,871	-	225,871
Total Assets	\$ 225,871	\$ 28,811	\$ 254,682
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 6,485	\$ -	\$ 6,485
Advances from other funds	219,386	-	219,386
Total Liabilities	\$ 225,871	\$ -	\$ 225,871
Fund Balance -			
Restricted	-	28,811	28,811
Total Liabilities and Fund Balance	\$ 225,871	\$ 28,811	\$ 254,682

County of Kalamazoo, Michigan

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

Year Ended December 31, 2015	<i>Capital Projects</i>			<i>Total Capital Projects</i>
	<i>Drains</i>	<i>Oshtemo Township Water Supply System Construction</i>	<i>2015 CMH Improvements</i>	
Revenues -				
Interest	\$ 25	\$ -	\$ -	\$ 25
Expenditures:				
Health and Welfare	-	-	5,000,000	5,000,000
Public works	191,490	-	-	191,490
Total Expenditures	191,490	-	5,000,000	5,191,490
Deficiency of Revenues Under Expenditures	(191,465)	-	(5,000,000)	(5,191,465)
Other Financing Sources (Uses):				
Transfers out	-	-	(155,557)	(155,557)
Bond proceeds	-	-	5,000,000	5,000,000
Bond premiums	-	-	155,557	155,557
Total Other Financing Sources	-	-	5,000,000	5,000,000
Net Change in Fund Balance	(191,465)	-	-	(191,465)
Fund Balance, beginning of year	191,465	28,811	-	220,276
Fund Balance, end of year	\$ -	\$ 28,811	\$ -	\$ 28,811

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Donations and contributions	\$ 94,100	\$ 92,100	\$ 112,636	\$ 20,536
Charges for services	1,139,800	1,169,500	1,179,892	10,392
Interest and rents	8,500	8,500	8,218	(282)
Other revenues	50,700	23,000	20,716	(2,284)
Total Revenues	1,293,100	1,293,100	1,321,462	28,362
Expenditures -				
Recreation and culture	1,566,000	1,552,800	1,513,026	39,774
Deficiency of Revenues Under Expenditures	(272,900)	(259,700)	(191,564)	68,136
Other Financing Sources -				
Transfers in:				
General Fund	157,800	46,000	46,000	-
Accommodation Tax Fund	115,100	213,700	145,564	(68,136)
Total Other Financing Sources	272,900	259,700	191,564	(68,136)
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ 2,096,000	\$ 2,201,900	\$ 2,290,780	\$ 88,880
Charges for services	73,700	76,400	80,136	3,736
Total Revenues	2,169,700	2,278,300	2,370,916	92,616
Expenditures -				
Judicial	3,243,600	3,279,900	3,248,550	31,350
Deficiency of Revenues Under Expenditures	(1,073,900)	(1,001,600)	(877,634)	123,966
Other Financing Sources -				
Transfers in:				
General Fund	1,053,900	981,600	857,634	(123,966)
Law Enforcement Fund	20,000	20,000	20,000	-
Total Other Financing Sources	1,073,900	1,001,600	877,634	(123,966)
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes	\$ 2,505,000	\$ 2,505,000	\$ 2,574,207	\$ 69,207
Other revenues	-	-	175,295	175,295
Total Revenues	2,505,000	2,505,000	2,749,502	244,502
Expenditures -				
Recreation and culture	2,103,800	2,103,800	2,389,093	(285,293)
Excess of Revenues Over Expenditures	401,200	401,200	360,409	(40,791)
Other Financing Uses -				
Transfers out:				
General Fund	(37,600)	(37,600)	(38,654)	(1,054)
Expo Center Debt Service	(252,600)	(252,600)	(252,514)	86
Parks and Recreation Fund	(111,000)	(111,000)	(145,564)	(34,564)
Total Other Financing Uses	(401,200)	(401,200)	(436,732)	(35,532)
Net Change in Fund Balance	-	-	(76,323)	(76,323)
Fund Balance, beginning of year	309,428	309,428	309,428	-
Fund Balance, end of year	\$ 309,428	\$ 309,428	\$ 233,105	\$ (76,323)

County of Kalamazoo, Michigan

Concealed Pistol Licensing Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Licenses and permits	\$ -	\$ 2,200	\$ 37,022	\$ 34,822
Charges for services	-	-	8,250	8,250
Other revenues	-	-	430	430
Total Revenues	-	2,200	45,702	43,502
Expenditures -				
Public Safety	-	2,200	30	2,170
Excess of Revenues Over Expenditures	-	-	45,672	45,672
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ 45,672	\$ 45,672

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other revenues	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures -				
Judicial	64,400	64,400	63,498	902
Deficiency of Revenues Under Expenditures	(57,900)	(57,900)	(56,998)	902
Other Financing Sources -				
Transfers in - General Fund	57,900	57,900	56,998	(902)
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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 782,381	\$ 783,733	\$ 1,352
State grants	-	292,701	289,633	(3,068)
Donations and contributions	-	89,906	112,801	22,895
Charges for services	-	45,802	39,039	(6,763)
Other revenues	-	2,088	1,405	(683)
Total Revenues	-	1,212,878	1,226,611	13,733
Expenditures -				
Health and welfare	-	1,308,212	1,340,537	(32,325)
Deficiency of Revenues Under Expenditures	-	(95,334)	(113,926)	(18,592)
Other Financing Sources -				
Transfers in - General Fund	-	95,334	113,926	18,592
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	52,298	52,298	52,298	-
Fund Balance, end of year	\$ 52,298	\$ 52,298	\$ 52,298	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ 85,000	\$ 85,000	\$ 94,709	\$ 9,709
State grants	3,419,000	4,445,000	4,484,696	39,696
Local unit contributions	30,000	5,000	4,500	(500)
Charges for services	45,800	101,100	104,161	3,061
Donations and contributions	-	1,500	1,340	(160)
Other revenues	-	64,600	69,300	4,700
Total Revenues	3,579,800	4,702,200	4,758,706	56,506
Expenditures -				
Health and welfare	7,173,600	9,158,900	8,680,809	478,091
Deficiency of Revenues Under Expenditures	(3,593,800)	(4,456,700)	(3,922,103)	534,597
Other Financing Sources -				
Transfers in:				
General Fund	3,411,600	4,274,500	3,739,903	(534,597)
Law Enforcement Fund	182,200	182,200	182,200	-
Total Other Financing Sources	3,593,800	4,456,700	3,922,103	(534,597)
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
State grants	\$ 87,500	\$ 87,500	\$ 57,326	\$ (30,174)
Expenditures -				
Health and welfare	82,500	82,500	52,326	30,174
Excess of Revenues Over Expenditures	5,000	5,000	5,000	-
Other Financing Uses -				
Transfers out - General Fund	(5,000)	(5,000)	(5,000)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 1,194,763	\$ 632,075	\$ (562,688)
Local unit contributions	-	68,000	67,224	(776)
Total Revenues	-	1,262,763	699,299	(563,464)
Expenditures -				
Health and welfare	-	1,262,763	699,299	563,464
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	19,104	19,104	19,104	-
Fund Balance, end of year	\$ 19,104	\$ 19,104	\$ 19,104	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other revenues	\$ -	\$ -	\$ 37,071	\$ 37,071
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ 37,071	\$ 37,071

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
State grants	\$ -	\$ 430,207	\$ 441,918	\$ 11,711
Charges for services	-	346,600	356,757	10,157
Total Revenues	-	776,807	798,675	21,868
Expenditures -				
Public safety	-	776,807	826,295	(49,488)
Net Change in Fund Balance	-	-	(27,620)	(27,620)
Fund Balance, beginning of year	280,334	280,334	280,334	-
Fund Balance, end of year	\$ 280,334	\$ 280,334	\$ 252,714	\$ (27,620)

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 915,576	\$ 842,444	\$ (73,132)
State grants	-	796,690	637,547	(159,143)
Local unit contributions	-	38,333	26,890	(11,443)
Donations and contributions	-	297,688	380,287	82,599
Charges for services	-	49,800	96,155	46,355
Interest and rents	-	-	13,994	13,994
Other revenues	-	60,732	1,500	(59,232)
Total Revenues	-	2,158,819	1,998,817	(160,002)
Expenditures -				
Judicial	-	2,370,918	2,171,227	199,691
Deficiency of Revenues Under Expenditures	-	(212,099)	(172,410)	39,689
Other Financing Sources:				
Transfers in - General Fund	-	212,099	166,039	(46,060)
Transfers out - General Fund	-	-	(30,868)	(30,868)
Total Other Financing Sources	-	212,099	135,171	(76,928)
Net Change in Fund Balance	-	-	(37,239)	(37,239)
Fund Balance, beginning of year	108,877	108,877	108,877	-
Fund Balance, end of year	\$ 108,877	\$ 108,877	\$ 71,638	\$ (37,239)

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 107,869	\$ 87,584	\$ (20,285)
State grants	475,000	699,400	693,272	(6,128)
Donations and contributions	-	8,200	6,672	(1,528)
Charges for services	75,000	104,289	300,757	196,468
Other revenues	11,300	51,000	1,009	(49,991)
Total Revenues	561,300	970,758	1,089,294	118,536
Expenditures:				
Public safety	550,000	775,612	747,721	27,891
Capital outlay	11,300	112,546	89,909	22,637
Total Expenditures	561,300	888,158	837,630	50,528
Excess of Revenues Over Expenditures	-	82,600	251,664	169,064
Other Financing Sources (Uses):				
Transfers in - Law Enforcement	-	17,400	19,620	2,220
Transfers out - General Fund	-	(100,000)	(100,000)	-
Total Other Financing Uses	-	(82,600)	(80,380)	2,220
Net Change in Fund Balance	-	-	171,284	171,284
Fund Balance, beginning of year	951,679	951,679	951,679	-
Fund Balance, end of year	\$ 951,679	\$ 951,679	\$ 1,122,963	\$ 171,284

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ -	\$ 65,975	\$ 65,975
State grants	-	39,680	90,314	50,634
Donations and contributions	-	-	30,219	30,219
Other revenues	400	112,221	111,203	(1,018)
Total Revenues	400	151,901	297,711	145,810
Expenditures -				
Public works	400	151,901	302,282	(150,381)
Deficiency of Revenues Under Expenditures	-	-	(4,571)	(4,571)
Other Financing Sources -				
Transfers in - General Fund	-	-	4,571	4,571
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	437	437	437	-
Fund Balance, end of year	\$ 437	\$ 437	\$ 437	\$ -

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 3,260,483	\$ 3,100,082	\$ (160,401)
State grants	-	1,882,213	1,378,796	(503,417)
Donations and contributions	-	18,207	8,161	(10,046)
Charges for services	-	77,384	190,279	112,895
Other revenues	-	176,906	1,700	(175,206)
Total Revenues	-	5,415,193	4,679,018	(736,175)
Expenditures:				
Health and welfare	-	5,800,151	5,019,236	780,915
Capital outlay	-	1,833	238	1,595
Total Expenditures	-	5,801,984	5,019,474	782,510
Deficiency of Revenues Under Expenditures	-	(386,791)	(340,456)	46,335
Other Financing Sources (Uses):				
Transfers in - General Fund	-	471,766	395,832	(75,934)
Transfers out - General Fund	-	(84,975)	(137,554)	(52,579)
Total Other Financing Sources	-	386,791	258,278	(128,513)
Net Change in Fund Balance	-	-	(82,178)	(82,178)
Fund Balance, beginning of year	1,187,634	1,187,634	1,187,634	-
Fund Balance, end of year	\$ 1,187,634	\$ 1,187,634	\$ 1,105,456	\$ (82,178)

County of Kalamazoo, Michigan

Community Economic Development Special Grants Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes	\$ 380,400	\$ 380,700	\$ 361,326	\$ (19,374)
Charges for service	7,500	7,500	10,250	2,750
Other revenues	2,600	2,600	-	(2,600)
Total Revenues	390,500	390,800	371,576	(19,224)
Expenditures -				
Community Economic Development	390,500	390,800	331,984	58,816
Excess of Revenues Over Expenditures	-	-	39,592	39,592
Other Financing Sources (Uses):				
Note Proceeds	-	-	150,000	150,000
Transfers Out - Local Site Remediation Revolving Fund	-	-	(10,959)	(10,959)
Total Other Financing Sources	-	-	139,041	139,041
Net Change in Fund Balance	-	-	178,633	178,633
Fund Balance, beginning of year	64,063	64,063	64,063	-
Fund Balance, end of year	\$ 64,063	\$ 64,063	\$ 242,696	\$ 178,633

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, 2015</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Donations and contributions	\$ -	\$ 7,500	\$ 7,505	\$ 5
Charges for services	225,000	225,000	211,340	(13,660)
Interest and rents	3,000	3,000	575	(2,425)
Other revenues	248,000	342,100	-	(342,100)
Total Revenues	476,000	577,600	219,420	(358,180)
Expenditures:				
Other	316,000	378,900	256,949	121,951
Capital outlay	160,000	198,700	55,019	143,681
Total Expenditures	476,000	577,600	311,968	265,632
Net Change in Fund Balance	-	-	(92,548)	(92,548)
Fund Balance, beginning of year	1,206,434	1,206,434	1,206,434	-
Fund Balance, end of year	\$ 1,206,434	\$ 1,206,434	\$ 1,113,886	\$ (92,548)

Internal Service Funds

County of Kalamazoo, Michigan

Internal Service Funds

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 governmental 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.

