



County of Kalamazoo, Michigan

Comprehensive Annual Financial Report
and Single Audit Act Compliance

Year Ended December 31, 2011

County of Kalamazoo, Michigan

Comprehensive Annual Financial Report
and Single Audit Act Compliance

Year Ended December 31, 2011

Prepared By:

Peter M. Battani,
County Administrator/Controller

Tracie L. Moored,
Director, Finance and Administrative Services

County of Kalamazoo, Michigan

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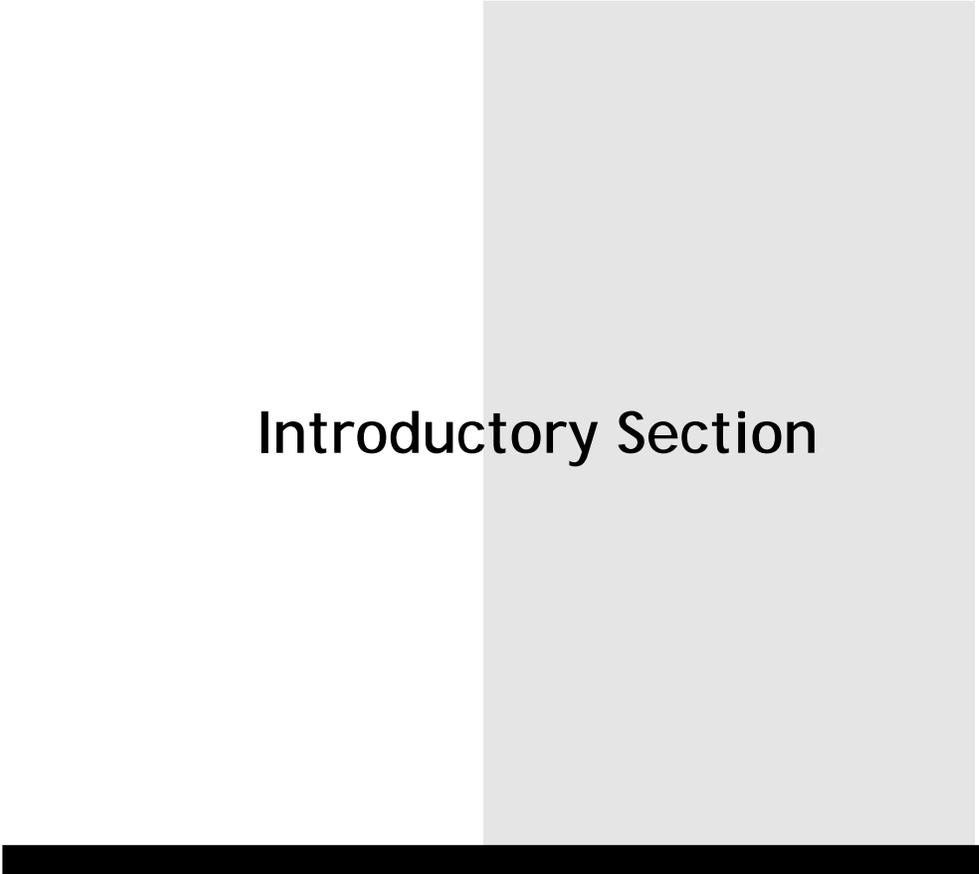
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Introductory Section

County of Kalamazoo, Michigan

List of Officials for 2011

County Board of Commissioners

David Maturen - Chairperson
David Buskirk - Vice Chairperson

Carolyn Alford	Ann Nieuwenhuis
Nasim Ansari	Timothy Rogowski
Robert Barnard	Michael Seals
Deb Buchholtz	Phil Stinchcomb
John Gisler	John Taylor
Jeff Heppler	Jack Urban
Brandt Iden	John Zull
Brian Johnson	

Circuit Court Judges

Stephen Gorsalitz - Chief Judge

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

District Court Judges

Paul Bridenstine - Chief Judge

Anne Blatchford
Carol Husum
Robert Kropf
Julie Phillips
Richard Santoni
Vincent Westra

Probate Judges

Stephen Gorsalitz - Chief Judge

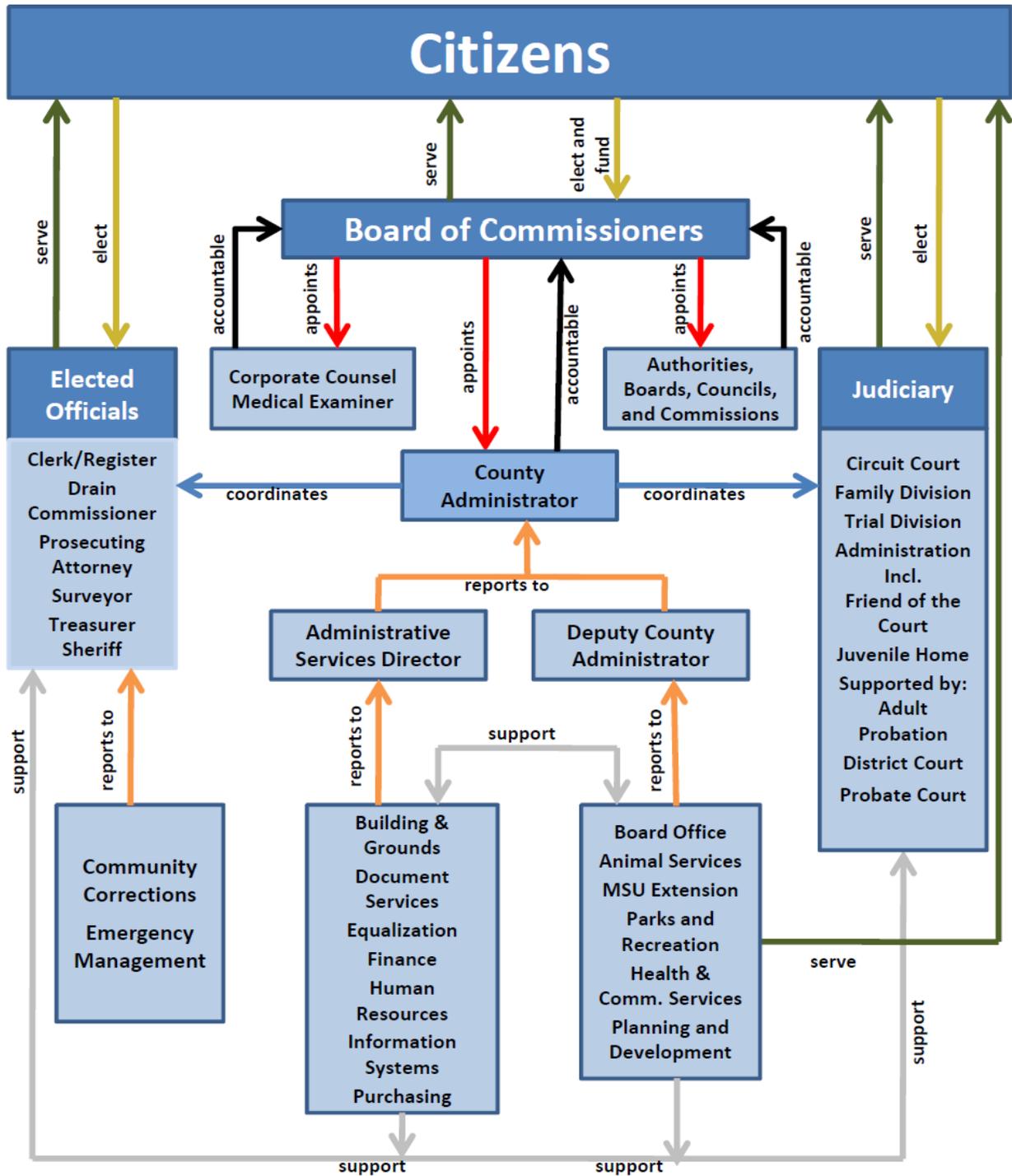
Donald Halstead
Curtis Bell
Patricia Conlon

Others

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

County of Kalamazoo, Michigan

Organization Chart



County of Kalamazoo, Michigan

Certificate of Achievement

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, 2010

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



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



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 Administrative Services

Peter M. Battani, County Administrator/Controller

June 8, 2012

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, 2011. 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, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures reported in the financial statements; assessing the accounting principles used and any significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the County's financial statements for the year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are found on Pages 133 to 136.

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

Profile of the Government

The County of Kalamazoo, Michigan, the ninth most populous county in the state of Michigan, encompasses an area of approximately 576 square miles with the 2011 estimated census population of 252,074, 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 currently consists of 17 members. The County Board is responsible for establishing policies, adopting the budget, appointing committee memberships, and hiring the County Administrator/Controller and Corporation Counsel. The Administrator/Controller is responsible for carrying out the policies set forth by the County Board and overseeing the day-to-day operations of the County. The County Board is elected on a partisan basis every two years from districts of approximately the same size. The other five elected officers of the County are elected on a partisan basis serving four-year terms.

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

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriations to the Administrator/Controller. These requests form the basis for the development of a proposed budget. The Administrator/Controller will present to the County Board a recommended budget for consideration and deliberation. After the review is completed, a public hearing will be held at an annual meeting and the budget will be adopted. The budget is appropriated at the departmental level. The budget is prepared at the fund, department, and account level. Department directors may request transfers within fund appropriations under their administrative control. Transfers of appropriations between departments or fund require approval of the board. Appropriation increases also require approval by the County Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is found on Page 23 as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, this comparison is found starting on Page 83.

Financial Condition Factors

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

For the last three years, the County property tax base has decreased. Forecasting declines has allowed the County to proactively make budgetary decisions to minimize reactionary impacts to core services. A large percentage of the County's revenue comes from the state and local property taxes. With these realities in mind, budget recommendations focuses on continuing the prudent, long-term fiscal policies of the Board of Commissioners, supporting mandated and essential services, and protecting the public safety and welfare.

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

The County monitors budgetary spending throughout the year. Quarterly projections are prepared and spending goals are revised based on analysis. Future forecasting projects revenues in the next two years to potentially decline. The County will continue to align expenditures to these indicators.

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

For major capital items, a Facilities Master plan workgroup has been established. The primary mission of this body is to assess and develop a countywide Facilities Master plan. 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 creates an inability to balance revenues and expenditures in future budget adoptions. It is the intent of the policy that any amount utilized for these situations requires a plan of action for reimbursement to the fund.

In 2011, 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 2011 unrestricted fund balance in comparison to revenues plus transfers in was 38%.

Major Initiatives. Budgetary pressures have continued to be placed on the County. In 2011, additional 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. 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 2011, the following strategic initiatives were completed.

- ***Employee Benefit Reconstruction***

With the escalating cost of benefits, the County recognized the need for benefit review and revisions. An 80/20 health cost share provision was implemented. Benefits for new hire, part-time employees were eliminated and retiree health for new hires is no longer provided.

- ***Jail Improvement Funding***

In 2005, operational reductions were made to facilitate savings of \$5 million annually. These funds were set aside in a reserve fund to initiate savings to construct much needed jail improvements without utilizing a millage increase. In 2011, the County's goal of generating approximately \$25 million was accomplished. In 2011, construction was authorized. Completion may occur as early as Spring 2013.

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

In recognition of the County's long-term facilities needs, an extensive Facilities Assessment was completed at the end of 2011. This assessment identified properties and developed a long-term cost analysis of \$30 million over the next 15 years. Beginning with the 2011 budget, the County Board earmarked \$3.5 million to initiate a County Public Improvement Fund. Each year, during the budget process, the Board will determine additional dollars to commit to the preservation of facilities needs.

A formal Master plan has been submitted and adopted by the Board to achieve \$45 million of construction and maintenance over the next five years. The funding of these projects is facilitated through contributions to the Capital Improvement Fund.

Awards and Acknowledgements

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kalamazoo, Michigan, for its comprehensive annual financial report for the fiscal year ended 2010. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Peter M. Battani
County Administrator/Controller



Tracie L. Moored
Director, Finance and Administrative Services



Financial Section



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Independent Auditors' Report

Board of Commissioners
County of Kalamazoo, Michigan
Kalamazoo, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Kalamazoo, Michigan (the County), as of and for the year ended December 31, 2011 (September 30, 2011, for certain component units), which collectively comprise the County's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Kalamazoo County Road Commission or the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), which represents 96% of the total assets of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for the Kalamazoo County Road Commission and KCMHSAS, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the 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, 2011 (September 30, 2011, for certain component units), and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Law Enforcement Fund, and the Health Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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As described in Note 11 to the basic financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on Pages 7 through 16 and 23 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 statistical tables 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, Supplemental Schedule of Expenditures by Service, and Schedule of Federal Pass-Through Funds to Subrecipients are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also 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, Supplemental Schedule of Expenditures by Service, and Schedule of Federal Pass-Through Funds to Subrecipients are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information, such as the introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BDO USA, LLP

Certified Public Accountants

June 8, 2012

County of Kalamazoo, Michigan

Management's Discussion and Analysis

As management of the County of Kalamazoo, Michigan (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which may be found on Pages 1 to 4 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$181,569,650 (net assets). Of this amount, \$99,707,521 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and future creditors.
- The government's total net assets increased by \$16,233,437.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$64,748,450 an increase of \$6,163,640 in comparison with the prior year. Approximately 38% of this total amount, \$24,327,571 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 \$24,327,571 (51%) of the total General Fund expenditures.
- The County's total long-term obligations increased by \$1,879,454 during the current fiscal year.

Overview of the Financial Statements

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

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

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Continued)

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, Land Bank Authority, and a separate authority known as Kalamazoo Community Mental Health and Substance Abuse Services. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

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

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

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental 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 41 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Law Enforcement Fund, Health Fund, and the General County Public Improvement Fund, all of which are considered to be major funds. Data from the other 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

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

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

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

County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Continued)

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

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 34 to 61 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 62 and 63.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$181,569,650 at the close of the most recent fiscal year.

A substantial portion of the County's net assets (41%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

County of Kalamazoo, Michigan - Net Assets

<i>December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Assets:						
Current and other assets	\$ 112,874,404	\$ 108,481,037	\$ 29,908,173	\$ 31,839,809	\$ 142,782,577	\$ 140,320,846
Capital assets, net of accumulated depreciation	49,801,939	46,478,392	61,733,191	52,317,137	111,535,130	98,795,529
Total Assets	\$ 162,676,343	\$ 154,959,429	\$ 91,641,364	\$ 84,156,946	\$ 254,317,707	\$ 239,116,375
Liabilities:						
Long-term liabilities outstanding	\$ 44,741,885	\$ 42,596,010	\$ 7,900,000	\$ 8,400,000	\$ 52,641,885	\$ 50,996,010
Other liabilities	19,665,742	22,117,288	440,430	666,864	20,106,172	22,784,152
Total Liabilities	64,407,627	64,713,298	8,340,430	9,066,864	72,748,057	73,780,162
Net Assets:						
Investment in capital assets, net of related debt	20,075,223	19,173,432	53,833,191	43,917,137	73,908,414	63,090,569
Restricted	7,953,715	11,398,561	-	-	7,953,715	11,398,561
Unrestricted	70,239,778	59,674,138	29,467,743	31,172,945	99,707,521	90,847,083
Total Net Assets	98,268,716	90,246,131	83,300,934	75,090,082	181,569,650	165,336,213
Total Liabilities and Net Assets	\$ 162,676,343	\$ 154,959,429	\$ 91,641,364	\$ 84,156,946	\$ 254,317,707	\$ 239,116,375

County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Continued)

An additional portion of the County's net assets (4%) 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 assets decreased by \$3.4 million from prior year primarily the result of the depletion of revenue sharing reserves for the County's operations. These funds are mandated by the state of Michigan whereby counties are provided with the amount allowed for use in county operations. There are no restricted net assets reported in connection with the County's business-type activities. The County may use the remaining balance of unrestricted net assets of \$99,707,521 (55%) to meet its ongoing obligations to citizens and creditors.

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

County of Kalamazoo, Michigan - Changes in Net Assets

Year Ended December 31,	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 17,345,739	\$ 13,988,977	\$ 9,240,846	\$ 9,038,138	\$ 26,586,585	\$ 23,027,115
Operating grants and contributions	44,209,089	41,328,860	114,992	640,594	44,324,081	41,969,454
Capital grants and contributions	-	-	8,364,153	14,672,847	8,364,153	14,672,847
General revenues:						
Property taxes	48,405,162	48,288,959	-	-	48,405,162	48,288,959
Other	44,613	1,673,430	-	-	44,613	1,673,430
Unrestricted investment earnings	2,102,983	1,304,275	59,095	139,987	2,162,078	1,444,262
Total Revenues	112,107,586	106,584,501	17,779,086	24,491,566	129,886,672	131,076,067
Expenses:						
General government	14,685,317	16,454,956	-	-	14,685,317	16,454,956
Public safety	25,723,553	27,429,129	-	-	25,723,553	27,429,129
Public works	133,937	478,320	-	-	133,937	478,320
Health and welfare	38,749,470	41,958,505	-	-	38,749,470	41,958,505
Recreation and culture	4,013,029	3,950,921	-	-	4,013,029	3,950,921
Legislative	971,453	954,998	-	-	971,453	954,998
Judicial	19,540,568	19,851,817	-	-	19,540,568	19,851,817
Community Economic Development	81,132	59,446	-	-	81,132	59,446
Interest and fiscal charges	1,461,542	1,599,239	-	-	1,461,542	1,599,239
Delinquent tax operations	-	-	-	1,800	-	1,800
Tax reversion	-	-	537,829	516,924	537,829	516,924
Airport operations	-	-	7,755,405	6,269,714	7,755,405	6,269,714
Total Expenses	105,360,001	112,737,331	8,293,234	6,788,438	113,653,235	119,525,769
Increase (Decrease) in Net Assets Before Transfers						
Assets Before Transfers	6,747,585	(6,152,830)	9,485,852	17,703,128	16,233,437	11,550,298
Transfers In (Out)	1,275,000	1,000,000	(1,275,000)	(1,000,000)	-	-
Change in Net Assets	8,022,585	(5,152,830)	8,210,852	16,703,128	16,233,437	11,550,298
Net Assets, beginning of year	90,246,131	89,841,463	75,090,082	58,386,954	165,336,213	148,228,417
GASB No. 51 Adjustment	-	5,557,498	-	-	-	5,557,498
Adjusted Net Assets, beginning of year						
Adjusted Net Assets, beginning of year	90,246,131	95,398,961	75,090,082	58,386,954	165,336,213	153,785,915
Net Assets, end of year	\$ 98,268,716	\$ 90,246,131	\$ 83,300,934	\$ 75,090,082	\$ 181,569,650	\$ 165,336,213