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.

Local Site Remediation Revolving Fund - This fund was established to account for the money available to the Brownfield Development Authority to pay for the costs of eligible activities on eligible property located in the County in accordance with MCL 125.2663, Section 13(5).

County of Kalamazoo, Michigan

Internal Service Funds Combining Statement of Net Position

<i>December 31, 2015</i>	<i>Employee Benefits</i>	<i>Technology</i>	<i>Nazareth Facility</i>	<i>Central Stores</i>	<i>HSD Personnel Pool</i>	<i>Local Site Remediation Revolving Fund</i>	<i>Total</i>
Assets:							
Cash	\$ 4,105,097	\$ 856,728	\$ 247,938	\$ 53,241	\$ 12,488	\$ 18,376	\$ 5,293,868
Investments	5,375,994	-	-	-	-	-	5,375,994
Accounts receivable	594,988	-	-	2,677	-	-	597,665
Accrued interest	24,827	-	-	-	-	-	24,827
Inventories	-	5,360	1,110	100,137	-	-	106,607
Prepaid items	115,985	77,609	10,417	-	-	-	204,011
Total Current Assets	10,216,891	939,697	259,465	156,055	12,488	18,376	11,602,972
Capital assets, net of accumulated depreciation	87,330	666,827	121,000	10,821	-	-	885,978
Total Assets	\$ 10,304,221	\$ 1,606,524	\$ 380,465	\$ 166,876	\$ 12,488	\$ 18,376	\$ 12,488,950
Liabilities and Net Position							
Liabilities:							
Accounts payable	\$ 210,348	\$ 271,994	\$ 25,217	\$ 17,450	\$ 80	\$ -	\$ 525,089
Accrued liabilities	130,216	12,871	33,465	3,498	12,408	-	192,458
Liability for estimated claims	1,187,878	-	-	-	-	-	1,187,878
Deposits payable	114,901	-	-	5,643	-	-	120,544
Total Liabilities	1,643,343	284,865	58,682	26,591	12,488	-	2,025,969
Net Position:							
Net investment in capital assets	87,330	666,827	121,000	10,821	-	-	885,978
Unrestricted	8,573,548	654,832	200,783	129,464	-	18,376	9,577,003
Total Net Position	8,660,878	1,321,659	321,783	140,285	-	18,376	10,462,981
Total Liabilities and Net Position	\$ 10,304,221	\$ 1,606,524	\$ 380,465	\$ 166,876	\$ 12,488	\$ 18,376	\$ 12,488,950

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2015</i>	<i>Employee Benefits</i>	<i>Technology</i>	<i>Nazareth Facility</i>	<i>Central Stores</i>	<i>HSD Personnel Pool</i>	<i>Local Site Remediation Revolving Fund</i>	<i>Total</i>
Operating Revenues -							
Charges for services	\$ 20,424,680	\$ 564,217	\$ 761,774	\$ 794,774	\$ 466,662	\$ -	\$ 23,012,107
Operating Expenses:							
Operating expenses	-	614,424	800,347	812,872	466,662	-	2,694,305
Depreciation and amortization	24,952	142,799	16,960	4,634	-	-	189,345
Employee benefits	19,200,828	-	-	-	-	-	19,200,828
Total Operating Expenses	19,225,780	757,223	817,307	817,506	466,662	-	22,084,478
Income (Loss) Before Transfers	1,198,900	(193,006)	(55,533)	(22,732)	-	-	927,629
Transfers In	-	-	64,200	-	-	10,959	75,159
Change in Net Position	1,198,900	(193,006)	8,667	(22,732)	-	10,959	1,002,788
Net Position, beginning of year	7,461,978	1,514,665	313,116	163,017	-	7,417	9,460,193
Net Position, end of year	\$ 8,660,878	\$ 1,321,659	\$ 321,783	\$ 140,285	\$ -	\$ 18,376	\$ 10,462,981

County of Kalamazoo, Michigan

Internal Service Funds Combining Statement of Cash Flows

Year Ended December 31, 2015	Employee Benefits	Technology	Nazareth Facility	Central Stores	HSD Personnel Pool	Local Site Remediation Revolving Fund	Total
Operating Activities:							
Cash received from interfund services provided	\$ 20,551,627	\$ 564,217	\$ 761,791	\$ 793,818	\$ 466,662	\$ -	\$ 23,138,115
Cash paid to employees	(610,458)	(149,015)	(234,821)	(75,327)	(308,778)	-	(1,378,399)
Cash paid for interfund services used	(3,017,947)	(52,892)	(91,469)	(26,788)	(117,260)	-	(3,306,356)
Cash paid to suppliers	(15,819,525)	(144,815)	(468,266)	(743,519)	(28,216)	-	(17,204,341)
Cash Provided by (Used in) Operating Activities	1,103,697	217,495	(32,765)	(51,816)	12,408	-	1,249,019
Cash Used in Investing Activities - Sale of investments	1,603,499	-	-	-	-	-	1,603,499
Cash Used in Capital and Related Financing Activities - Acquisition of capital assets	-	(439,696)	-	-	-	-	(439,696)
Non-Capital Financing Activities - Transfer from other funds	-	-	64,200	-	-	10,959	75,159
Net Increase (Decrease) in Cash	2,707,196	(222,201)	31,435	(51,816)	12,408	10,959	2,487,981
Cash, beginning of year	1,397,901	1,078,929	216,503	105,057	80	7,417	2,805,887
Cash, end of year	\$ 4,105,097	\$ 856,728	\$ 247,938	\$ 53,241	\$ 12,488	\$ 18,376	\$ 5,293,868
Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ 1,198,900	\$ (193,006)	\$ (55,533)	\$ (22,732)	\$ -	\$ -	\$ 927,629
Depreciation and amortization	24,952	142,799	16,960	4,634	-	-	189,345
(Increase) decrease in:							
Accounts receivable	118,262	-	17	(956)	-	-	117,323
Interest receivable	8,685	-	-	-	-	-	8,685
Inventories	-	(1,596)	1,173	(10,391)	-	-	(10,814)
Prepaid items	(110,760)	7,975	-	-	-	-	(102,785)
Increase (decrease) in:							
Deposits payable	52,815	-	-	861	-	-	53,676
Accounts payable	(237,669)	265,434	(1,106)	(20,141)	-	-	6,518
Accrued expenses	(78,195)	(4,111)	5,724	(3,091)	12,408	-	(67,265)
Liability for estimated claims	126,707	-	-	-	-	-	126,707
Cash Provided by (Used in) Operating Activities	\$ 1,103,697	\$ 217,495	\$ (32,765)	\$ (51,816)	\$ 12,408	\$ -	\$ 1,249,019

This page intentionally left blank.

Agency Funds

County of Kalamazoo, Michigan

Agency Funds

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.

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, 2015</i>	<i>Trust and Agency</i>	<i>Library Trust</i>	<i>Inmates' Trust</i>	<i>Drain Performance Bond</i>	<i>Total</i>
Assets -					
Cash	\$ 3,311,760	\$ 231,618	\$ 84,760	\$ 94,887	\$ 3,723,025
Liabilities:					
Due to other governmental units	\$ 23,186	\$ 231,618	\$ -	\$ -	\$ 254,804
Other payables	3,288,574	-	84,760	94,887	3,468,221
Total Liabilities	\$ 3,311,760	\$ 231,618	\$ 84,760	\$ 94,887	\$ 3,723,025

County of Kalamazoo, Michigan

Agency Funds Combining Statement of Changes in Assets and Liabilities - Year Ended December 31, 2015

	Balance, January 1, 2015	Additions	Deductions	Balance, December 31, 2015
<u><i>Trust and Agency</i></u>				
Assets:				
Cash	\$ (602,610)	\$ 129,185,934	\$ 125,271,564	\$ 3,311,760
Investments	2,500,000	-	2,500,000	-
Accounts receivable	555	1,600	2,155	-
Total Assets	\$ 1,897,945	\$ 129,187,534	\$ 127,773,719	\$ 3,311,760
Liabilities:				
Due to other governmental units	\$ 93,762	\$ 123,305,014	\$ 123,234,438	\$ 23,186
Other payables	1,804,183	60,492,254	61,976,645	3,288,574
Total Liabilities	\$ 1,897,945	\$ 183,797,268	\$ 185,211,083	\$ 3,311,760
<u><i>Library Trust</i></u>				
Assets - Cash	\$ 264,734	\$ 527,095	\$ 560,211	\$ 231,618
Liability - Due to other governmental units	\$ 264,734	\$ 1,096,998	\$ 1,063,882	\$ 231,618
<u><i>Inmates' Trust</i></u>				
Assets - Cash	\$ 161,790	\$ 1,415,559	\$ 1,492,589	\$ 84,760
Liability - Other payables	\$ 161,790	\$ 1,660,110	\$ 1,583,080	\$ 84,760
<u><i>Drain Performance Bond</i></u>				
Assets - Cash	\$ 115,594	\$ 21	\$ 20,728	\$ 94,887
Liability - Other payables	\$ 115,594	\$ 41,457	\$ 20,750	\$ 94,887
<u><i>Total Agency Funds</i></u>				
Assets:				
Cash	\$ (60,492)	\$ 131,128,609	\$ 127,345,092	\$ 3,723,025
Investments	2,500,000	-	2,500,000	-
Accounts receivable	555	1,600	2,155	-
Total Assets	\$ 2,440,063	\$ 131,130,209	\$ 129,847,247	\$ 3,723,025
Liabilities:				
Due to other governmental units	\$ 358,496	\$ 124,402,012	\$ 124,298,320	\$ 254,804
Other payables	2,081,567	62,193,821	63,580,475	3,468,221
Total Liabilities	\$ 2,440,063	\$ 186,595,833	\$ 187,878,795	\$ 3,723,025

Component Units

County of Kalamazoo, Michigan

Component Units
Balance Sheet - At-Large Drains

	<i>Special Revenue</i>
	<i>At-Large Drains</i>
<i>December 31, 2015</i>	
<hr/>	
Assets:	
Cash	\$ 1,098,492
Receivables-Unlevied Assessments	219,386
<hr/>	
Total Assets	\$ 1,317,878
<hr/>	
Liabilities:	
Accounts payable	\$ 225,871
Due to other governmental units	8,123
<hr/>	
Total Liabilities	233,994
<hr/>	
Fund Balance - Unrestricted	1,083,884
<hr/>	
Total Liabilities and Fund Balance	\$ 1,317,878
<hr/>	

County of Kalamazoo, Michigan

Component Units

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

	<i>Special Revenue</i>
<i>Year Ended December 31, 2015</i>	<i>At-Large Drains</i>
Revenues:	
Interest and rents	\$ 208
Other	113,514
Total Revenues	113,722
Expenditures -	
Public works - Drains	77,345
Revenues Over Expenditures	36,377
Other Financing Sources -	
Proceeds from debt	40,000
Net Change in Fund Balance	76,377
Fund Balance, beginning of year	1,007,507
Fund Balance, end of year	\$ 1,083,884

County of Kalamazoo, Michigan
 Component Units
 Balance Sheet - DHS/Child Care Welfare

	<i>Special Revenue</i>
<i>December 31, 2015</i>	<i>DHS/ Child Care Welfare</i>
Assets -	
Cash	\$ 28
Fund Balance -	
Unrestricted	\$ 28

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, 2015</i>	
<hr/>	
Revenues -	
State grants	\$ 28
<hr/>	
Net Change in Fund Balance	28
Fund Balance, beginning of year	-
<hr/>	
Fund Balance, end of year	\$ 28
<hr/>	

County of Kalamazoo, Michigan

Component Units
Lake Level Fund - Balance Sheet

	<i>Capital Projects</i>
	<i>Lake Level Fund</i>
<hr/>	
<i>December 31, 2015</i>	
<hr/>	
Assets -	
Cash	\$ 39,513
<hr/>	
Liabilities -	
Noncurrent Liabilities - Due within one year	\$ 1,025
<hr/>	
Fund Balance -	
Unrestricted	38,488
<hr/>	
Total Liabilities and Fund Balance	\$ 39,513
<hr/>	

County of Kalamazoo, Michigan

Component Units
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Lake Level Fund

	<i>Capital Projects</i>
	<i>Lake Level Fund</i>
<hr/>	
<i>Year Ended December 31, 2015</i>	
<hr/>	
Revenues -	
Other revenues	\$ 7,928
Expenditures -	
Capital outlay	3,070
<hr/>	
Net Change in Fund Balance	4,858
Fund Balance, beginning of year	33,630
<hr/>	
Fund Balance, end of year	\$ 38,488
<hr/>	

This page intentionally left blank.