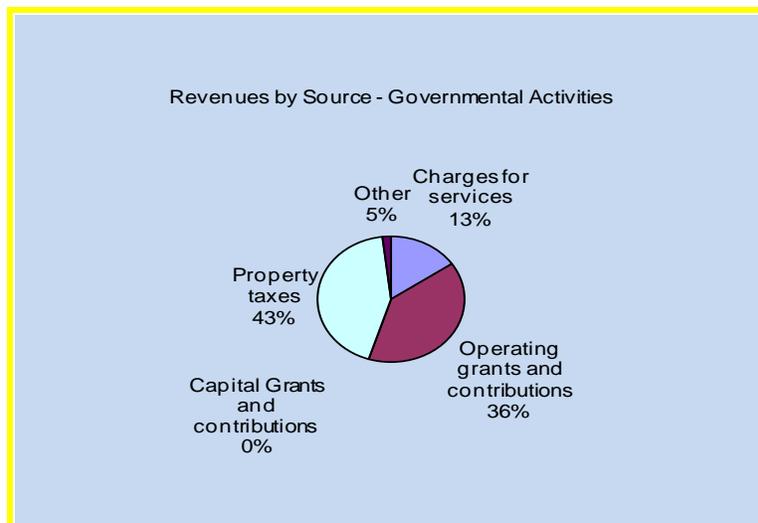
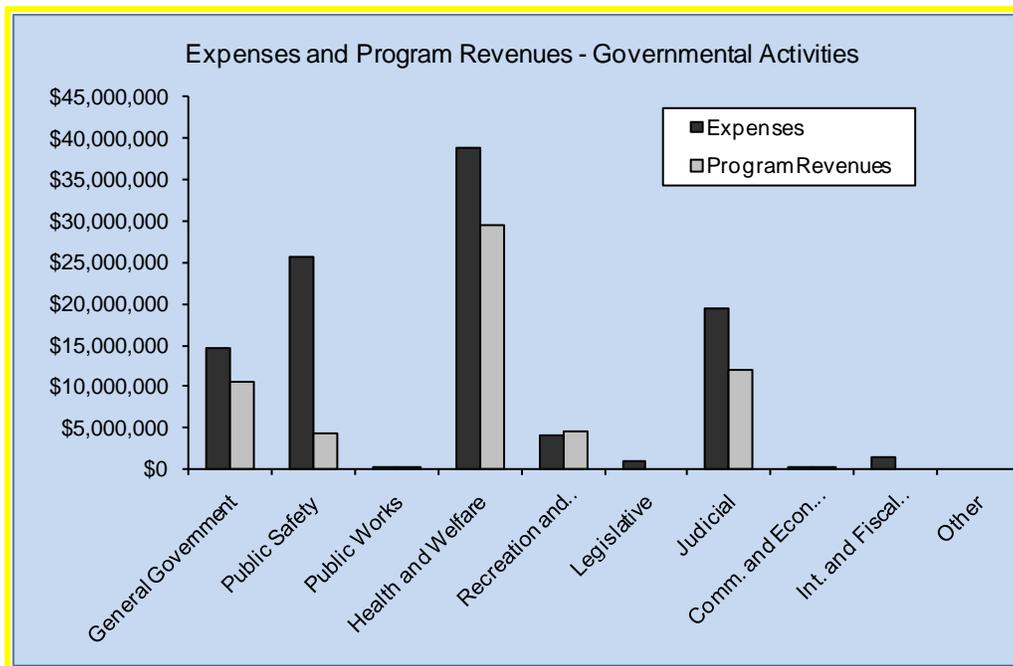
County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Continued)

The County's net assets increased by \$16,233,437 during the current fiscal year. The major factor attributing to this change was a one-time infusion of resources from capital grants for new airport construction. Other factors attributable are bond issuance for the Parks Expo Center renovations, the receipt of State Revenue Sharing funds, and the increase in collection fees for delinquent tax collections.

Governmental Activities. Governmental activities increased the County's net assets by \$8,022,585. A key element of the increase in net assets of \$4,793,844 is the receipt of State Revenue Sharing that are set aside for the County's facilities master plan. Increases in the net assets for the County's General Fund and Law Enforcement Fund is another key factor in this change. These operating funds experienced lower than expected operating expenditures in the areas of public safety and transfers to the funds. The chart below represents Governmental Activities program revenues and the associated expenses.



County of Kalamazoo, Michigan

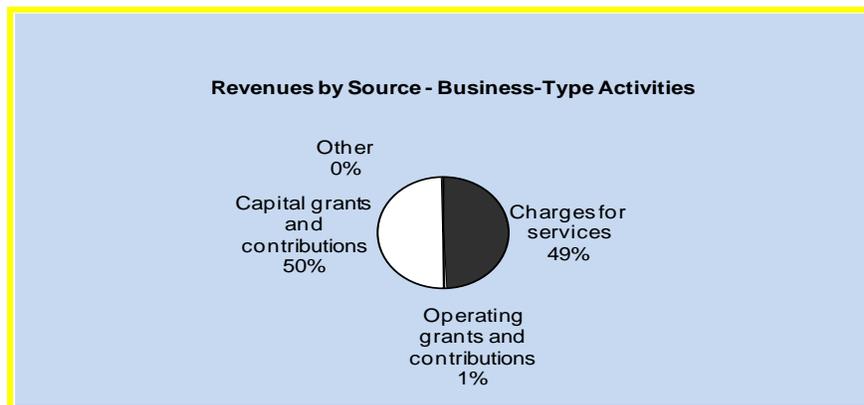
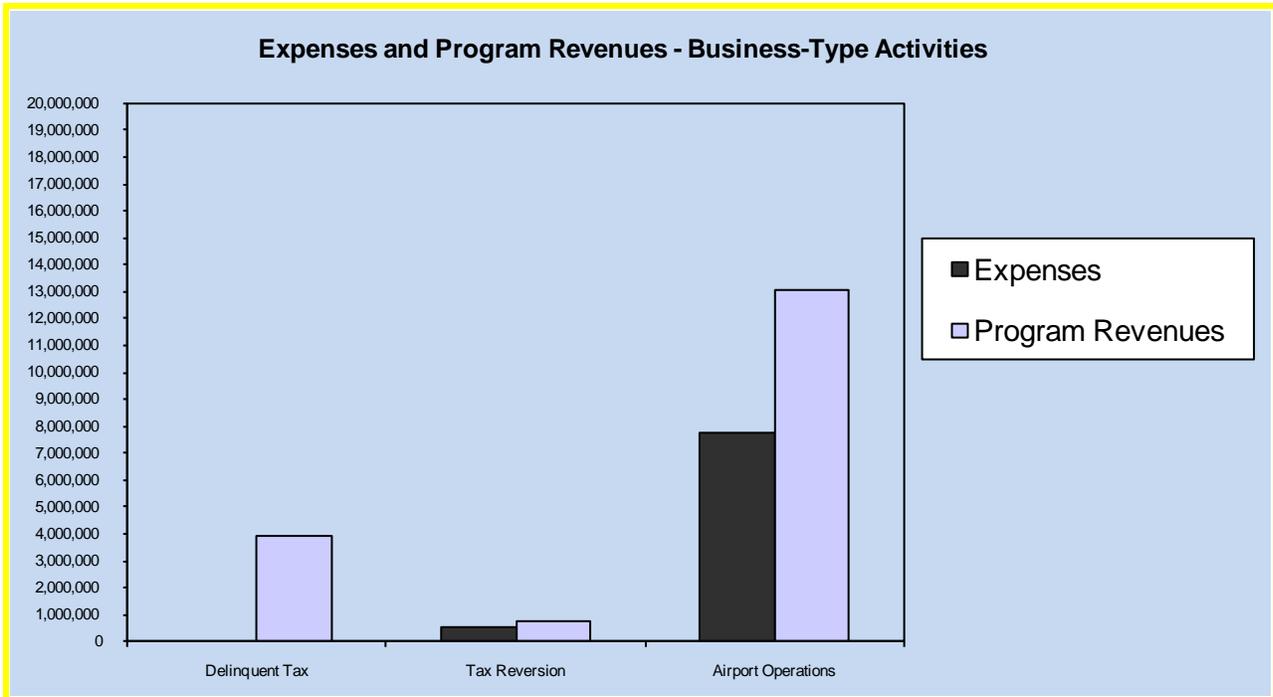
Management's Discussion and Analysis

(Continued)

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

Business-Type Activities. Business-type activities increased the County's net assets by \$8,210,852. The key elements of this increase consists of the following:

- The Airport operations represent 65% of the increase in net assets. This is due to a one-time infusion of resources from capital grants received for new airport construction.
- The Delinquent Tax Revolving Fund represents 34% of the increase. This is a result of an increase in collection of delinquent taxes, collections of penalties, interest, and collection fees, as well as a decrease in associated expenses.



County of Kalamazoo, Michigan

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

The County implemented Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, which changed the classification of fund balances and clarified the definitions of governmental fund types. 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.

The largest component of fund balance, at 41% of total, is committed at \$26.3 million. Spending of these resources is constrained by the Board of Commissioners. These commitments are for capital expenditures that are one-time in nature with \$21.6 million for expansion and renovation of the County Jail.

Restricted fund balances make up approximately \$8.2 million (13%) of the fund balance. Spending of these resources is constrained by externally imposed (statutory, bond covenant, contracts, or grantors) limitations on their use. Uses include \$5.4 million for activities in the special revenue funds primarily in Public Safety and Health and Welfare and \$2.5 million for budget stabilization of the General Fund. The remaining amounts are for debt service and capital.

Assigned fund balance represents 8.6% of total fund balance with spending constrained by the Board of County Commissioners. Assignments include \$500,000 in the General Fund for an appropriation of the existing fund balance for the 2012 budget and \$5 million for the County's master facility needs.

Unassigned fund balance represents the General Fund remaining fund balance and is available to support general operations of the fund. The unassigned amount represents 37.6% 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 \$24,327,571, while total fund balance amounted to \$32,162,083. 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 39% of total General Fund expenditures and transfers out, while total fund balance represents 52% of that same amount.

The fund balance of the County's General Fund increased by \$1,815,545 during the current fiscal year. The key factors in this change include the relief of a previously recorded liability and by changes in transfers to other funds as a result of lower 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 \$955,624. The fund balance of the County's Law Enforcement Fund increased by \$567,634 during the current fiscal year. The key factors in this change were due to lower than anticipated operating expenditures and one-time capital expenditures that did not require the use of budgeted reserves.

The Health Fund accounts for special revenue set aside for the purpose of providing health protection for people within the County. Revenues are provided through state and federal grants and General Fund appropriations. The Health Fund experienced a slight increase in fund balance, due to excess grant revenues.

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. In 2006, the County implemented a five-year plan to reduce the general operating budget by a phased-in approach. This was to recognize there was no plan in place at the state level to replace the estimated \$5,300,000 revenue sharing payments partially returned to the County in 2011. These funds were transferred into the General County Public Improvement Fund annually to plan for a Jail Improvement Project and address other facility needs. The fund balance increased in the amount of \$7,570,302 primarily due to the transfer from the General Fund bringing the total in the fund to \$26,784,451.

County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Continued)

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

Unrestricted net assets of the Airport Fund at the end of the year amounted to \$5,375,087. Those for the Delinquent Tax Revolving Fund amounted to \$22,739,310 and those for the Tax Reversion Fund totaled \$1,218,702. The Airport Fund had a total increase in net assets of \$5,320,312, the Delinquent Tax Revolving Fund experienced an increase in net assets of \$2,741,641 and the Tax Reversion Fund saw an increase in net assets in the amount of \$150,981. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget revenues were a decrease of \$1,619,900 and differences between the original budget and the final amended budget expenditures were \$2,219,900 or a 4.4% increase in appropriations and are briefly summarized as follows:

- \$523,900 decrease in projected property tax revenues based on assessment values.
- \$905,100 decrease in intergovernmental revenue due to a change in recording grant revenues to special revenue funds.
- \$2,066,100 increases in capital outlay.
- The \$1,861,800 change in Other Sources (Uses) with increases in transfers in and decreases in transfers out due to revised projections based on actual expense.