Statistical Section (Unaudited)

This page intentionally left blank.

County of Kalamazoo, Michigan

Statistical Section (Unaudited) Contents

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.

	<u>Page</u>
Financial Trends - Schedules 1-4	139-148

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity - Schedules 5-8	149-152
---	----------------

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales tax.

Debt Capacity - Schedules 9-11	153-157
---------------------------------------	----------------

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.

Demographic and Economic Information - Schedules 12-13	158-159
---	----------------

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.

Operating Information - Schedules 14-16	160-162
--	----------------

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.

County of Kalamazoo, Michigan

Schedule 1 - Net Position by Component, Last Ten Fiscal Years - 2015-2006 (Unaudited)

<i>December 31,</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
Governmental Activities:				
Net investment in capital assets	\$ 60,182,534	\$ 54,014,762	\$ 43,130,177	\$ 39,987,637
Restricted:				
Budget Stabilization	2,500,000	2,500,000	2,500,000	2,500,000
Revenue Sharing Reserve	-	-	-	-
Capital Projects	28,811	-	-	-
Pension Funds	19,307,077	27,941,371	-	-
Special revenue grants:				
Law Enforcement Fund	689,936	1,388,521	320,044	829,154
Health Fund	-	2,257	22,954	34,219
Non-Major Funds	100,219	4,691,617	4,864,381	4,641,644
Debt Service	236,488	-	-	-
Unrestricted	41,640,330	38,866,094	51,652,911	53,804,428
Total Governmental Activities				
Net Position	\$ 124,685,395	\$ 129,404,622	\$ 102,490,467	\$ 101,797,082
Business-Type Activities:				
Net investment in capital assets	\$ 48,993,268	\$ 49,480,694	\$ 50,504,667	\$ 52,076,706
Pension funds	329,711	247,565	-	-
Public housing commission	130,132	-	-	-
Unrestricted	27,650,978	28,891,477	32,634,972	31,125,230
Total Business-Type Activities				
Net Position	\$ 77,104,089	\$ 78,619,736	\$ 83,139,639	\$ 83,201,936
Primary Government:				
Net investment in capital assets	\$ 109,175,802	\$ 103,495,456	\$ 93,634,844	\$ 92,064,343
Restricted:				
Budget Stabilization	2,500,000	2,500,000	2,500,000	2,500,000
Revenue Sharing Reserve	-	-	-	-
Capital Projects	28,811	-	-	-
Pension Funds	19,636,788	28,188,936	-	-
Public housing commission	130,132	-	-	-
Special revenue grants:				
Law Enforcement Fund	689,936	1,388,521	320,044	829,154
Health Fund	-	2,257	22,954	34,219
Non-Major Funds	100,219	4,691,617	4,864,381	4,641,644
Debt Service	236,488	-	-	-
Unrestricted	69,291,308	67,757,571	84,287,883	84,929,658
Total Primary Government				
Net Position	\$ 201,789,484	\$ 208,024,358	\$ 185,630,106	\$ 184,999,018

County of Kalamazoo, Michigan

Schedule 1 - Net Position by Component, Last Ten Fiscal Years - 2015-2006 (Unaudited)

2011	2010	2009	2008	2007	2006
\$ 20,075,223	\$ 19,173,432	\$ 14,661,496	\$ 31,973,057	\$ 14,798,453	\$ 14,594,522
2,500,000	-	-	-	-	-
-	3,729,094	8,844,326	13,876,233	18,318,542	21,154,552
-	-	-	-	-	4,882,322
-	-	-	-	-	-
955,624	387,990	624,792	-	-	-
34,219	1,499	1,499	-	-	-
4,463,872	7,279,978	6,497,893	7,071,644	6,544,606	6,254,864
-	-	-	-	-	-
70,239,778	59,674,138	59,211,457	35,299,847	44,414,631	32,575,999
<hr/>					
\$ 98,268,716	\$ 90,246,131	\$ 89,841,463	\$ 88,220,781	\$ 84,076,232	\$ 79,462,259
<hr/>					
\$ 53,833,191	\$ 43,917,137	\$ 27,521,531	\$ 23,914,326	\$ 24,479,312	\$ 22,144,066
-	-	-	-	-	-
-	-	-	-	-	-
29,467,743	31,172,945	30,865,423	29,143,845	25,967,411	24,150,506
<hr/>					
\$ 83,300,934	\$ 75,090,082	\$ 58,386,954	\$ 53,058,171	\$ 50,446,723	\$ 46,294,572
<hr/>					
\$ 73,908,414	\$ 63,090,569	\$ 42,183,027	\$ 55,887,383	\$ 39,277,765	\$ 36,738,588
2,500,000	-	-	-	-	-
-	3,729,094	8,844,326	13,876,233	18,318,542	21,154,552
-	-	-	-	-	4,882,322
-	-	-	-	-	-
-	-	-	-	-	-
955,624	387,990	624,792	-	-	-
34,219	1,499	1,499	-	-	-
4,463,872	7,279,978	6,497,893	7,071,644	6,544,606	6,254,864
-	-	-	-	-	-
99,707,521	90,847,083	90,076,880	64,443,692	70,382,042	56,726,505
<hr/>					
\$ 181,569,650	\$ 165,336,213	\$ 148,228,417	\$ 141,278,952	\$ 134,522,955	\$ 125,756,831

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 Position, Last Ten Fiscal Years - 2015-2006 (Unaudited)

Year Ended December 31,	2015	2014	2013	2012
Expenses:				
Governmental activities:				
General government	\$ 21,807,060	\$ 17,791,407	\$ 18,178,504	\$ 16,560,972
Public safety	26,082,119	25,452,319	26,770,373	25,317,944
Public works	493,776	843,526	118,527	79,790
Health and welfare	30,666,561	28,763,908	33,943,631	36,491,664
Recreation and culture	5,029,523	4,690,557	4,746,386	4,241,319
Legislative	789,219	1,032,729	915,035	973,686
Judicial	19,884,101	20,157,134	19,913,091	19,273,929
Community Economic Development	331,984	178,482	162,897	61,191
Transfer to Component Unit	-	-	-	-
Interest and fiscal charges	1,329,290	1,268,294	1,334,369	1,396,053
Total governmental activities expenses	106,413,633	100,178,356	106,082,813	104,396,548
Business-type activities:				
Delinquent tax	-	-	-	-
Tax reversion	573,542	630,876	812,633	666,526
Airport operations	8,119,278	7,144,340	7,231,919	7,437,568
Public Housing Commission	242,653	-	-	-
Total business-type activities expenses	8,935,473	7,775,216	8,044,552	8,104,094
Total Primary Government Expenses	\$ 115,349,106	\$ 107,953,572	\$ 114,127,365	\$ 112,500,642
Program Revenues:				
Governmental activities:				
Charges for Services:				
General government	\$ 4,839,529	\$ 4,953,679	\$ 5,264,150	\$ 5,530,702
Public safety	2,556,031	2,029,458	2,189,115	2,094,447
Public works	371,576	108,770	112,768	103,093
Health and welfare	1,825,814	1,685,714	1,699,642	1,710,269
Recreation and culture	3,763,599	3,524,463	3,331,511	3,073,186
Judicial	4,121,357	4,066,792	4,523,285	4,796,952
Interest and fiscal charges	-	-	-	-
Other	-	-	-	-
Operating Grants and Contributions:				
General government	5,638,554	5,019,816	4,210,224	4,239,285
Public safety	1,302,264	1,390,921	1,573,156	1,877,706
Public works	186,508	79,247	118,350	79,749
Health and welfare	13,019,722	17,251,266	21,826,508	24,679,271
Recreation and culture	2,640,112	2,562,781	2,551,873	2,159,040
Judicial	8,342,056	7,584,795	7,179,923	7,149,876
Community Economic Development	-	-	80,115	60,036
Interest and fiscal charges	-	-	-	-
Other	-	-	-	-
Capital grants and contributions - Other	-	-	-	-
Total governmental activities program revenues	48,607,122	50,257,702	54,660,620	57,553,612

County of Kalamazoo, Michigan

Schedule 2 - Changes in Net Position, Last Ten Fiscal Years - 2015-2006 (Unaudited)

2011	2010	2009	2008	2007	2006
\$ 14,685,317	\$ 16,454,956	\$ 15,304,080	\$ 18,716,502	\$ 17,195,129	\$ 13,287,815
25,723,553	27,429,129	28,190,183	25,185,011	25,519,348	24,567,020
133,937	478,320	302,635	166,934	299,344	943,220
38,749,470	41,958,505	40,947,081	36,838,395	36,180,122	35,516,055
4,013,029	3,950,921	3,345,053	3,268,444	3,232,282	3,066,342
971,453	954,998	938,582	862,396	897,634	840,222
19,540,568	19,851,817	19,477,810	17,665,498	17,774,174	17,872,285
81,132	59,446	-	-	-	-
-	-	-	-	-	-
1,461,542	1,599,239	1,615,949	1,797,799	656,948	517,525
105,360,001	112,737,331	110,121,373	104,500,979	101,754,981	96,610,484
-	1,800	-	800	6,690	130,180
537,829	516,924	266,656	-	-	-
7,755,405	6,269,714	7,244,951	6,019,869	5,759,066	5,360,135
-	-	-	-	-	-
8,293,234	6,788,438	7,511,607	6,020,669	5,765,756	5,490,315
\$ 113,653,235	\$ 119,525,769	\$ 117,632,980	\$ 110,521,648	\$ 107,520,737	\$ 102,100,799
\$ 5,284,450	\$ 1,866,708	\$ 2,147,274	\$ 2,252,045	\$ 2,703,273	\$ 2,950,571
2,080,437	1,895,004	1,977,075	1,947,155	1,728,469	2,041,571
98,709	4,618	-	-	-	-
2,282,647	2,359,508	2,519,035	2,175,576	2,016,657	1,245,711
2,911,332	2,821,377	2,527,150	2,669,459	2,634,950	2,419,217
4,688,164	5,041,762	5,095,013	5,652,775	5,871,196	6,057,390
-	-	-	-	-	-
-	-	-	-	-	-
5,346,046	363,001	207,441	284,284	249,407	301,947
2,230,316	2,257,433	1,874,351	1,660,903	2,919,091	3,470,642
129,378	161,622	75,520	117,541	147,679	134,747
27,124,803	29,290,317	28,652,957	24,561,585	23,970,105	23,641,025
1,805,102	1,811,563	1,689,076	1,602,217	1,389,113	1,293,595
7,412,821	7,434,135	7,404,748	7,281,433	7,448,395	7,596,287
160,623	-	-	-	-	-
-	-	-	-	15,395	-
-	10,789	-	-	-	-
-	-	-	-	352,556	-
61,554,828	55,317,837	54,169,640	50,204,973	51,446,286	51,152,703