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

Revenues:

Taxes - \$(345,030). This revenue variance is a result of a greater amount of delinquent tax collections in subsequent periods than was projected.

Fines and forfeitures - \$(863,201). This revenue shortfall is primarily the result of a decrease in collections of ordinance fines and costs in the District Court.

State Grants - \$485,174. This revenue surplus is primarily the result of an increase in funds received for state revenue sharing due to fiscal year timing.

Interest - \$416,401. This revenue overage is the result of greater than anticipated interest and dividends on investments.

Expenditures:

Public Safety - \$1,288,960. This activity was under budget primarily due to lower than anticipated costs for salary cost and various inmate related expenses.

General Government - \$836,054. This activity was under budget due to lower than expected costs in elections, human relation legal services and utilities.

Other - \$879,951. This activity was under budget due to contingencies and reserves. No events occurred to necessitate contingency expenditures.

Capital Outlay - \$1,269,095. This favorable budget variance was primarily due to the timing in the completion of the capital projects.

Transfers Out - \$918,756. This is primarily related to the Health Fund and the Child Care Fund and is due to a combination of underutilization of operating budgets, relief of a previously recorded liability, and increases in federal and state grants.

County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Continued)

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, 2011, amounts to approximately \$111,535,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, furniture, machinery and equipment, vehicles and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 13% (an increase of 7% for governmental activities and an 18% increase for business-type activities).

Major capital asset events during the current fiscal year included improvements made at the airport and the renovation of the Parks Fairgrounds and Expo Center.

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

December 31,	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,442	\$ 2,442	\$ 3,868	\$ 3,868	\$ 6,310	\$ 6,310
Construction in progress	1,742	765	471	25,213	2,213	25,978
Capital assets in progress	58	-	-	-	58	-
Intangible easements	107	107	-	-	107	107
Land improvements	6,581	7,042	19,229	20,848	25,810	27,890
Buildings and improvements	33,790	30,500	33,075	1,671	66,865	32,171
Machinery and equipment	3,234	3,744	5,090	717	8,324	4,461
Motor vehicles	1,848	1,878	-	-	1,848	1,878
Total	\$ 49,802	\$ 46,478	\$ 61,733	\$ 52,317	\$ 111,535	\$ 98,795

Additional information on the County's capital assets are found in Note 5 on Pages 48 to 50 of this report.

Long-Term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$52,641,885. 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)

December 31,	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Primary Government:						
Compensated absences	\$ 3,459	\$ 3,401	\$ -	\$ -	\$ 3,459	\$ 3,401
Bonds and notes	35,438	34,412	7,900	8,400	43,338	42,812
OPEB obligation	5,845	4,617	-	-	5,845	4,617
Total	\$ 44,742	\$ 42,430	\$ 7,900	\$ 8,400	\$ 52,642	\$ 50,830

County of Kalamazoo, Michigan

Management's Discussion and Analysis

(Concluded)

The County's total obligation increased by \$1,796,392 or 3.5% during the current fiscal year. The net increase was attributed to issuance of revenue bonds.

The County maintains an "AA" rating from Standard & Poor's "Aa3" rating from Moody's for its general obligation debt. State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total state equalized valuation.

The current debt limitation for the County is \$842,415,539, 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 51 to 53.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County, as of April, 2012, is currently 7.4%, which is a decrease in the rate from a year ago. This compares favorably to the state's average unemployment rate of 8.3% and slightly lower than the national average rate of 8.2%.
- Inflationary trends in the region compare favorably to national indices.
- Property values decreased by 1.92% in 2011.

These factors were considered in preparing and monitoring the County's budget for the 2012 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund is \$24,327,571. The County has an assigned amount of \$500,000 for spending in the 2012 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 2012 fiscal year.

Requests for Information

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

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



Government-Wide Financial Statements

<i>December 31, 2011</i>	<i>Primary Government</i>			<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	
Assets:				
Cash (Note 3)	\$ 20,408,477	\$ 8,934,446	\$ 29,342,923	\$ 29,905,436
Investments (Note 3)	64,159,951	4,144,373	68,304,324	1,363,741
Receivables:				
Accounts	3,579,208	1,501,037	5,080,245	3,017,118
Taxes, current	13,378,200	-	13,378,200	-
Taxes, delinquent	222,673	11,679,515	11,902,188	-
Interest	400,681	2,403,910	2,804,591	-
Intergovernmental	9,784,260	814,476	10,598,736	3,187,829
Inventories	164,655	45,967	210,622	3,563,928
Prepaid expenses	369,880	35,660	405,540	741,668
Bond discount	-	46,904	46,904	-
Bond issuance costs	180,058	48,529	228,587	-
Other assets	14,950	-	14,950	807,746
Restricted assets:				
Cash (Note 3)	211,411	108,374	319,785	-
Receivables	-	144,982	144,982	-
Land (Note 5)	2,441,868	3,868,097	6,309,965	21,346,297
Intangible easements (Note 5)	106,646	-	106,646	-
Capital assets in progress (Note 5)	58,068	-	58,068	-
Construction in progress (Note 5)	1,742,149	470,608	2,212,757	-
Capital assets, net of accumulated depreciation (Note 5)	45,453,208	57,394,486	102,847,694	95,242,255
Total Assets	\$ 162,676,343	\$ 91,641,364	\$ 254,317,707	\$159,176,018

County of Kalamazoo, Michigan

Government-Wide Financial Statements Statement of Net Assets

<i>December 31, 2011</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	\$ 9,768,913	\$ 11,510	\$ 9,780,423	\$ -
Accounts payable	2,385,871	201,041	2,586,912	7,841,972
Retainage payable	211,323	-	211,323	-
Accrued liabilities	1,919,285	143,185	2,062,470	701,467
Interest payable	335,189	53,833	389,022	-
Intergovernmental payable	910,928	-	910,928	2,396,389
Liability for estimated claims	1,202,268	-	1,202,268	-
Other payables	48,796	11,038	59,834	93,910
Unearned revenue	2,883,169	19,823	2,902,992	4,200,732
Noncurrent liabilities (Note 6):				
Due within one year	2,874,766	500,000	3,374,766	797,404
Due in more than one year	41,867,119	7,400,000	49,267,119	-
Total Liabilities	64,407,627	8,340,430	72,748,057	16,031,874
Net Assets:				
Invested in capital assets, net of related debt	20,075,223	53,833,191	73,908,414	116,588,552
Restricted:				
Budget Stabilization	2,500,000	-	2,500,000	-
KCMHSAS	-	-	-	6,368,403
Special Revenue grants:				
Law Enforcement Fund	955,624	-	955,624	-
Health Fund	34,219	-	34,219	-
Other	4,463,872	-	4,463,872	-
Unrestricted	70,239,778	29,467,743	99,707,521	20,187,189
Total Net Assets	98,268,716	83,300,934	181,569,650	143,144,144
Total Liabilities and Net Assets	\$ 162,676,343	\$ 91,641,364	\$ 254,317,707	\$159,176,018

See accompanying notes to basic financial statements.

Year Ended December 31, 2011	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 14,685,317	\$ 5,284,450	\$ 5,346,046	\$ -
Public safety	25,723,553	2,080,437	2,230,316	-
Public works	133,937	98,709	129,378	-
Health and welfare	38,749,470	2,282,647	27,124,803	-
Recreation and culture	4,013,029	2,911,332	1,805,102	-
Legislative	971,453	-	-	-
Judicial	19,540,568	4,688,164	7,412,821	-
Community Economic Development	81,132	-	160,623	-
Interest and fiscal charges	1,461,542	-	-	-
Total governmental activities	105,360,001	17,345,739	44,209,089	-
Business-type activities:				
Delinquent tax	-	3,922,110	-	-
Tax reversion	537,829	763,810	-	-
Airport operations	7,755,405	4,554,926	114,992	8,364,153
Total business-type activities	8,293,234	9,240,846	114,992	8,364,153
Total Primary Government	\$ 113,653,235	\$ 26,586,585	\$ 44,324,081	\$ 8,364,153
Component Units:				
Kalamazoo County Land Bank Authority	\$ 963,946	\$ 99,089	\$ 2,709,202	\$ 24,122
Road Commission	17,111,805	497,120	12,748,974	4,081,880
Kalamazoo Community Mental Health and Substance Abuse Services	123,156,014	3,023,259	118,798,376	-
Other	6,157,193	58,726	1,659,511	-
Total Component Units	\$ 147,388,958	\$ 3,678,194	\$ 135,916,063	\$ 4,106,002

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 Assets

Net Assets, beginning of year

Net Assets, end of year

County of Kalamazoo, Michigan

Government-Wide Financial Statements Statement of Activities

<i>Net Revenue (Expense) and Changes in Net Assets</i>			
<i>Primary Government</i>			
<i>Governmental Activities</i>	<i>Business- Type Activities</i>	<i>Total</i>	<i>Component Units</i>
\$ (4,054,821)	\$ -	\$ (4,054,821)	\$ -
(21,412,800)	-	(21,412,800)	-
94,150	-	94,150	-
(9,342,020)	-	(9,342,020)	-
703,405	-	703,405	-
(971,453)	-	(971,453)	-
(7,439,583)	-	(7,439,583)	-
79,491	-	79,491	-
(1,461,542)	-	(1,461,542)	-
(43,805,173)	-	(43,805,173)	-
-	3,922,110	3,922,110	-
-	225,981	225,981	-
-	5,278,666	5,278,666	-
-	9,426,757	9,426,757	-
(43,805,173)	9,426,757	(34,378,416)	-
-	-	-	1,868,467
-	-	-	216,169
-	-	-	(1,334,379)
-	-	-	(4,438,956)
-	-	-	(3,688,699)
48,405,162	-	48,405,162	-
44,613	-	44,613	6,411,214
2,102,983	59,095	2,162,078	32,785
50,552,758	59,095	50,611,853	6,443,999
1,275,000	(1,275,000)	-	-
51,827,758	(1,215,905)	50,611,853	6,443,999
8,022,585	8,210,852	16,233,437	2,755,300
90,246,131	75,090,082	165,336,213	140,388,844
\$ 98,268,716	\$ 83,300,934	\$ 181,569,650	\$ 143,144,144

See accompanying notes to basic financial statements.