County of Kalamazoo, Michigan

Schedule 2 - Changes in Net Position, Last Ten Fiscal Years - 2015-2006 (Unaudited)

Year Ended December 31,	2015	2014	2013	2012
Program Revenues (Concluded):				
Business-type activities:				
Charges for services:				
Delinquent tax	\$ 1,832,230	\$ 1,987,138	\$ 2,586,938	\$ 2,663,575
Tax reversion	1,128,377	1,243,266	1,856,636	1,040,019
Airport operations	4,336,589	4,616,801	4,578,069	4,309,619
Operating grants and contributions:				
Airport operations	-	1,212,558	127,989	528,096
Public housing commission	249,649	-	-	-
Capital grants and contributions -				
Airport operations	1,440,882	1,538,535	640,768	1,066,540
<hr/>				
Total business-type activities program revenues	8,987,727	10,598,298	9,790,400	9,607,849
<hr/>				
Total Primary Government Program Revenues	\$ 57,594,849	\$ 60,856,000	\$ 64,451,020	\$ 67,161,461
<hr/>				
Net (Expense) Revenue:				
Governmental activities	\$ (57,806,511)	\$ (49,920,654)	\$ (51,422,193)	\$ (46,842,936)
Business-type activities	52,254	2,823,082	1,745,848	1,503,755
<hr/>				
Total Primary Government Net Expenses	\$ (57,754,257)	\$ (47,097,572)	\$ (49,676,345)	\$ (45,339,181)
<hr/>				
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Property taxes levied for operating	\$ 49,166,240	\$ 51,140,600	\$ 49,321,723	\$ 47,231,113
Property taxes levied for revenue sharing reserve	-	-	-	-
Local unit contract revenue	-	-	-	-
Other	1,537,244	1,647,760	651,375	384,078
Unrestricted investment earnings	503,800	1,784,898	311,871	1,131,111
Transfers in	1,880,000	7,614,391	1,830,609	1,625,000
<hr/>				
Total governmental activities	53,087,284	62,187,649	52,115,578	50,371,302
<hr/>				
Business-type activities:				
Other	37,500	-	-	-
Unrestricted investment earnings	41,636	12,932	22,464	22,247
Transfers out	(1,880,000)	(7,614,391)	(1,830,609)	(1,625,000)
<hr/>				
Total business-type activities	(1,800,864)	(7,601,459)	(1,808,145)	(1,602,753)
<hr/>				
Total Primary Government	\$ 51,286,420	\$ 54,586,190	\$ 50,307,433	\$ 48,768,549
<hr/>				
Change in Net Position:				
Governmental activities	\$ (4,719,227)	\$ 12,266,995	\$ 693,385	\$ 3,528,366
Business-type activities	(1,748,610)	(4,778,377)	(62,297)	(98,998)
<hr/>				
Total Primary Government	\$ (6,467,837)	\$ 7,488,618	\$ 631,088	\$ 3,429,368

County of Kalamazoo, Michigan

Schedule 2 - Changes in Net Position, Last Ten Fiscal Years - 2015-2006 (Unaudited)

2011	2010	2009	2008	2007	2006
\$ 3,922,110	\$ 3,638,412	\$ 2,696,334	\$ 2,062,382	\$ 1,957,711	\$ 1,444,859
763,810	1,301,043	550,258	-	-	-
4,554,926	4,098,683	3,762,887	3,902,591	4,316,214	4,233,581
114,992	640,594	159,178	197,926	(28,892)	600,649
-	-	-	-	-	-
8,364,153	14,672,847	6,350,499	2,879,337	3,471,510	721,909
17,719,991	24,351,579	13,519,156	9,042,236	9,716,543	7,000,998
\$ 79,274,819	\$ 79,669,416	\$ 67,688,796	\$ 59,247,209	\$ 61,162,829	\$ 58,153,701
\$ (43,805,173)	\$ (57,419,494)	\$ (55,951,733)	\$ (54,296,006)	\$ (50,308,695)	\$ (45,457,781)
9,426,757	17,563,141	6,007,549	3,021,567	3,950,787	1,510,683
\$ (34,378,416)	\$ (39,856,353)	\$ (49,944,184)	\$ (51,274,439)	\$ (46,357,908)	\$ (43,947,098)
\$ 48,405,162	\$ 48,288,959	\$ 50,691,287	\$ 50,142,756	\$ 47,291,086	\$ 34,879,561
-	-	-	-	1,108,851	11,064,283
-	-	1,642,012	1,696,138	1,218,268	1,276,194
44,613	1,673,430	2,191,289	2,521,458	1,633,340	1,583,650
2,102,983	1,304,275	1,702,897	3,080,203	3,460,386	3,113,934
1,275,000	1,000,000	1,000,000	1,000,000	975,000	953,000
51,827,758	52,266,664	57,227,485	58,440,555	55,686,931	52,870,622
-	-	8,170	1,823	3,550	3,449
59,095	139,987	313,064	588,058	1,172,814	660,876
(1,275,000)	(1,000,000)	(1,000,000)	(1,000,000)	(975,000)	(953,000)
(1,215,905)	(860,013)	(678,766)	(410,119)	201,364	(288,675)
\$ 50,611,853	\$ 51,406,651	\$ 56,548,719	\$ 58,030,436	\$ 55,888,295	\$ 52,581,947
\$ 8,022,585	\$ (5,152,830)	\$ 1,275,752	\$ 4,144,549	\$ 5,378,236	\$ 7,412,841
8,210,852	16,703,128	5,328,783	2,611,448	4,152,151	1,222,008
\$ 16,233,437	\$ 11,550,298	\$ 6,604,535	\$ 6,755,997	\$ 9,530,387	\$ 8,634,849

Source: County of Kalamazoo, Michigan, Finance Office.

County of Kalamazoo, Michigan

Schedule 3 - Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2015-2006 (Unaudited)

<i>December 31,</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
General Fund:				
Non-spendable	\$ 303,118	\$ 145,027	\$ 157,879	\$ 167,995
Restricted for Budget Stabilization	2,500,000	2,500,000	2,500,000	2,500,000
Committed	7,894,020	3,475,421	3,859,384	4,293,928
Assigned	290,500	2,600,000	329,500	583,200
Unassigned	23,634,426	23,371,325	21,838,815	20,320,881
Reserved:				
Encumbrances	-	-	-	-
Prepaid expenditures/inventories	-	-	-	-
Long-term advances	-	-	-	-
Unreserved -				
Designated for future expenditures	-	-	-	-
Unreserved, reported in -				
General Fund	-	-	-	-
Total General Fund	\$ 34,622,064	\$ 32,091,773	\$ 28,685,578	\$ 27,866,004
All Other Governmental Funds:				
Non-spendable	\$ 262,488	\$ 46,853	\$ 206,773	\$ 53,516
Restricted:				
Law Enforcement Fund	657,936	2,500	318,180	823,154
Health Fund	-	-	-	-
Special Revenue Funds	100,219	27,461	4,534,629	4,325,733
Debt Service Funds	236,488	283,636	285,210	238,032
Capital Projects Funds	28,811	220,276	28,811	77,879
Committed	9,246,358		16,496,564	18,387,782
Assigned to:				
Capital Projects Funds	-	-	-	-
Special Revenue Funds	-	-	-	15,246
Unassigned	(58,582)	19,158,599	(169,288)	(13,297)
Reserved:				
Revenue Sharing Reserve Fund	-	-	-	-
Encumbrances	-	-	-	-
Prepaid expenditures/inventories	-	-	-	-
Long-term receivable from other governmental unit	-	-	-	-
Unreserved:				
Designated for future expenditures	-	-	-	-
Special Revenue Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Total All Other Governmental Funds	\$ 10,473,718	\$ 19,739,325	\$ 21,700,879	\$ 23,908,045

County of Kalamazoo, Michigan

Schedule 3 - Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2015-2006 (Unaudited)

2011	2010	2009	2008	2007	2006
\$ 148,715	\$ -	\$ -	\$ -	\$ -	\$ -
2,500,000	-	-	-	-	-
4,685,797	-	-	-	-	-
500,000	-	-	-	-	-
24,327,571	-	-	-	-	-
-	136,468	525,197	99,516	320,821	142,981
-	122,669	61,024	243,393	219,467	34,327
-	-	-	-	-	23,790
-	4,439,610	4,727,510	5,917,064	5,764,300	5,764,300
-	23,147,791	22,867,133	18,705,734	15,078,874	11,017,692
\$ 32,162,083	\$ 27,846,538	\$ 28,180,864	\$ 24,965,707	\$ 21,383,462	\$ 16,983,090
\$ 110,378	\$ -	\$ -	\$ -	\$ -	\$ -
955,624	-	-	-	-	-
34,219	-	-	-	-	-
4,463,872	-	-	-	-	-
231,920	-	-	-	-	-
109,205	-	-	-	-	-
21,641,559	-	-	-	-	-
5,039,590	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,729,094	8,844,326	13,876,233	18,318,542	21,154,552
-	69,139	244,937	63,458	232,968	198,706
-	-	119	-	-	-
-	-	-	-	-	279,901
-	56,429	138,433	305,287	411,500	411,500
-	7,669,467	7,142,805	7,071,644	6,502,765	6,254,864
-	-	483,502	475,127	314	-
-	19,214,149	14,289,474	19,893,490	32,081,896	4,602,421
\$ 32,586,367	\$ 30,738,278	\$ 31,143,596	\$ 41,685,239	\$ 57,547,985	\$ 32,901,944

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

Note: GASB No. 54 was implemented in 2011. Fund Balance information for prior years has not been restated.

County of Kalamazoo, Michigan

Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2015-2006 (Unaudited)

Year Ended December 31,	2015	2014	2013	2012
Revenues:				
Taxes	\$ 52,101,773	\$ 50,607,197	\$ 51,733,873	\$ 51,281,971
Licenses and permits	1,218,025	1,119,636	1,050,273	959,212
Intergovernmental	32,043,570	35,028,706	37,284,230	42,049,516
Charges for services	10,410,652	9,657,487	9,943,390	9,815,816
Fines and forfeitures	1,316,244	1,357,351	1,584,425	1,707,874
Interest	731,250	1,784,898	311,871	1,131,111
Other	1,939,829	2,268,477	1,321,630	1,403,064
Donations and contributions	683,063	521,043	921,577	1,110,360
Total Revenues	100,444,406	102,344,795	104,151,269	109,458,924
Expenditures:				
General government	14,506,746	13,565,337	13,276,576	13,324,605
Public safety	25,199,083	24,427,363	25,342,943	25,265,647
Public works	493,772	843,528	118,528	79,794
Health and welfare	30,710,052	28,877,376	33,470,275	36,712,421
Recreation and culture	4,189,750	3,783,331	3,930,816	3,422,079
Legislative	797,279	1,032,729	915,035	973,686
Judicial	19,154,467	19,375,297	18,440,279	18,446,360
Other	-	923,111	1,399,324	364,963
Community Economic Development	331,984	178,482	162,897	61,191
Debt service:				
Principal	1,605,000	1,490,000	1,755,000	2,120,000
Interest	1,341,322	1,307,725	1,367,857	1,462,091
Bond issuance costs	-	-	-	26,039
Capital outlay	15,960,665	12,702,849	7,190,933	21,828,949
Total Expenditures	114,290,120	108,507,128	107,370,463	124,087,825
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(13,845,714)	(6,162,333)	(3,219,194)	(14,628,901)
Other Financing Sources (Uses):				
Transfers in	15,695,110	21,998,555	12,952,105	19,659,931
Transfers in - Component Unit	-	-	-	-
Transfers out	(13,890,269)	(14,391,581)	(11,120,503)	(18,034,931)
Transfers out - Component Unit	-	-	-	-
Issuance of notes	150,000	-	-	-
Issuance of bonds	5,000,000	-	-	-
Bond discount	-	-	-	-
Issuance of refunding bonds	-	-	-	1,195,000
Premium on bond	155,557	-	-	(15,500)
Payments to refunded bond escrow agent	-	-	-	(1,150,000)
Total Other Financing Sources (Uses)	7,110,398	7,606,974	1,831,602	1,654,500
Net Change in Fund Balances	\$ (6,735,316)	\$ 1,444,641	\$ (1,387,592)	\$ (12,974,401)
Debt Service as a Percentage of Noncapital Expenditures	3.1%	2.6%	3.1%	3.5%

County of Kalamazoo, Michigan

Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2015-2006 (Unaudited)

2011	2010	2009	2008	2007	2006
\$ 50,467,213	\$ 50,801,324	\$ 52,112,225	\$ 52,127,490	\$ 49,760,689	\$ 57,777,230
932,107	926,176	908,768	903,893	793,611	785,730
45,645,465	43,980,599	42,247,256	38,073,037	35,704,794	37,753,619
9,825,820	9,179,624	9,505,860	9,510,775	10,124,910	9,598,624
1,709,679	2,018,339	2,247,219	2,484,283	2,634,069	2,789,201
2,102,983	1,651,105	1,702,897	3,080,203	3,460,386	3,113,934
1,415,236	1,747,905	2,191,289	2,512,099	1,631,441	1,566,376
1,239,054	940,075	810,363	712,053	2,260,309	249,663
113,337,557	111,245,147	111,725,877	109,403,833	106,370,209	113,634,377
13,078,145	13,345,721	12,207,828	12,478,693	9,841,143	10,909,325
24,896,389	26,545,756	26,449,376	25,048,512	24,822,423	24,539,667
1,650,676	478,288	302,625	166,941	299,335	943,231
38,782,339	41,800,901	40,150,567	36,636,836	36,130,575	35,765,016
3,345,073	3,323,146	3,031,205	3,026,214	2,926,544	2,792,553
971,453	954,998	938,582	862,396	897,634	840,222
18,598,870	18,667,915	18,204,672	17,424,528	17,432,615	17,829,372
573,791	1,137,672	1,336,165	3,728,747	8,102,389	2,320,857
81,132	59,446	-	-	-	-
1,765,000	2,678,010	2,104,898	2,148,821	1,810,040	1,443,530
1,476,923	1,598,867	1,629,462	1,615,516	517,222	524,919
12,894	67,945	-	16,099	149,183	-
6,216,232	3,175,109	13,200,679	19,102,990	3,294,285	1,742,541
111,448,917	113,833,774	119,556,059	122,256,293	106,223,388	99,651,233
1,888,640	(2,588,627)	(7,830,182)	(12,852,460)	146,821	13,983,144
21,069,304	18,935,879	18,963,217	17,607,669	16,946,211	16,541,876
-	-	-	-	-	-
(19,794,304)	(17,414,888)	(18,804,451)	(17,463,255)	(16,808,792)	(16,212,332)
-	-	-	-	-	-
-	-	-	12,545	630,000	506,500
3,000,000	-	-	415,000	28,321,900	-
-	-	-	-	(189,727)	-
-	2,160,000	-	-	-	-
-	167,992	-	-	-	-
-	(2,000,000)	-	-	-	-
4,275,000	1,848,983	158,766	571,959	28,899,592	836,044
\$ 6,163,640	\$ (739,644)	\$ (7,671,416)	\$ (12,280,501)	\$ 29,046,413	\$ 14,819,188
3.1%	3.9%	3.5%	3.7%	2.4%	2.0%

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

Note: Effective 2011, bond issuance costs are reported as expenditures. Bond issuance costs in prior years have been restated from Other Financing Sources (Uses) to Expenditures.

County of Kalamazoo, Michigan

Schedule 5 - Assessed Value and Actual Value of Taxable Property^(a), Last Ten Fiscal Years - 2015-2006 (Unaudited)

Fiscal Year	Real Property Value						(b) Total Direct Tax Rate
	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Personal Property	Total	
	\$	\$	\$	\$	\$	\$	
2015	278,782,491	1,569,670,300	381,032,065	5,857,974,999	915,603,263	9,003,063,118	6.4890
2014	260,740,862	1,536,258,273	376,652,416	5,583,276,707	874,725,038	8,631,653,296	6.3601
2013	246,429,582	1,494,605,525	363,764,345	5,419,836,318	901,028,023	8,425,663,793	6.3695
2012	239,120,450	1,553,005,640	360,467,101	5,408,906,981	926,075,139	8,487,575,311	6.3600
2011	238,185,110	1,632,908,929	374,444,944	5,676,932,378	906,612,546	8,829,083,907	6.3555
2010	234,323,992	1,743,345,742	399,521,368	5,734,285,728	876,276,355	8,987,753,185	6.3400
2009	225,488,791	1,792,326,915	503,111,457	6,046,379,311	896,482,771	9,463,789,245	6.3212
2008	222,094,495	1,766,531,482	513,496,587	6,310,592,521	876,103,736	9,688,818,821	6.3300
2007	216,698,123	1,719,347,867	505,724,481	6,159,696,308	809,587,546	9,411,054,325	6.3400
2006	199,195,596	1,639,755,890	485,676,345	5,838,021,440	795,172,638	8,957,821,909	6.1362

^(a) Property is assessed at the legal market value determined by the local assessor's office.

^(b) Per \$1,000 of value.

Source: County of Kalamazoo, Michigan, Equalization Department.

Note: Property is assessed 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 Fiscal Years - 2015-2006 (Unaudited)

December 31,	Year Taxes Are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
County Direct Rates:										
Operating	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871	4.6871
Law enforcement	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491	1.4491
Juvenile Home debt	0.2528	0.2239	0.2333	0.2234	0.2193	0.2050	0.1850	0.1950	0.2000	-
Housing Assistance Fund	0.1000	-	-	-	-	-	-	-	-	-
Total direct rates	6.4890	6.3601	6.3695	6.3596	6.3555	6.3412	6.3212	6.3312	6.3362	6.1362
Kalamazoo County										
Transportation Authority:	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	-	0.3800	0.4500
City Rates:										
Galesburg	9.8118	9.8118	9.8118	9.8118	9.7856	9.7856	9.7856	9.7856	9.7856	9.8112
Kalamazoo	20.8205	20.8205	20.8205	20.8205	19.2705	19.2705	19.2705	19.2705	19.2705	19.1606
Parchment	16.7239	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772
Portage	10.9256	10.9256	10.7778	10.7778	10.8916	10.7312	10.6598	10.6598	10.4892	10.1442
Township Rates:										
	0.7860-	0.7860-	0.7860-	0.7860-	0.7860-	0.6519-	0.7860-	0.7860-	0.7860-	0.7978-
	9.7199	8.9691	8.9691	8.9691	8.9691	8.9691	8.9691	8.9691	8.9691	10.8691
Village Rates:										
	9.5000-	9.5000-	9.5000-	9.0000-	9.0000-	9.0000-	9.0000-	8.0000-	9.0000-	9.5000-
	15.9005	15.9005	15.9005	23.3500	15.9005	15.9005	15.9005	15.9001	16.0000	16.0000
Intermediate School Rates:										
	2.9783-	2.9783-	2.6837-	2.6837-	2.6837-	2.6837-	2.6837-	4.1217-	4.1217-	2.6837-
	6.4066	6.2057	6.2057	6.2057	6.2057	6.2057	6.2057	6.2057	6.2057	9.0832
Local School Rates:										
	22.3400-	22.3400-	22.1700-	22.1700-	22.2000-	22.2000-	18.0000-	18.0000-	18.0000-	18.0000-
	27.5900	26.7796	27.1000	27.1000	27.1000	27.1000	27.1000	27.0500	27.0500	27.0990
Library Rates:										
	0.4985-	0.4985-	0.5000-	0.5000-	0.5000-	0.5000-	0.5000-	0.5000-	0.4291-	0.4376-
	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583	3.9583
Community College Rates:										
Glen Oaks	2.7249	2.7249	2.7249	2.7249	2.7249	2.7249	2.7249	2.7249	2.7249	2.7249
Kalamazoo Valley	2.8135	2.8135	2.8135	2.8135	2.8135	2.8135	2.8135	2.8135	2.8135	5.6270
Kellogg	3.6136	3.6136	3.6136	3.7106	3.7106	3.7106	3.7106	3.7106	3.7106	3.7106
State Education										
Tax Rates:	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	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, 2015 and 2006 (Unaudited)

<i>Taxpayer</i>	<i>Fiscal Year 2015</i>			<i>Fiscal Year 2006</i>		
	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total County Taxable Assessed Value</i>	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total County Taxable Assessed Value</i>
Pfizer/Pharmacia	\$ 301,747,021	1	3.62%	\$ 426,986,810	1	5.56%
Consumers Energy Company	150,275,214	2	1.80%	101,689,710	2	1.32%
Zoetis	70,587,449	3	0.85%			
Stryker Corporation	66,731,984	4	0.80%	38,319,509	3	0.50%
Edward Rose/Occidental	43,772,467	5	0.53%	21,035,146	8	0.27%
PAH P & U, LLC	41,892,600	6	0.50%			
Graphic Packaging	34,518,370	7	0.41%	25,826,413	7	0.34%
Kaiser Aluminum	27,179,633	8	0.33%			
Target Corporation	25,788,730	9	0.31%	35,283,001	4	0.46%
General Growth	25,268,187	10	0.30%			
Greenleaf				29,126,555	6	0.38%
Bronson Medical				21,013,267	9	0.27%
Meijer/Goodwill				31,025,136	5	0.40%
Connecticut Fin'l Life Ins				20,727,429	10	0.27%
Total	\$ 787,761,655		9.45%	\$ 751,032,976		9.77%

Source: County of Kalamazoo, Michigan, Equalization Department.

County of Kalamazoo, Michigan

Schedule 8 - Property Tax Levies and Collections, Last Ten Years - 2015-2006 (Unaudited)

Fiscal Year	Levy Year	Taxes ^(a) Levied for the Fiscal Year (Original Levy)		Total Adjusted Levy	Collected Within the Fiscal Year of the Levy		Total Collections to Date		
		Adjustments	Amount		Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy	
2015	2014	\$ 53,020,774	\$ 1,277,591	\$ 51,743,183	\$ 46,356,761	87.43%	\$ 1,152,593	\$ 47,509,354	91.82%
2014	2013	50,623,549	1,197,953	49,425,596	45,259,899	89.40%	1,391,118	46,651,017	94.39%
2013	2012	50,113,019	822,002	49,291,017	44,716,135	89.23%	1,481,275	46,197,410	93.72%
2012	2011	50,255,433	913,403	49,342,030	44,735,502	89.02%	1,532,753	46,268,255	93.77%
2011	2010	51,197,564	777,902	50,419,662	44,775,206	87.46%	1,819,001	46,594,207	92.41%
2010	2009	51,424,204	566,792	50,857,412	45,414,298	88.31%	2,039,887	47,454,185	93.31%
2009	2008	53,090,391	656,203	52,434,188	48,996,211	92.29%	2,109,871	51,106,082	97.47%
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%

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

* Information on Collections in Subsequent Years is not available prior to fiscal year 2007.

Source: County of Kalamazoo, Michigan, Treasurer's Office, Equalization Reports, and Office of Finance.

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.

County of Kalamazoo, Michigan

Schedule 9 - Ratios of General Bonded Debt Outstanding, Last Ten Years - 2015-2006 (Unaudited)

Fiscal Year	General Bonded Debt Outstanding				Percentage of		
	Government Obligation Bonds	Business Type Obligation Bonds	Less Amounts Restricted to Repaying Principal	Total	Personal Income	Actual Value of Taxable Property	Per Capita
2015	\$ 33,713,617	\$ 6,121,387	\$ -	\$ 39,835,004	0.39%	0.44%	152.49
2014	30,037,657	6,761,387	-	36,799,044	0.37%	0.43%	142.18
2013	31,544,067	7,311,034	-	38,855,101	0.40%	0.46%	151.35
2012	33,318,869 *	7,908,766 *	-	41,227,635	0.42%	0.49%	161.94
2011	35,436,486 *	7,853,096 *	-	43,289,582	0.48%	0.49%	171.73
2010	34,190,000	8,400,000	-	42,590,000	0.48%	0.47%	170.13
2009	36,645,000	8,650,000	-	45,295,000	0.53%	0.48%	182.34
2008	38,370,000	8,900,000	-	47,270,000	0.54%	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	-	20,285,000	0.25%	0.23%	83.33

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

Note: 2015 percentage of Personal Income calculated using 2014 personal income data, which is the most recent available.