Fund Financial Statements



<i>December 31, 2011</i>	<u><i>Special Revenue</i></u>			<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 (Note 3)	\$ 16,584	\$ 1,048,385	\$ -	\$ 11,739,383	\$ 4,608,575	\$ 17,412,927
Restricted cash (Note 3)	-	-	-	61,376	150,035	211,411
Investments (Note 3)	39,569,164	1,695,285	-	15,440,774	943,567	57,648,790
Receivables:						
Accounts	550,686	35,000	783,123	-	1,865,014	3,233,823
Taxes, current	3,297,584	10,080,616	-	-	-	13,378,200
Taxes, delinquent	140,509	82,164	-	-	-	222,673
Interest	231,967	6,424	-	65,217	-	303,608
Due from other government units	360,678	-	46,876	-	3,856,706	4,264,260
Prepaid expenditures	118,004	-	24,328	70,048	-	212,380
Inventories	30,711	-	244	39,360	-	70,315
Advances from other funds (Note 4)	88,922	-	-	-	-	88,922
Other	-	-	-	-	14,950	14,950
Total Assets	\$ 44,404,809	\$ 12,947,874	\$ 854,571	\$ 27,416,158	\$ 11,438,847	\$ 97,062,259

County of Kalamazoo, Michigan

Governmental Funds Balance Sheet

<i>December 31, 2011</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>			
Liabilities and Fund Balance:						
Liabilities:						
Checks issued against						
future deposits	\$ 7,131,664	\$ -	\$ 550,176	\$ -	\$ 2,087,073	\$ 9,768,913
Accounts payable	277,463	48,538	135,008	570,331	777,777	1,809,117
Retainage payable	-	-	-	61,376	149,947	211,323
Accrued liabilities	810,679	266,654	117,547	-	503,329	1,698,209
Liability for						
estimated claims	392,018	-	-	-	-	392,018
Due to other						
governmental units	756,250	-	8,921	-	145,757	910,928
Other payables	21,471	-	(500)	-	-	20,971
Advances to						
other funds (Note 4)	-	-	-	-	88,922	88,922
Deferred revenue	2,853,181	11,677,058	9,200	-	2,873,969	17,413,408
Total Liabilities	12,242,726	11,992,250	820,352	631,707	6,626,774	32,313,809
Fund Balance:						
Non-spendable	148,715	-	-	109,408	970	259,093
Restricted for:						
Budget Stabilization	2,500,000	-	-	-	-	2,500,000
Special Revenue Funds	-	955,624	34,219	-	4,463,872	5,453,715
Debt Service Funds	-	-	-	-	231,920	231,920
Capital Projects Funds	-	-	-	-	109,205	109,205
Committed	4,685,797	-	-	21,635,453	6,106	26,327,356
Assigned to:						
General Fund	500,000	-	-	-	-	500,000
Capital Projects Funds	-	-	-	5,039,590	-	5,039,590
Unassigned	24,327,571	-	-	-	-	24,327,571
Total Fund Balance	32,162,083	955,624	34,219	26,784,451	4,812,073	64,748,450
Total Liabilities and Fund Balance	\$ 44,404,809	\$ 12,947,874	\$ 854,571	\$ 27,416,158	\$ 11,438,847	\$ 97,062,259

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

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

<i>December 31, 2011</i>	<i>Amount</i>																																							
Total Fund Balance - Total governmental funds (from Page 19)	\$ 64,748,450																																							
<p>Amounts Reported for Governmental Activities in the Statement of Net Assets are different because -</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:</p> <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 60%;">Capital assets, at cost</td> <td style="text-align: right;">83,076,021</td> <td></td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">(34,113,947)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"></td> <td style="text-align: right; vertical-align: bottom;">48,962,074</td> </tr> </table> <p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:</p> <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 60%;">Deferred taxes</td> <td style="text-align: right;">14,530,239</td> <td></td> </tr> <tr> <td>Intergovernmental receivable</td> <td style="text-align: right;">5,520,000</td> <td></td> </tr> <tr> <td>Bond discount</td> <td style="text-align: right;">158,106</td> <td></td> </tr> <tr> <td>Bond issuance costs</td> <td style="text-align: right;">180,058</td> <td></td> </tr> </table> <p>Internal Service Funds are used by management to charge the costs of certain activities such as Employee Benefits, Information Systems, Central Stores, and Technology Systems to individual funds. These assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets.</p> <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;"></td> <td style="text-align: right; vertical-align: bottom;">9,404,969</td> </tr> </table> <p>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, 2011, were:</p> <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 60%;">Bonds payable</td> <td style="text-align: right;">(35,426,716)</td> <td></td> </tr> <tr> <td>Net OPEB obligation</td> <td style="text-align: right;">(5,844,534)</td> <td></td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;">(3,459,149)</td> <td></td> </tr> <tr> <td>Bond premium</td> <td style="text-align: right;">(169,592)</td> <td></td> </tr> <tr> <td>Accrued interest on bonds</td> <td style="text-align: right;">(335,189)</td> <td></td> </tr> </table>		Capital assets, at cost	83,076,021		Accumulated depreciation	(34,113,947)				48,962,074	Deferred taxes	14,530,239		Intergovernmental receivable	5,520,000		Bond discount	158,106		Bond issuance costs	180,058				9,404,969	Bonds payable	(35,426,716)		Net OPEB obligation	(5,844,534)		Compensated absences	(3,459,149)		Bond premium	(169,592)		Accrued interest on bonds	(335,189)	
Capital assets, at cost	83,076,021																																							
Accumulated depreciation	(34,113,947)																																							
		48,962,074																																						
Deferred taxes	14,530,239																																							
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Bond premium	(169,592)																																							
Accrued interest on bonds	(335,189)																																							
Net Assets of Governmental Activities	\$ 98,268,716																																							

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

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

Year Ended December 31, 2011	<i>Special Revenue</i>			<i>General County</i>		<i>Total Governmental Funds</i>
	<i>General</i>	<i>Law Enforcement</i>	<i>Health</i>	<i>Public Improvement Fund</i>	<i>Other Governmental Funds</i>	
Revenues:						
Taxes	\$ 36,691,070	\$ 11,574,063	\$ -	\$ -	\$ 2,202,080	\$ 50,467,213
Licenses and permits	565,295	-	366,812	-	-	932,107
Intergovernmental	10,960,181	-	1,634,986	-	33,050,298	45,645,465
Charges for services	6,118,230	2,322	1,797,777	-	1,907,491	9,825,820
Fines and forfeitures	1,639,679	70,000	-	-	-	1,709,679
Interest	1,604,901	72,935	-	400,097	25,050	2,102,983
Other	1,320,302	-	623	-	94,311	1,415,236
Donations and contributions	6,025	-	6,571	-	1,226,458	1,239,054
Total Revenues	58,905,683	11,719,320	3,806,769	400,097	38,505,688	113,337,557
Expenditures:						
Current:						
General government	11,225,646	1,852,499	-	-	-	13,078,145
Public safety	15,829,740	7,254,804	-	-	1,811,845	24,896,389
Public works	-	-	-	1,521,085	129,591	1,650,676
Health and welfare	4,798,163	-	5,623,508	-	28,360,668	38,782,339
Recreation and culture	287,400	-	-	-	3,057,673	3,345,073
Legislative	971,453	-	-	-	-	971,453
Judicial	12,286,014	1,595,948	-	-	4,716,908	18,598,870
Other	527,749	-	-	-	46,042	573,791
Community Economic Development	-	-	-	-	81,132	81,132
Debt service:						
Principal	-	-	-	-	1,765,000	1,765,000
Interest and other charges	-	-	-	-	1,476,923	1,476,923
Bond issuance costs	-	-	-	-	12,894	12,894
Capital outlay	1,741,105	244,138	-	-	4,230,989	6,216,232
Total Expenditures	47,667,270	10,947,389	5,623,508	1,521,085	45,689,665	111,448,917
Excess (Deficiency) of						
Revenues Over Expenditures	11,238,413	771,931	(1,816,739)	(1,120,988)	(7,183,977)	1,888,640
Other Financing Sources (Uses):						
Transfers in	5,152,876	-	1,891,217	8,691,290	5,333,921	21,069,304
Transfers out	(14,575,744)	(204,297)	(41,758)	-	(4,972,505)	(19,794,304)
Issuance of bonds	-	-	-	-	3,000,000	3,000,000
Total Other Financing Sources (Uses)	(9,422,868)	(204,297)	1,849,459	8,691,290	3,361,416	4,275,000
Net Change in Fund Balance	1,815,545	567,634	32,720	7,570,302	(3,822,561)	6,163,640
Fund Balance, beginning of year	30,346,538	387,990	1,499	19,214,149	8,634,634	58,584,810
Fund Balance, end of year	\$ 32,162,083	\$ 955,624	\$ 34,219	\$ 26,784,451	\$ 4,812,073	\$ 64,748,450

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, 2011</i>	<i>Amount</i>
Net Change in Fund Balance - Total governmental funds (from Page 21)	\$ 6,163,640
 Amounts Reported for Governmental Activities in the Statement of Net Assets 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.	
	5,414,293
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Deferred taxes	140,029
Intergovernmental receivable	(1,370,000)
 Bond proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Issuance of refunding bonds/notes	(3,000,000)
Bond issuance costs	12,894
Repayments	1,948,244
Bond premium amortization	33,347
Bond discount amortization	(7,589)
Bond issuance cost amortization	(37,365)
 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	26,988
Compensated absences	(58,330)
Loss on disposal of asset	(126,612)
Net OPEB obligation	(1,227,242)
 Internal Service Funds are used by management to charge the costs of certain activities, such as Employee Benefits, Information Systems, Central Stores, and Technology Systems to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.	
	110,288
Change in Net Assets of Governmental Activities	\$ 8,022,585