*Note: 2012 and 2011 General Bonded Debt Outstanding are restated to report debt net of premiums, discounts and adjustments.

County of Kalamazoo, Michigan

Schedule 10 - Direct and Overlapping Governmental Activities Debt, as of December 31, 2015 (Unaudited)

<i>Governmental Unit</i>	<i>Debt Outstanding</i>	<i>Estimated Percentage Applicable</i>	<i>Estimated Share of Direct and Overlapping Debt</i>
Libraries:			
Kalamazoo District	\$ -	0.00%	\$ -
Otsego	2,695,000	33.62%	906,059
Richland	420,000	100.00%	420,000
Total Libraries			1,326,059
Townships:			
Brady	396,576	100.00%	396,576
Charleston	1,755	100.00%	1,755
Comstock	125,000	100.00%	125,000
Cooper	805,000	100.00%	805,000
Kalamazoo	9,750,000	100.00%	9,750,000
Pavilion	143,424	100.00%	143,424
Total Townships			11,221,755
Cities:			
Galesburg	1,654,000	100.00%	1,654,000
Kalamazoo	138,460,000	100.00%	138,460,000
Portage	66,185,000	100.00%	66,185,000
Total Cities			206,299,000
Villages:			
Augusta	600,000	100.00%	600,000
Climax	50,000	100.00%	50,000
Schoolcraft	540,000	100.00%	540,000
Vicksburg	3,340,000	100.00%	3,340,000
Total Villages			4,530,000

County of Kalamazoo, Michigan

Schedule 10 - Direct and Overlapping Governmental Activities Debt, as of December 31, 2015 (Unaudited) (Concluded)

<i>Governmental Unit</i>	<i>Debt Outstanding</i>	<i>Estimated Percentage Applicable</i>	<i>Estimated Share of Direct and Overlapping Debt</i>
School Districts:			
Athens	\$ 1,315,000	7.48%	\$ 98,362
Climax Scotts	3,584,628	87.53%	3,137,625
Colon	11,320,000	1.66%	187,912
Comstock	3,783,000	100.00%	3,783,000
Galesburg Augusta	11,559,053	100.00%	11,559,053
Gull Lake	35,860,000	83.62%	29,986,132
Kalamazoo	167,305,000	100.00%	167,305,000
Lawton	25,186,323	0.65%	163,711
Mattawan	66,230,000	68.80%	45,566,240
Mendon	17,412,791	6.07%	1,056,956
Otsego	72,237,911	41.71%	30,130,433
Parchment	36,752,902	100.00%	36,752,902
Plainwell	53,531,847	35.25%	18,869,976
Portage	101,800,000	100.00%	101,800,000
Schoolcraft	9,127,287	100.00%	9,127,287
Vicksburg	13,672,000	97.42%	13,319,262
Total School Districts			472,843,852
Community Colleges:			
Glen Oaks	1,630,000	0.61%	9,943
Kalamazoo Valley Community College	9,835,000	94.95%	9,338,333
Kellogg Community College	8,730,000	0.34%	29,682
Total Community Colleges			9,377,958
Intermediate School Districts:			
Allegan	2,340,000	12.22%	285,948
Kalamazoo RESA	14,525,000	97.59%	14,174,948
St. Joseph	3,760,000	0.54%	20,304
Total Intermediate School Districts			14,481,200
Subtotal, Overlapping Debt			720,079,823
Total Direct Debt			33,566,247
Total Direct and Overlapping Debt			\$ 753,646,070

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

Note: Percentage of overlap based on assessed property values.

This page intentionally left blank.

County of Kalamazoo, Michigan

Schedule 11 - Legal Debt Margin Information, Last Ten Years - 2015-2006 (Unaudited)

<i>December 31,</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>
Legal Debt Margin:				
Assessed value of property (SEV)*	\$ 9,003,063,118	\$ 8,631,653,297	\$ 8,425,663,793	\$ 8,487,575,311
<hr/>				
Debt limit, 10% of assessed value (SEV) (constitutional debt limit)	\$ 900,306,312	\$ 863,165,330	\$ 842,566,379	\$ 848,757,531
<hr/>				
Amount of debt applicable to limit:				
Debt issued for purpose of the County functions only:				
Building Authority	32,190,000	33,805,000	35,200,000	36,535,000
CMH Capital Improvements	5,000,000	-	-	-
Notes payable	-	-	-	-
Debt issued for benefit of local improvements:				
Water	475,000	525,000	570,000	620,000
Sewage	1,470,000	2,005,000	2,535,000	3,440,000
Drainage	145,000	190,000	235,000	275,000
Notes payable	-	-	-	-
<hr/>				
Total net debt applicable to limit	39,280,000	36,525,000	38,540,000	40,870,000
<hr/>				
Legal Debt Margin	\$ 861,026,312	\$ 826,640,330	\$ 804,026,379	\$ 807,887,531
<hr/>				
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	4.36%	4.23%	4.57%	4.82%
<hr/>				

County of Kalamazoo, Michigan

Schedule 11 - Legal Debt Margin Information, Last Ten Years - 2015-2006 (Unaudited)

2011	2010	2009	2008	2007	2006
\$ 8,829,083,907	\$ 8,987,753,185	\$ 9,463,789,245	\$ 9,688,818,821	\$ 9,411,054,325	\$ 8,997,222,049
\$ 882,908,391	\$ 898,775,319	\$ 946,378,925	\$ 968,881,882	\$ 941,105,433	\$ 899,722,205
37,625,000	35,700,000	36,350,000	36,950,000	37,420,000	9,300,000
-	-	-	-	-	-
1,716	4,960	7,971	386,918	741,244	1,090,282
670,000	720,000	770,000	820,000	875,000	930,000
4,715,000	5,815,000	7,565,000	9,070,000	9,730,000	10,790,000
315,000	355,000	610,000	430,000	630,000	-
-	180,000	240,000	240,950	422,900	767,000
43,326,716	42,774,960	45,542,971	47,897,868	49,819,144	22,877,282
\$ 839,581,675	\$ 856,000,359	\$ 900,835,954	\$ 920,984,014	\$ 891,286,289	\$ 876,844,923
4.91%	4.76%	4.81%	4.94%	5.29%	2.54%

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

Note: Prior to Board of Review actions.

* Beginning in 2011, the State Equalized Value is used for the assessed value of property, and the assessed values of property for prior years have been revised accordingly.

County of Kalamazoo, Michigan

Schedule 12 - Demographic and Economic Statistics, Last Ten Fiscal Years - 2015-2006 (Unaudited)

<i>Year</i>	<i>Population</i>	<i>Personal Income</i>	<i>Per Capita Personal Income</i>	<i>Unemployment Rate</i>
2015	260,263	*	*	3.2%
2014	258,818	\$ 10,658,638,000	\$ 41,182	5.6%
2013	256,725	\$ 10,055,548,000	\$ 39,169	7.1%
2012	254,580	\$ 9,731,382,000	\$ 38,225	7.0%
2011	252,074	\$ 9,057,879,000	\$ 35,933	8.2%
2010	250,331	\$ 8,793,849,000	\$ 35,129	10.2%
2009	248,407	\$ 8,570,563,000	\$ 34,502	9.8%
2008	246,157	\$ 8,717,202,000	\$ 35,413	6.2%
2007	244,651	\$ 8,346,001,000	\$ 34,114	5.2%
2006	243,434	\$ 8,102,120,000	\$ 33,283	5.1%

Source: Michigan Department of Technology, Management and Budget, 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 2015.*

County of Kalamazoo, Michigan

Schedule 13 - Employment by Principal Industries, Current Year and Nine Years Ago - December 31, 2015 and 2006 (Unaudited)

<i>Industry</i>	<i>Fiscal Year 2015</i>			<i>Fiscal Year 2006</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>
Health care and social assistance	20,261	1	13.45%	20,138	2	13.64%
Manufacturing	18,514	2	12.29%	20,382	1	13.80%
Retail trade	15,118	3	10.03%	17,232	3	11.67%
Accommodation and food services	12,204	4	8.10%	12,295	4	8.33%
Administrative and waste management services	10,660	5	7.07%	10,376	5	7.03%
Other services, except public administration	8,577	6	5.69%	8,361	7	5.66%
Finance and insurance	8,219	7	5.45%	6,534	10	4.42%
Local government	8,153	8	5.41%	9,263	6	6.27%
Professional, scientific, and technical services	6,981	9	4.63%	6,948	9	4.70%
Construction	6,571	10	4.36%	8,121	8	5.50%
Total Full-time and Part-Time County Employment	115,258		76.49%	119,650		81.02%
	150,685		100.00%	147,678		100.00%

Note: 2015 percentage of personal income calculated using 2014 personal income data, which is the most recent available.

Source: U.S Department of Commerce, Bureau of Economic Analysis, CA25N - Total full-time and part-time employment by NAICS industry for Kalamazoo County.

County of Kalamazoo, Michigan

Schedule 14 - Full-time Equivalent County Government Employees by Function, Last Ten Fiscal Years - 2015-2006 (Unaudited)

<i>Full-time Equivalent Employees as of December 31,</i>										
<i>Function/Program</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
General government	143.9	143.2	138.8	138.8	140.3	139.8	129.2	128.2	128.2	128.7
Public safety	244.3	241.8	241.8	215.8	224.3	220.8	226.5	226.5	226.5	226.0
Health and welfare	217.0	208.1	203.8	286.3	292.1	285.3	295.6	278.0	299.3	306.3
Recreation and culture	17.6	17.6	18.4	18.6	18.2	18.2	19.0	19.0	17.3	17.7
Legislative	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.0	6.0
Judicial	224.3	226.5	224.0	223.5	227.8	226.8	226.0	225.1	222.1	225.1
Other	15.0	16.0	16.0	16.0	21.0	21.0	31.6	29.6	29.6	28.9
Airport	21.5	21.0	22.0	22.0	23.5	23.5	23.5	23.5	23.5	23.5
Total	889.9	880.5	871.1	927.3	953.5	941.7	957.7	936.2	952.5	962.2

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

County of Kalamazoo, Michigan

Schedule 15 - Operating Indicators by Function, Last Ten Fiscal Years - 2015-2006 (Unaudited)

<i>Function/Program</i>	<i>Fiscal Year</i>									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Revenue from sale of maps, aerial photos and street directories	\$ 1,848	\$ 4,146	\$ 5,056	\$ 9,166	\$ 7,625	\$ 5,594	\$ 865	\$ 1,490	\$12,117	\$ 1,039
Revenue from Soil Erosion and Sedimentation Control permits issued	34,158	24,107	30,285	28,029	21,754	21,880	22,715	30,173	36,180	47,147
Public Safety:										
Jail bookings	12,024	12,171	12,973	13,380	12,591	12,372	11,849	11,539	11,499	12,319
Average daily population	391	400	404	409	387	374	388	391	366	340
Judicial -										
8th District Court caseloads	49,214	50,640	54,898	59,858	55,636	64,034	67,143	73,210	80,700	79,257
Airport:										
Based aircraft	110	110	109	111	143	143	143	143	148	148
Enplanements	124,355	134,175	127,559	130,163	152,593	141,083	139,712	166,986	206,659	236,744

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 - 2015-2006 (Unaudited)

<i>Function/Program</i>	<i>Fiscal Year</i>									
	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
Public Safety:										
Correction facility capacity	482	327	327	327	327	327	327	327	327	327
Juvenile Home capacity	64	64	64	64	64	64	64	40	40	40
Recreation and Culture:										
Parks	6	6	6	6	6	6	6	6	6	6
County Fairground	1	1	1	1	1	1	1	1	1	1
Judicial -										
Courthouse buildings	3	3	3	3	3	3	3	3	3	3
Airport Operations:										
Number of runways	3	3	3	3	3	3	3	3	3	3
Terminals	1	2	2	2	2	1	1	1	1	1
Number of hangars	84	84	84	84	95	95	95	95	95	95

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

Information on Single Audit



Tel: 269-382-0170
Fax: 269-345-1666
www.bdo.com

211 East Water Street
Suite 300
Kalamazoo, MI 49007

Independent Auditor's 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, in accordance with the 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, 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, 2015 (September 30, 2015, for certain component units), and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 24, 2016. Our report includes a reference to other auditors who audited the financial statements of the Kalamazoo County Road Commission, the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), the Kalamazoo County Public Housing Commission, and the Kalamazoo County Transportation Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by these auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

BDO USA, LLP, a Delaware 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.



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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Kalamazoo, Michigan

June 24, 2016



Tel: 269-382-0170
Fax: 269-345-1666
www.bdo.com

211 E. Water Street, Suite 300
Kalamazoo, MI 49007

Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Commissioners
County of Kalamazoo, Michigan
Kalamazoo, Michigan

Report on Compliance for Each Major Federal Program

We have audited the County of Kalamazoo, Michigan's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Kalamazoo County Road Commission, which expended \$1,454,893 in federal awards, and Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), which expended \$2,097,472 in federal awards, and are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2015. Our audit, described below, did not include the operations of the Kalamazoo County Road Commission and KCMHSAS because the component units' audits in accordance with Title 2 *U.S. Code of Federal Regulations* Part 200 were performed separately, and a separate report was issued. The audits of the Kalamazoo County Road Commission and KCMHSAS were performed by other auditors.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Kalamazoo, Michigan

June 24, 2016

This page intentionally left blank.

Schedule of Expenditures of Federal Awards

County of Kalamazoo, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
U.S. Department of Agriculture:				
<i>Passed-through Michigan Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program:				
Breakfast	10.553	151970	\$ -	\$ 26,734
Breakfast	10.553	161970	-	9,202
			-	35,936
National School Lunch Program:				
Section 11 - Free and Reduced	10.555	151960	-	43,716
Section 11 - Free and Reduced	10.555	161960	-	15,057
			-	58,773
Total Child Nutrition Cluster				94,709
<i>Passed-through Michigan Department of Community Health:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
Special Support Food Program for Women, Infants, and Children	10.557	20151741-00	-	378,737
Special Support Food Program for Women, Infants, and Children	10.557	20161689-00	-	125,759
			-	504,496
SNAP Cluster:				
<i>Passed-through Michigan Department of Human Services:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
Food Stamp Fraud Prosecution	10.561	413A2	-	5,096
Total U.S. Department of Agriculture				604,301
U.S. Department of Housing and Urban Development:				
<i>Passed-through Michigan State Housing Development Authority:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:				
CDBG Housing Grant	14.228	MSC-2012-5396-HOA	-	80,380
Total U.S. Department of Housing and Urban Development				80,380
U.S. Department of Justice:				
<i>Passed-through Michigan State Police:</i>				
DCE/SP (HEMP) Overtime Reimbursement	16.000	SWE-217-15	-	212

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
U.S. Department of Justice (Concluded):				
<i>Passed-through Michigan Department of Community Health:</i>				
Crime Victim Assistance:				
Victims of Violence - Assistance Program	16.575	2014-VA-GX-0046	\$ -	\$ 44,513
Victims of Violence - Assistance Program	16.575	2016078-00	-	15,755
			-	60,268
Direct Program - State Criminal Alien Assistance Program	16.606	2015-AP-BX-0214	-	8,351
<i>Passed-through Michigan State Police:</i>				
Edward Byrne Memorial Justice Assistance Grant Program:				
SWET 70888-15	16.738	2013-MU-BX-0051	-	29,059
SWET 70888-16	16.738	2014-MU-BX-1022	-	10,471
Byrne JAG State FY 2015 S.W.E.T 708887-S.W.E.T.-15	16.738	2013-MU-BX-0051	-	19,925
Adult Men's Drug Treatment Court 2014-MU-BX-0051	16.738	2014-H3675-MI-DJ	-	103,621
Adult Men's Drug Treatment Court 2015	16.738	2015-MUBX-0964	-	36,041
Adult Women's Drug Treatment Court 2014-MU-BX-0051	16.738	2014-H3675-MI-DJ	-	111,967
Adult Women's Drug Treatment Court 2015	16.738	2015-MUBX-0964	-	27,397
<i>Passed-through City of Kalamazoo, Michigan:</i>				
Edward Byrne Memorial Justice Assistance Grant Program:				
Kalamazoo County Sheriff's Dept. Byrne Justice Assistance Grant 2015	16.738	2015-H2743-MI-DJ	-	8,774
			-	347,255
Total U.S. Department of Justice			-	416,086
U.S. Department of Transportation:				
<i>Passed-through Michigan Department of State Police:</i>				
Highway Safety Cluster:				
State and Community Highway Safety:				
Strategic Traffic Enforcement Program - Police Traffic Services	20.600	PT-15-15	-	49,308
Interagency Hazardous Materials Public Sector Training & Planning Grants:				
Hazardous Materials Emergency Preparedness Planning Program	20.703	HM-HMP-0439-14-01-00	-	228
Total U.S. Department of Transportation			-	49,536
U.S. Environmental Protection Agency:				
<i>Passed-through Michigan Department of Environmental Quality:</i>				
Nonpoint Source Implementation Grants:				
Davis Creek Stream Stabilization	66.460	2012-0016	-	65,975
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds:				
Nontransient NCW System	66.468	FS975487	-	3,774
Total U.S. Environmental Protection Agency			-	69,749

County of Kalamazoo, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
U.S. Department of Energy:				
<i>Passed-through Michigan Department of Human Services:</i>				
Weatherization Assistance for Low-Income Persons:				
LIHEAP - Low Income Energy Assistance Program	81.042	LIHEAP13-39015	\$ -	\$ 170,537
Weatherization Assistance Program	81.042	DOE-13-39015	-	336,572
				507,109
Total U.S. Department of Energy				
U.S. Department of Health and Human Services:				
<i>Passed-through Michigan Office of Services to the Aging:</i>				
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation:				
Title VII EAP Services	93.041	20152000	-	8,200
Title VII EAP Services	93.041	20161848	-	237
				8,437
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals:				
Title VII/A LTC Ombudsman	93.042	20152000	-	17,205
Title VII/A LTC Ombudsman	93.042	20161848	-	176
				17,381
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services:				
Title III D Services	93.043	20152000	-	11,294
Title III D Services	93.043	20161848	-	2,300
				13,594
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:				
Title III B - Administration	93.044	20152000	-	19,165
Title III B - Administration	93.044	20161848	-	3,767
Title III B - Services (Program Development)	93.044	20152000	-	32,673
Title III B - Services (Program Development)	93.044	20161848	-	4,824
Title III B - Services	93.044	20152000	-	146,945
Title III B - Services	93.044	20151998	-	1,828
Title III B - Services	93.044	2016	-	2,000
Title III B - Services	93.044	20161847	384	609
Title III B - Services	93.044	20161848	31,287	31,287
			31,671	243,098

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
<i>U.S. Department of Health and Human Services (Continued):</i>				
<i>Passed-through Michigan Office of Services to the Aging:</i>				
<i>Special Programs for the Aging - Title III, Part C - Nutrition Services:</i>				
Title III Administration	93.045	20152000	\$ -	\$ 34,620
Title III Administration	93.045	20161848	-	7,157
Title III C1/C2 Services	93.045	20152000	268,433	268,433
Title III C1/C2 Services	93.045	20161848	86,875	86,875
			355,308	397,085
<i>Nutrition Services Incentive Program:</i>				
Area Agency on Aging - USDA Senior Citizen Meals	93.053	20152000	95,621	95,621
Area Agency on Aging - USDA Senior Citizen Meals	93.053	20161848	37,015	37,015
			132,636	132,636
<i>Total Aging Cluster</i>			519,615	772,819
<i>Passed-through Michigan Medicare/Medicaid Assistance Program:</i>				
<i>Special Programs for the Aging - Title IV and Title II - Discretionary Projects:</i>				
Senior Medicare Patrol	93.048	90SP0085/02	722	802
Senior Medicare Patrol	93.048	90MP0218-01-01	1,049	1,159
Senior Medicare Patrol	93.048	90MP0094/04	710	710
			2,481	2,671
<i>Passed-through Michigan Office of Services for the Aging:</i>				
<i>National Family Caregiver Support - Title III, Part E:</i>				
Title III E - NFCSF	93.052	20152000	11,793	11,793
Title III E - NFCSF	93.052	20161848	2,015	2,015
Title III E - Care Management	93.052	20152000	-	30,897
Title III E - Care Management	93.052	20161848	-	3,959
Title III E - CCC Respite	93.052	20161848	-	93
Title III E - Administration	93.052	20152000	-	8,037
Title III E - Administration	93.052	20161848	-	1,632
Title III E - Information and Assistance	93.052	20152000	-	29,616
Title III E - Information and Assistance	93.052	20161848	-	5,432
			13,808	93,474
<i>Passed-through Michigan Department of Community Health:</i>				
<i>Public Health Emergency Preparedness:</i>				
Public Health Emergency Preparedness (PHEP)	93.069	20151741-00	-	114,483
Public Health Emergency Preparedness (PHEP)	93.069	20161689-00	-	31,051
Laboratory Services Bio	93.069	20151741-00	-	50,586
PHEP Regional EPI Support	93.069	20151741-00	-	5,459
PHEP Regional EPI Support	93.069	20161689-10	-	660
PHEP EBOLA Virus Disease (EVD) Phase II	93.069	20151741-00	-	9,186
PHEP EBOLA Virus Disease (EVD) Phase II	93.069	20161689-10	-	1,500
			-	212,925

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
<i>U.S. Department of Health and Human Services (Continued):</i>				
<i>Passed-through Michigan Medicare/Medicaid Assistance Program:</i>				
<i>Medicare Improvements for Patients and Providers Act:</i>				
<i>Tuberculosis Control Program:</i>				
TB Control	93.116	20151741-00	\$ -	\$ 76
TB Control	93.116	20161689-00	-	24
			-	100
<i>Passed-through Michigan Department of Community Health:</i>				
<i>Immunization Cooperative Agreements:</i>				
Vaccine Provided	93.268	20151741-00	-	187,742
Immunization MCIR Regions	93.268	20151741-00	-	10,000
Immunization MCIR Regions	93.268	20161689-00	-	2,402
Infant Immunization Initiative	93.268	20151741-00	-	85,319
Infant Immunization Initiative	93.268	20161689-00	-	20,901
			-	306,364
<i>Passed-through Michigan Medicare/Medicaid Assistance Program:</i>				
<i>Centers for Medicare and Medicaid Services (CMS) Research, Demonstration and Evaluations:</i>				
State Health Insurance Assistance Program	93.324	90SA0027-01-00	4,463	4,546
State Health Insurance Assistance Program	93.324	90SA0027-02-00	10,521	11,979
State Health Insurance Assistance Program	93.324	90SO0008-01-00	980	980
			15,964	17,505
<i>Passed-through Michigan Department of Community Health:</i>				
<i>Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program:</i>				
MIECHVP Healthy Families America Expansion	93.505	20151741-00	-	143,103
MIECHVP Healthy Families America Expansion	93.505	20161689-00	-	55,692
Nurse Family Partnership Services	93.505	20151741-00	-	750
			-	199,545
PPHF NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	93.507	X-62057-115-504200	-	10,000
<i>PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance:</i>				
Immunization and Vaccine Program	93.539	20151741-100	-	9,909
Immunization and Vaccine Program	93.539	20161689-00	-	9,909
			-	19,818
<i>Passed-through Michigan Department of Human Services:</i>				
Child Support Enforcement	93.563	CS/FOC-13-39001-A2	-	500,035
Federal Performance Incentive Payment	93.563	CS/FOC-13-39001	-	323,431
Child Support Enforcement	93.563	CSPA-13-39002	-	348,424
Child Support Enforcement	93.563	CSPA-13-39002-A1	-	119,566
Child Support Enforcement	93.563	CS/FCO-13-39001	-	1,404,560
Medical Incentive	93.563	42CFR433.15345CFR92.25	-	62,755
			-	2,758,771
<i>Michigan Community Action:</i>				
Michigan Energy Assistance Program	93.568	MCA-MEAP	-	186,505