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes	\$ 37,560,000	\$ 37,036,100	\$ 36,691,070	\$ (345,030)
Licenses and permits	519,000	519,000	565,295	46,295
Intergovernmental	11,509,000	10,603,900	10,960,181	356,281
Charges for services	6,396,300	6,204,200	6,118,230	(85,970)
Fines and forfeitures	2,492,700	2,502,700	1,639,679	(863,021)
Interest	1,195,500	1,188,500	1,604,901	416,401
Other	1,507,200	1,505,400	1,320,302	(185,098)
Donations and contributions	6,000	6,000	6,025	25
Total Revenues	61,185,700	59,565,800	58,905,683	(660,117)
Expenditures:				
Current:				
General government	12,007,900	12,061,700	11,225,646	836,054
Public safety	16,999,600	17,118,700	15,829,740	1,288,960
Health and welfare	4,719,700	4,820,100	4,798,163	21,937
Recreation and culture	320,400	298,600	287,400	11,200
Legislative	992,900	985,200	971,453	13,747
Judicial	12,589,300	12,627,500	12,286,014	341,486
Other	1,535,900	1,407,700	527,749	879,951
Capital outlay	971,100	3,037,200	1,741,105	1,296,095
Total Expenditures	50,136,800	52,356,700	47,667,270	4,689,430
Excess of Revenues Over Expenditures	11,048,900	7,209,100	11,238,413	4,029,313
Other Financing Sources (Uses):				
Transfers in	5,136,800	5,163,200	5,152,876	(10,324)
Transfers out	(17,329,900)	(15,494,500)	(14,575,744)	918,756
Total Other Financing Uses	(12,193,100)	(10,331,300)	(9,422,868)	908,432
Net Change in Fund Balance	(1,144,200)	(3,122,200)	1,815,545	4,937,745
Fund Balance, beginning of year	30,346,538	30,346,538	30,346,538	-
Fund Balance, end of year	\$ 29,202,338	\$ 27,224,338	\$ 32,162,083	\$ 4,937,745

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Law Enforcement Fund

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

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes - Non-departmental	\$ 11,659,600	\$ 11,659,600	\$ 11,574,063	\$ (85,537)
Fines and forfeitures	70,000	70,000	70,000	-
Charges for services	-	-	2,322	2,322
Interest	60,000	60,000	72,935	12,935
Total Revenues	11,789,600	11,789,600	11,719,320	(70,280)
Expenditures:				
Judicial:				
Circuit Court - Trial Division	526,500	514,100	506,891	7,209
Circuit Court - Family Division	615,100	616,000	615,333	667
District Court	479,000	467,100	473,724	(6,624)
Total Judicial	1,620,600	1,597,200	1,595,948	1,252
General Government - Prosecuting Attorney	1,898,800	1,872,300	1,852,499	19,801
Public Safety:				
Community Corrections	11,000	11,000	10,030	970
Sheriff	7,353,900	7,353,900	6,868,716	485,184
Animal Services and Enforcement	375,700	380,300	376,058	4,242
Total Public Safety	7,740,600	7,745,200	7,254,804	490,396
Other - Contingencies	50,000	95,300	-	95,300
Capital Outlay	273,600	343,900	244,138	99,762
Total Expenditures	11,583,600	11,653,900	10,947,389	706,511
Excess of Revenues Over Expenditures	206,000	135,700	771,931	636,231
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	(103,800)	(103,800)	(2,097)	101,703
Total Other Financing Uses	(306,000)	(306,000)	(204,297)	101,703
Net Change in Fund Balance	(100,000)	(170,300)	567,634	737,934
Fund Balance, beginning of year	387,990	387,990	387,990	-
Fund Balance, end of year	\$ 287,990	\$ 217,690	\$ 955,624	\$ 737,934

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal Grants	\$ 296,600	\$ 284,600	\$ 337,453	\$ 52,853
State Grants	1,251,600	1,327,200	1,285,240	(41,960)
Local unit contributions	100	12,400	12,293	(107)
Donations and contributions	1,600	3,900	6,571	2,671
Charges for services	1,650,500	1,574,900	1,797,777	222,877
Licenses and permits	377,600	365,200	366,812	1,612
Other revenues	-	600	623	23
Total Revenues	3,578,000	3,568,800	3,806,769	237,969
Expenditures -				
Health and welfare	5,947,600	5,801,600	5,623,508	178,092
Deficiency of Revenues Over Expenditures	(2,369,600)	(2,232,800)	(1,816,739)	416,061
Other Financing Sources:				
Transfers in:				
General Fund	2,469,600	2,269,400	1,659,744	(609,656)
HCAO	-	400	2,821	2,421
MIHP	-	-	228,652	228,652
Transfers out-				
NFP	(100,000)	(37,000)	(41,758)	(4,758)
Total Other Financing Sources	2,369,600	2,232,800	1,849,459	(383,341)
Net Change in Fund Balance	-	-	32,720	32,720
Fund Balance, beginning of year	1,499	1,499	1,499	-
Fund Balance, end of year	\$ 1,499	\$ 1,499	\$ 34,219	\$ 32,720

See accompanying notes to basic financial statements.

<i>December 31, 2011</i>	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
Assets:					
Current assets:					
Cash (Note 3)	\$ -	\$ 8,109,662	\$ 824,784	\$ 8,934,446	\$ 2,995,550
Investments (Note 3)	4,125,479	18,894	-	4,144,373	6,511,161
Receivables:					
Accounts	412,211	527,329	426,853	1,366,393	480,029
Taxes, delinquent	-	11,679,515	-	11,679,515	-
Interest	-	2,403,910	-	2,403,910	97,073
Due from state of Michigan	627,739	-	-	627,739	-
Due from federal government	186,737	-	-	186,737	-
Inventories	45,967	-	-	45,967	94,340
Prepaid items	35,660	-	-	35,660	157,500
Total current assets	5,433,793	22,739,310	1,251,637	29,424,740	10,335,653
Noncurrent assets:					
Restricted assets:					
Cash	108,374	-	-	108,374	-
Accounts receivable	144,982	-	-	144,982	-
Bond discount	46,904	-	-	46,904	-
Bond issuance costs	48,529	-	-	48,529	-
Land (Note 5)	3,868,097	-	-	3,868,097	-
Construction in progress (Note 5)	470,608	-	-	470,608	-
Capital assets, net of accumulated depreciation (Note 5)	57,394,486	-	-	57,394,486	839,865
Total noncurrent assets	62,081,980	-	-	62,081,980	839,865
Total Assets	\$ 67,515,773	\$ 22,739,310	\$ 1,251,637	\$ 91,506,720	\$ 11,175,518

County of Kalamazoo, Michigan

Proprietary Funds Statement of Net Assets

December 31, 2011	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
Liabilities:					
Current liabilities:					
Checks issued against future deposits	\$ 11,510	\$ -	\$ -	\$ 11,510	\$ -
Accounts payable	168,106	-	32,935	201,041	487,367
Accrued liabilities	143,185	-	-	143,185	221,076
Liability for estimated claims	-	-	-	-	810,250
Deposits payable	11,038	-	-	11,038	27,825
Accrued interest	53,833	-	-	53,833	-
Due to other funds (Note 4)	-	-	-	-	89,387
Deferred revenues	19,823	-	-	19,823	-
Current maturities of long-term debt (Note 6)	500,000	-	-	500,000	-
Total current liabilities	907,495	-	32,935	940,430	1,635,905
Noncurrent liabilities -					
General obligation limited tax bonds (Note 6)	7,400,000	-	-	7,400,000	-
Total Liabilities	8,307,495	-	32,935	8,340,430	1,635,905
Net Assets:					
Investment in capital assets, net of related debt	53,833,191	-	-	53,833,191	839,865
Unrestricted	5,375,087	22,739,310	1,218,702	29,333,099	8,699,748
Total Net Assets	59,208,278	22,739,310	1,218,702	83,166,290	9,539,613
Total Liabilities and Net Assets	\$ 67,515,773	\$ 22,739,310	\$ 1,251,637	\$ 91,506,720	\$ 11,175,518
Total Net Assets				\$ 83,166,290	
Adjustment Reflecting Consolidation of					
Internal Service Fund Activities Related to Enterprise Funds				134,644	
Net Assets of Business Type Activities				\$ 83,300,934	

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

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

Year Ended December 31, 2011	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
Operating Revenues:					
Charges for services:					
Airport concessions	\$ 733,428	\$ -	\$ -	\$ 733,428	\$ -
Airfield maintenance	669,121	-	-	669,121	-
Airport terminal maintenance	892,808	-	-	892,808	-
Airport parking	1,560,412	-	-	1,560,412	-
Airport leases site and other income	89,881	-	-	89,881	-
Penalties and interest	-	3,174,493	-	3,174,493	-
Collection fees	-	747,617	763,810	1,511,427	23,557,017
Total Operating Revenues	3,945,650	3,922,110	763,810	8,631,570	23,557,017
Operating Expenses:					
Airport administration	1,570,968	-	-	1,570,968	-
Airfield maintenance	1,287,321	-	-	1,287,321	-
Airport building maintenance	700,936	-	-	700,936	-
Airport parking	456,529	-	-	456,529	-
Airport security	549,376	-	-	549,376	-
Depreciation	2,835,258	-	-	2,835,258	246,487
Employee benefits	-	-	-	-	20,730,475
Other	18,242	-	537,829	556,071	2,690,343
Total Operating Expenses	7,418,630	-	537,829	7,956,459	23,667,305
Operating Income (Loss)	(3,472,980)	3,922,110	225,981	675,111	(110,288)
Nonoperating Revenues (Expenses):					
Passenger facility charges	609,276	-	-	609,276	-
Interest income	39,564	19,531	-	59,095	-
Federal revenue	114,992	-	-	114,992	-
Interest expense and charges	(334,693)	-	-	(334,693)	-
Total Nonoperating Revenues	429,139	19,531	-	448,670	-
Income (Loss) Before					
Contributions and Transfers	(3,043,841)	3,941,641	225,981	1,123,781	(110,288)
Capital Contributions Received	8,364,153	-	-	8,364,153	-
Transfers Out	-	(1,200,000)	(75,000)	(1,275,000)	-
Change in Net Assets	5,320,312	2,741,641	150,981	8,212,934	(110,288)
Net Assets, beginning of year	53,887,966	19,997,669	1,067,721	74,953,356	9,649,901
Net Assets, end of year	\$ 59,208,278	\$ 22,739,310	\$ 1,218,702	\$ 83,166,290	\$ 9,539,613
Change in Net Assets				\$ 8,212,934	
Adjustment to Reflect Current Year Effect for Consolidation of Internal Service Fund Activities Related to Enterprise Funds				(2,082)	
Change in Net Assets of Business Type Activities				\$ 8,210,852	