County of Kalamazoo, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
U.S. Department of Health and Human Services (Continued):				
Community Services Block Grant:				
Community Services Block Grant	93.569	CSBG14-39015	\$ -	\$ 453,310
Community Services Block Grant - Discretionary	93.569	CSBGD14-39015	-	(2,698)
			-	450,612
Passed-through State Court Administrative Office:				
Grants to States for Access and Visitation Programs:				
Access and Visitation Grant	93.597	SCAO-2014-026	-	13,935
Access and Visitation Grant	93.597	SCAO-2015-021	-	5,400
			-	19,335
Affordable Care Act Implementation Support for State Demonstrations to integrate Care for Individuals who are Eligible for Medicare and Medicaid	93.628	1L1CMS331357-01-00	-	6,003
Affordable Care Act Implementation Support for State Demonstrations to integrate Care for Individuals who are Eligible for Medicare and Medicaid	93.628	1L1CMS331357-02-00	-	1,991
Affordable Care Act Implementation Support for State Demonstrations to integrate Care for Individuals who are Eligible for Medicare and Medicaid	93.628	1N1CMS331416	-	424
			-	8,418
Passed-through Michigan Department of Human Services:				
Foster Care - Title IV-E:				
Prosecuting Attorney DHS Grant PROFC-11-39001	93.658	PROFC-11-39001	-	91,652
Cancer Prevention and Control Programs for State Territorial and Tribal Organizations Financed in Part by Prevention and Public Health Funds:				
MI Cancer Prevention Control Program	93.752	20151741-00	-	187,130
MI Cancer Prevention Control Program	93.752	20161689-00	-	43,243
			-	230,373
Passed-through Michigan Department of Community Health:				
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Program:				
Capacity Building Michigan Immunization PT1	93.773	20151741-00	-	25,000
Capacity Building Michigan Immunization PT1	93.773	20161689-00	-	5,997
			-	30,997
Medicaid Cluster:				
Medical Assistance Program:				
Case Management Services - CHSCS	93.778	20151741-00	-	59,424
Case Management Services - CHSCS	93.778	20161689-00	-	23,622
Medicaid Outreach - AAA	93.778	20151741-00	-	3,885
Medicaid Outreach - AAA	93.778	20161689-00	-	1,061
Medicaid Outreach - CSHCS	93.778	20151741-00	-	23,513
Medicaid Outreach - BCCCP	93.778	20151741-00	-	15,873

County of Kalamazoo, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Pass-Through to Subrecipients</i>	<i>Current Year</i>
U.S. Department of Health and Human Services (Concluded):				
Medicaid Outreach - BCCCP	93.778	20161689-00	\$ -	\$ 2,697
Medicaid Outreach - NFP	93.778	20151741-00	-	11,569
Nurse Family Partnership	93.778	20151741-00	-	179,887
Nurse Family Partnership	93.778	20161689-00	-	64,149
Adolescent Health - Child & Adolescent Health Centers - Edison	93.778	CAHC15-16KC	-	16,600
<i>Passed-through Michigan Office of Services to the Aging:</i>				
<i>Medical Assistance Program:</i>				
Targeted Case Management	93.778	20152000	-	13,389
Targeted Case Management	93.778	20161848	-	3,265
			-	418,934
Direct Program - Healthy Start Initiative	93.926	N/A	-	632,075
<i>Passed-through Michigan Department of Community Health:</i>				
HIV Prevention Activities - Health Department Based: AIDS/HIV Prevention	93.940	20151741-00	-	7,489
Maternal and Child Health Services Block Grant to the States:				
MCH Block Grant - Immunizations	93.994	20151741-00	-	83,377
MCH Block Grant - Immunizations	93.994	20161689-00	-	23,598
MCH Block Grant - IAP	93.994	20151741-00	-	19,474
MCH Block Grant - IAP	93.994	20161689-00	-	3,750
MCH Block Grant - Other	93.994	20151741-00	-	21,246
MPHI Block Grant - CSHCS	93.994	20161689-00	-	9,076
			-	160,521
Total U.S. Department of Health and Human Services			551,868	6,670,315
Executive Office of the President:				
<i>Passed-through Southwest Enforcement Team:</i>				
High Intensity Drug Trafficking Areas Program	95.001	HITA #271	-	7,270
U.S. Department of Homeland Security:				
<i>Passed-through Michigan Department of Natural Resources:</i>				
Boating Safety Financial Assistance: Marine Safety Program	97.012	MS 15-071	-	21,100
<i>Passed-through Michigan State Police:</i>				
<i>Emergency Management Performance Grants:</i>				
Emergency Management Performance Grant (PY2015)	97.042	EMW-2015-EP-00029-S01	-	24,323
Emergency Management Performance Grant (PY2016)	97.042	EMW-2015-EP-00029-S01	-	8,107
			-	32,430
<i>Passed-through Van Buren County:</i>				
Homeland Security Grant Program	97.067	EMW-2013-SS-0049	-	8,402
Total U.S. Department of Homeland Security			-	61,932
Total Primary Government Unit Expenditures of Federal Awards				\$ 8,466,678

County of Kalamazoo, Michigan

Supplemental Schedule of Expenditures by Service September 30, 2015

<i>Services</i>	<i>Federal Admin</i>	<i>Title IIIB</i>	<i>Title IIIC-1</i>	<i>Title IIIC-2</i>	<i>Title IIID</i>	<i>NFCSP IIIE</i>	<i>Title VII/EAP</i>	<i>Title VIIA</i>	<i>NSIP</i>	<i>State Access</i>	<i>State In-Home</i>
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management	-	74,621	-	-	-	33,628	-	-	-	14,683	-
Caregiver E,S,T	-	-	-	-	-	3,786	-	-	-	-	-
Case Coord/Support	-	1,128	-	-	-	-	-	-	-	-	-
Congregate Meals	-	-	175,270	-	-	-	-	-	34,459	-	-
Counseling	-	720	-	-	-	7,035	-	-	-	-	-
Disease Prevent	-	-	-	-	13,544	-	-	-	-	-	-
Elder Abuse Prevention	-	-	-	-	-	-	8,620	-	-	-	-
Gap Services	-	3,622	-	-	-	-	-	-	-	-	-
Home Delivered Meals	-	-	-	173,333	-	-	-	-	96,303	-	-
Home Injury Control	-	-	-	-	-	3,000	-	-	-	-	-
Homemaker	-	32,047	-	-	-	-	-	-	-	-	108,342
Information & Assistance	-	20,457	-	-	-	34,918	-	-	-	-	-
Legal Assistance	-	12,713	-	-	-	-	-	-	-	-	-
LTC Ombudsman	-	3,746	-	-	-	-	-	17,669	-	-	-
Medication Management	-	-	-	-	-	-	-	-	-	-	5,062
Nutrition Education	-	-	1,085	-	-	-	-	-	-	-	-
PERS/Assist Tech & Devices	-	-	-	-	-	-	-	-	-	-	-
Personal Care	-	-	-	-	-	-	-	-	-	-	1,584
Program Development	-	38,951	-	-	-	-	-	-	-	-	-
Respite Care	-	-	-	-	-	-	-	-	-	-	-
Senior Center Staffing	-	7,093	-	-	-	-	-	-	-	-	-
Transportation	-	15,337	-	-	-	-	-	-	-	-	-
Subtotal	-	210,435	176,355	173,333	13,544	82,367	8,620	17,669	130,762	14,683	114,988
Administration	73,040	-	-	-	-	-	-	-	-	-	-
Total	\$ 73,040	\$ 210,435	\$ 176,355	\$ 173,333	\$ 13,544	\$ 82,367	\$ 8,620	\$ 17,669	\$ 130,762	\$ 14,683	\$ 114,988

County of Kalamazoo, Michigan

Supplemental Schedule of Expenditures by Service September 30, 2015

State Cong.	St. Home Del Meals	State NHO	State Alt. Care	State CMP	State Care Mgmt	Merit Award Trust Fund	State CG Support	State Respite (Escheat)	State ANS	State Admin	Program Income	Cash Match	State In-Kind Match	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,777	\$ 4,163	\$ 18,888	\$ -	\$ -	\$ 1,329	\$ 774	\$ -	\$ 60,931
-	-	-	-	-	137,109	-	-	-	22,897	-	-	72,677	-	355,615
-	-	-	-	-	-	-	-	-	-	-	-	743	337	5,203
-	-	-	-	-	-	-	-	-	-	-	-	29	97	1,351
4,919	-	-	-	-	-	-	-	-	-	-	56,533	28,076	-	299,257
-	-	-	-	-	-	-	-	-	-	-	-	1,963	-	9,718
-	-	-	-	-	-	-	-	-	-	-	93,513	-	1,505	110,067
-	-	-	-	-	-	-	-	-	-	-	-	-	958	10,536
-	-	-	-	-	-	-	-	-	-	-	-	581	-	4,203
-	215,917	-	-	-	-	-	-	-	-	-	83,205	47,020	-	615,778
-	-	-	-	-	-	-	-	-	-	-	-	459	-	3,459
-	-	-	12,982	-	-	-	-	-	-	-	-	33,279	977	188,604
-	-	-	-	-	-	-	-	-	-	-	-	24,461	-	79,836
-	-	-	-	-	-	-	-	-	-	-	-	35,231	15,138	78,220
-	-	30,216	-	11,997	-	-	-	-	-	-	4,437	91	3,682	75,520
-	-	-	-	-	-	-	-	-	-	-	-	662	-	5,724
-	-	-	-	-	-	-	-	-	-	-	-	122	-	1,207
-	-	-	15,936	-	-	-	-	-	-	-	-	1,971	-	17,907
-	-	-	28,938	-	-	-	-	-	-	-	-	3,666	-	34,188
-	-	-	-	-	-	-	-	-	-	-	12,974	4,328	-	56,253
-	-	-	-	-	-	25,632	3,414	29,667	-	-	-	379	-	59,092
-	-	-	-	-	-	-	-	-	-	-	-	10,509	-	17,602
-	-	-	-	-	-	-	-	-	-	-	-	4,715	-	20,052
4,919	215,917	30,216	57,856	11,997	137,109	61,409	7,577	48,555	22,897	-	251,991	271,736	22,694	2,087,629
-	-	-	-	-	-	6,073	749	-	-	12,603	24,411	53,014	-	169,890
\$ 4,919	\$ 215,917	\$ 30,216	\$ 57,856	\$ 11,997	\$ 137,109	\$ 67,482	\$ 8,326	\$ 48,555	\$ 22,897	\$ 12,603	\$ 276,402	\$ 324,750	\$ 22,694	\$ 2,257,519

County of Kalamazoo, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The reimbursement of indirect costs reflected in the accompanying financial statements as federal grants revenue is subject to final approval by federal grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment will not be material to the County's financial position or change in net position.

All of the County's federal awards were in the form of cash assistance for the year ended December 31, 2015.

The County had no federally funded insurance programs or loan guarantees during the year ended December 31, 2015.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - 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, 2015</i>	<i>Federal CFDA Number</i>	<i>Current Year Expenditures</i>
<hr/>		
Primary Government -		
U.S. Department of Transportation -		
<i>Passed-through Michigan Department of Transportation -</i>		
Airport Improvement Program	20.106	\$ 1,992,745
<hr/>		
Discretely Presented Component Unit -		
Governmental - Road Commission -		
U.S. Department of Transportation -		
<i>Passed-through Michigan Department of Transportation -</i>		
Highway Research, Planning, and Construction	20.205	\$ 1,454,893
<hr/>		

County of Kalamazoo, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2015

Note 4 - U.S. Department of Homeland Security

The County has also entered into an “other transaction” agreement with the U.S. Department of Homeland Security, Transportation Security Administration (TSA) under Section 101(a) of Public Law 107-71, Aviation and Transportation Security Act (ATSA), as codified at 49 U.S.C. Section 114(m). No CFDA is issued for these federal funds. The County follows OMB A-87 Circular and the TSA Planning Guidelines and Design Standards with respect to the identification of costs for the project.

County of Kalamazoo, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

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: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516? No

CFDA No.	<i>Name of Federal Program or Cluster</i>
14.228	Community Development Block Grants
81.042	Weatherization Assistance for Low-Income Persons
93.044, 93.045, 93.053	Aging Cluster
93.563	Child Support Enforcement
93.569	Community Services Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

No matters were reported.

County of Kalamazoo, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2015

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Section IV - Prior Audit Findings

2014-01 - Eligibility

Current Year Status: This finding has been resolved.

2014-02 - Eligibility

Current Year Status: This finding has been resolved.

2014-03 - Eligibility

Current Year Status: This finding has been resolved.

2014-04 - Eligibility

Current Year Status: This finding has been resolved.