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2011	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent</i>		<i>Total</i>	
		<i>Tax Revolving</i>	<i>Tax Reversion</i>		
Operating Activities:					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 23,629,881
Cash received from customers and users	4,185,223	4,892,152	886,733	9,964,108	-
Cash paid to employees	(1,076,745)	-	-	(1,076,745)	(1,190,084)
Cash paid for interfund services used	(459,780)	-	-	(459,780)	(1,934,834)
Cash paid to suppliers	(3,277,321)	-	(342,644)	(3,619,965)	(20,549,309)
Cash Provided by (Used in) Operating Activities	(628,623)	4,892,152	544,089	4,807,618	(44,346)
Capital and Related Financing Activities:					
Capital contributions	8,809,437	-	-	8,809,437	-
Passenger facility charges	609,276	-	-	609,276	-
Acquisition of capital assets	(12,251,312)	-	-	(12,251,312)	(61,399)
Principal paid on debt	(500,000)	-	-	(500,000)	-
Interest and fiscal charges paid	(331,663)	-	-	(331,663)	-
Cash Used in Capital and Related Financing Activities	(3,664,262)	-	-	(3,664,262)	(61,399)
Non-Capital Financing Activities:					
Cash received from other governmental units	(1,937)	-	-	(1,937)	-
Transfers to other funds	-	(1,200,000)	(75,000)	(1,275,000)	-
Cash Used in Non-Capital Financing Activities	(1,937)	(1,200,000)	(75,000)	(1,276,937)	-
Investing Activities:					
Sale of investments	3,512,073	15,010,196	-	18,522,269	-
Purchase of investments	(36,001)	(14,018,896)	-	(14,054,897)	489,826
Unamortized premium on investments	-	6,705	-	6,705	-
Interest received	(12,760)	19,531	-	6,771	-
Cash Provided by Investing Activities	3,463,312	1,017,536	-	4,480,848	489,826
Net Increase (Decrease) in Cash	(831,510)	4,709,688	469,089	4,347,267	384,081
Cash, beginning of year	939,884	3,399,974	355,695	4,695,553	2,611,469
Cash, end of year	\$ 108,374	\$ 8,109,662	\$ 824,784	\$ 9,042,820	\$ 2,995,550
Reconciliation of Cash to Statement of Net Assets:					
Cash	\$ -	\$ 8,109,662	\$ 824,784	\$ 8,934,446	\$ 2,995,550
Restricted cash	108,374	-	-	108,374	-
Total Cash at December 31, 2011	\$ 108,374	\$ 8,109,662	\$ 824,784	\$ 9,042,820	\$ 2,995,550

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Proprietary Funds Statement of Cash Flows (Concluded)

<i>Year Ended December 31, 2011</i>	<i>Business-Type Activities - Enterprise Funds</i>				<i>Governmental Activities - Internal Service Funds</i>
	<i>Airport</i>	<i>Delinquent Tax Revolving</i>	<i>Tax Reversion</i>	<i>Total</i>	
Reconciliation of Operating Income (Loss) to Cash Provided by (Used in)					
Operating Activities:					
Operating income (loss)	\$ (3,472,980)	\$ 3,922,110	\$ 225,981	\$ 675,111	\$ (110,288)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:					
Loss on disposal	-	-	-	-	728
Depreciation and amortization	2,835,258	-	-	2,835,258	246,487
(Increase) decrease in:					
Accounts receivable	(62,150)	69,511	323,957	331,318	114,331
Taxes receivable	-	1,196,935	-	1,196,935	-
Penalties and interest receivable	-	(296,404)	-	(296,404)	-
Due from state of Michigan	301,723	-	-	301,723	-
Due from other funds	-	-	-	-	18,200
Interest	-	-	-	-	(59,667)
Inventories	(11,118)	-	-	(11,118)	4,741
Prepaid items	(1,584)	-	-	(1,584)	9,906
Increase (decrease) in:					
Deposits payable	(731)	-	-	(731)	5,957
Accounts payable	(182,998)	-	(5,849)	(188,847)	(292,829)
Checks issued against future deposits	(66,049)	-	-	(66,049)	-
Due to other funds	-	-	-	-	18,170
Accrued expenses	15,307	-	-	15,307	10,216
Deferred revenue	16,699	-	-	16,699	-
Liability for estimated claims	-	-	-	-	(10,298)
Cash Provided by (Used in) Operating Activities	\$ (628,623)	\$ 4,892,152	\$ 544,089	\$ 4,807,618	\$ (44,346)

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Fiduciary Funds Statement of Fiduciary Net Assets

December 31, 2011	<i>Primary Government</i>			
	<i>Trust Funds</i>			
	<i>Retiree</i>			
	<i>Health Care Trust Fund</i>	<i>Pension Trust Fund</i>	<i>Cemetery Trust Fund</i>	<i>Agency Funds</i>
Assets:				
Cash and money market funds (Note 3)	\$ 8,972,525	\$ 998,269	\$ 4,653	\$ (1,728,824)
Receivables:				
Interest and dividends	155,905	1,237,453	-	-
Employer contributions (Note 4)	-	89,387	-	-
Accounts	74,829	13,721	-	92
Retiree	11,294	-	-	-
Other assets	54,723	-	-	-
Investments, at fair value (Note 3):				
Mutual funds	-	65,141,122	-	-
Common trust funds	-	46,921,245	-	-
Corporate debentures	-	16,363,750	-	-
U.S. government securities	-	11,332,789	-	-
Pooled separate account	-	4,269,239	-	4,000,000
Pooled mortgages	-	11,333,159	-	-
Total Assets	\$ 9,269,276	\$ 157,700,134	\$ 4,653	\$ 2,271,268
Liabilities:				
Vouchers and accounts payable	\$ 31	\$ 987,791	\$ -	\$ -
Due to other governmental units	748	-	-	131,319
Benefits payable	-	797,702	-	-
Other payables	-	-	725	2,139,949
Accrued liabilities	141,402	-	-	-
Total Liabilities	142,181	1,785,493	725	2,271,268
Net Assets -				
Held in trust:				
Other post-retirement benefits	9,127,095	-	-	-
Employees' pension benefits	-	155,914,641	-	-
Individuals and organizations	-	-	3,928	-
Total Net Assets	9,127,095	155,914,641	3,928	-
Total Liabilities and Net Assets	\$ 9,269,276	\$ 157,700,134	\$ 4,653	\$ 2,271,268

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets

	<i>Primary Government</i>		
	<i>Trust Funds</i>		
	<i>Retiree Health Care Trust Fund</i>	<i>Pension Trust Fund</i>	<i>Cemetery Trust Fund</i>
<i>Year Ended December 31, 2011</i>			
Additions:			
Investment income:			
Interest and dividends	\$ 544,859	\$ 1,443,134	\$ -
Income on pooled separate accounts	-	249,596	-
Income on mutual funds	-	1,967,367	-
Net depreciation in fair value of investments	-	(6,760,225)	-
Retiree drug subsidy	40,168	-	-
Less investment expense	-	(523,060)	-
Net investment income (loss)	585,027	(3,623,188)	-
Contributions:			
Employer	4,067,063	2,425,242	-
Participant	502,152	1,147	-
Total contributions	4,569,215	2,426,389	-
Stop loss reimbursement	85,750	-	-
Total Additions (Deductions)	5,239,992	(1,196,799)	-
Deductions:			
Benefit payments	3,645,276	5,428,861	-
Administrative expenses	26,017	348,582	-
Total Deductions	3,671,293	5,777,443	-
Change in Net Assets	1,568,699	(6,974,242)	-
Net Assets, beginning of year	7,558,396	162,888,883	3,928
Net Assets, end of year	\$ 9,127,095	\$ 155,914,641	\$ 3,928

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Component Units Combining Statement of Net Assets

<i>December 31, 2011</i>	<i>Kalamazoo County Land Bank Authority</i>	<i>Kalamazoo County Road Commission</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>At-Large Drains</i>	<i>DHS/ Child Care Welfare</i>	<i>Transpor- tation Authority</i>	<i>Total</i>
Assets:							
Cash	\$ 90,801	\$ 5,759,668	\$ 20,266,613	\$ 1,028,359	\$ 608,922	\$ 2,151,073	\$ 29,905,436
Investments	-	-	1,363,741	-	-	-	1,363,741
Accounts receivable	32,300	411,106	2,147,508	75,697	-	350,507	3,017,118
Due from state of Michigan	-	2,068,049	353,673	-	-	-	2,421,722
Due from affiliates	-	-	747,107	-	19,000	-	766,107
Inventory	2,689,100	874,828	-	-	-	-	3,563,928
Prepaid expenses	-	107,243	634,425	-	-	-	741,668
Land	-	20,675,386	670,911	-	-	-	21,346,297
Capital assets, net of accumulated depreciation	-	92,019,422	3,222,833	-	-	-	95,242,255
Other assets	-	346,923	460,823	-	-	-	807,746
Total Assets	\$ 2,812,201	\$ 122,262,625	\$ 29,867,634	\$ 1,104,056	\$ 627,922	\$ 2,501,580	\$ 159,176,018
Liabilities:							
Accounts payable	\$ 104,646	\$ 740,359	\$ 6,899,663	\$ 75,858	-	\$ 21,446	\$ 7,841,972
Accrued liabilities	9,767	127,373	561,272	-	-	3,055	701,467
Due to state of Michigan	-	-	1,440,876	-	-	-	1,440,876
Due to affiliates	-	-	208,193	-	-	-	208,193
Due to providers	-	-	747,320	-	-	-	747,320
Unearned revenue	-	-	3,572,810	-	627,922	-	4,200,732
Kalamazoo Area Transportation Study	-	93,910	-	-	-	-	93,910
Noncurrent liabilities - Due within one year	-	-	797,404	-	-	-	797,404
Total Liabilities	114,413	961,642	14,227,538	75,858	627,922	24,501	16,031,874
Net Assets:							
Invested in capital assets, net of related debt	-	112,694,808	3,893,744	-	-	-	116,588,552
Restricted for KCMHSAS	-	-	6,368,403	-	-	-	6,368,403
Unrestricted	2,697,788	8,606,175	5,377,949	1,028,198	-	2,477,079	20,187,189
Total Net Assets	2,697,788	121,300,983	15,640,096	1,028,198	-	2,477,079	143,144,144
Total Liabilities and Net Assets	\$ 2,812,201	\$ 122,262,625	\$ 29,867,634	\$ 1,104,056	\$ 627,922	\$ 2,501,580	\$ 159,176,018

See accompanying notes to basic financial statements.

<i>Year Ended December 31, 2011</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>
Component Units (Note 1):				
Kalamazoo County Land Bank Authority	\$ 963,946	\$ 99,089	\$ 2,709,202	\$ 24,122
Road Commission - Highways and streets	17,111,805	497,120	12,748,974	4,081,880
Kalamazoo Community Mental Health and Substance Abuse Services - Health and Welfare	123,156,014	3,023,259	118,798,376	-
At-Large Drains	186,092	-	-	-
Transportation Authority	3,018,154	-	-	-
DHS/Child Care Welfare	2,952,947	58,726	1,659,511	-
Total Component Units	\$ 147,388,958	\$ 3,678,194	\$ 135,916,063	\$ 4,106,002

General Revenues:

Unrestricted investment earnings

Other

Total General Revenues

Change in Net Assets

Net Assets, beginning of year

Net Assets, end of year

County of Kalamazoo, Michigan

Component Units Combining Statement of Activities

<i>Net Revenue (Expense) and Changes in Net Assets</i>						
<i>Kalamazoo County Land Bank Authority</i>	<i>Kalamazoo County Road Commission</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>	<i>At-Large Drains</i>	<i>DHS/ Child Care Welfare</i>	<i>Transpor- tation Authority</i>	<i>Total</i>
\$ 1,868,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,868,467
-	216,169	-	-	-	-	216,169
-	-	(1,334,379)	-	-	-	(1,334,379)
-	-	-	(186,092)	-	-	(186,092)
-	-	-	-	-	(3,018,154)	(3,018,154)
-	-	-	-	(1,234,710)	-	(1,234,710)
<u>1,868,467</u>	<u>216,169</u>	<u>(1,334,379)</u>	<u>(186,092)</u>	<u>(1,234,710)</u>	<u>(3,018,154)</u>	<u>(3,688,699)</u>
235	-	23,921	1,688	-	6,941	32,785
<u>100,000</u>	<u>168,374</u>	<u>1,550,400</u>	<u>212,344</u>	<u>1,234,710</u>	<u>3,145,386</u>	<u>6,411,214</u>
<u>100,235</u>	<u>168,374</u>	<u>1,574,321</u>	<u>214,032</u>	<u>1,234,710</u>	<u>3,152,327</u>	<u>6,443,999</u>
1,968,702	384,543	239,942	27,940	-	134,173	2,755,300
729,086	120,916,440	15,400,154	1,000,258	-	2,342,906	140,388,844
<u>\$ 2,697,788</u>	<u>\$121,300,983</u>	<u>\$15,640,096</u>	<u>\$1,028,198</u>	<u>\$ -</u>	<u>\$ 2,477,079</u>	<u>\$ 143,144,144</u>

See accompanying notes to basic financial statements.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

1. Description of the County

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

The Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) and the Kalamazoo County Transportation Authority (the Authority), discretely presented component units, are maintained and included in the accompanying financial statements on a September 30 fiscal year basis. These funds have adopted a different fiscal year to be consistent with the fiscal period of their grantor agencies.

2. Summary of Significant Accounting Policies

Reporting Entity

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

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

Blended Component Unit -

Building Authority

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

Discretely Presented Component Units:

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

Road Commission

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

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Economic Development Corporation

The Economic Development Corporation (EDC), established pursuant to the provisions of Public Act 338 of 1974, as amended, is governed by a nine-member board of directors appointed by the County Board. The EDC may not issue debt without the County Board approval. The EDC had no financial activity in 2011 and is therefore excluded from the Component Units Combining Statements of Net Assets and Activities.

Department of Human Services

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

Transportation Authority

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

County Drain Commission

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

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

Kalamazoo Community Mental Health and Substance Abuse Services

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

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.

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, and the Kalamazoo County Transportation 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
Nazareth, Michigan 49048

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

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

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements although interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

The County reports the following major governmental funds:

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

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

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

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

Additionally, the County reports the following fund types:

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

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, 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.

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Measurement Focus and Basis of Accounting

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

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available if they are collected within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the County considers revenues available if they are collected within 90 days of the end of the current fiscal period except taxes, which must be collected within 60 days. Taxes, intergovernmental revenues, and interest associated with the current period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period.

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

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

Cash, Cash Equivalents, and Investments

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

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

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

Interfund Transactions

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

Inventories and Prepaid Expenditures

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

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Capital Assets

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

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

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

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

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, 2011.

Restricted Assets

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

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

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, 2011 (summer tax). The remaining Law Enforcement Fund and Juvenile Home Building Project Fund property taxes were levied on December 1, 2010(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 6.3547 mills and a total taxable value of real and personal property of \$8,056,645,291.

The County levied \$37,095,477 for the General Fund summer property tax. Amounts collected prior to March 1, 2012, were available for use and recorded as property tax revenues in 2011. Any amounts not collected were deferred for use for the year ended December 31, 2011.

The County levied winter property taxes of \$1,729,291 and \$11,594,894 for the Juvenile Home Fund and Law Enforcement Fund, respectively. Winter property taxes for the Juvenile Home Fund and Law Enforcement Fund are deferred and budgeted for use for the year ended December 31, 2011. The County collected a total of approximately \$2,113,000 of the Juvenile Home Fund and Public Safety Fund winter taxes in 2010, which were recorded in revenues in January, 2011.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Contributions and Appropriations

Contributions and appropriations between funds are accounted for as transfers.

Compensated Absences

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

Long-Term Obligations

In the government-wide financial statements and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund types statement of net assets.

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

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

Net Assets

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

Fund Balance

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

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, assigned amounts are spent first, then unassigned amounts.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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 level of payroll recorded.

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

Subsequent Events

Management has evaluated the period from January 1, 2012, through June 8, 2012, 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.

3. Deposits and Investments

Primary Government

The County's treasurer has custody and authority to make investment decisions for the County Road Commission, Child Care Welfare 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) and the Kalamazoo County Land Bank Authority have custody over their deposits and investments and are subject to their investment policies. On October 1, 2010, the City of Kalamazoo became the Transportation Authority's fiduciary.

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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, 2011, \$72,629,554 of the County's bank balances of \$76,379,555 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	\$ 46,258,521	\$ 20,100,000	\$ 66,358,521
County Road Commission	5,246,602	-	5,246,602
At-Large Drains	1,024,431	-	1,024,431
Total Uninsured and Uncollateralized	\$ 52,529,554	\$ 20,100,000	\$ 72,629,554

At September 30, 2011, \$13,067,970 of KCMHSAS' bank balances of \$14,067,970 were exposed to custodial credit risk.

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

The County's investment policy complies with the state statutes and has no additional investment restrictions that would limit its investment choices. As of December 31, 2011, 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	\$ 30,100,660	\$ 2,982,179	\$ 12,048,165	\$ 5,687,276	\$ 9,383,040
Money Market	28,207,240	28,207,240	-	-	-
Stock	31,516	31,516	-	-	-
Total	\$ 58,339,416	\$ 31,220,935	\$ 12,048,165	\$ 5,687,276	\$ 9,383,040

KCMHSAS' investment policy complies with the state statutes and has no additional investment restrictions that would limit its investment choices. As of September 30, 2011, KCMHSAS had the following investments and maturities:

	<i>Investment Maturities Less Than Fair Value</i>	<i>One Year</i>
Money Market	\$ 8,248,202	\$8,248,202

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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

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

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

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

At December 31, 2011, 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>BBB</i>	<i>No Rating</i>
Federal Home Loan Bank (FHLB)	\$ 2,007,147	\$ 1,506,880	\$ 500,267	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation (FHLMC)	1,000,045	-	1,000,045	-	-	-
Federal National Mortgage Association (FNMA)	500,252	-	500,252	-	-	-
Federal Farm Credit Bank	2,005,700	-	2,005,700	-	-	-
FNR 2010-84 BA	439,444	439,444	-	-	-	-
Allen Park - TXB-A	957,474	-	-	477,541	-	479,933
Avondale School District - TXB	102,632	102,632	-	-	-	-
Berrien County	461,938	-	461,938	-	-	-
Bridgman School District	685,317	-	685,317	-	-	-
Calhoun TXB BKD	345,404	-	345,404	-	-	-
Colon Schools	245,523	-	245,523	-	-	-
First Empire Securities	276,150	-	276,150	-	-	-
Grand Rapids- Bld	538,575	-	538,575	-	-	-
Hartland Consolidated School District	580,460	-	580,460	-	-	-
Hastings Schools - Bld	414,652	414,652	-	-	-	-
Howell - TXB-Babs	141,320	-	-	141,320	-	-
Jackson College - TXB	280,806	-	280,806	-	-	-
Kalkaska Schools	566,708	-	-	566,708	-	-
Kalamazoo Cap	215,417	-	215,417	-	-	-
Kalamazoo Schools - B	561,742	-	561,742	-	-	-
Kalamazoo- Bld- R	318,087	-	318,087	-	-	-
Kalamazoo- RF- DOW	383,198	-	383,198	-	-	-

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

<i>Debt Investments</i>	<i>Fair Value</i>	<u>S&P Rating</u>				
		<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>BBB</i>	<i>No Rating</i>
Kent Hospital	\$ 1,045,075	\$ -	\$ 1,045,075	\$ -	\$ -	\$ -
Lincoln Consolidated School District	300,886	300,886	-	-	-	-
Michigan Fin D - Lov Gov	503,873	-	-	503,873	-	-
Michigan Housing Development	1,228,174	-	1,228,174	-	-	-
Michigan Municipal Bond	881,385	615,608	-	265,777	-	-
Michigan State	344,424	-	344,424	-	-	-
Michigan State - TXB	1,013,050	-	1,013,050	-	-	-
Michigan Taxable Service	306,699	-	306,699	-	-	-
Oakland County - Bld	269,594	269,594	-	-	-	-
Oakland County - MI Ctfs Partn	698,640	-	698,640	-	-	-
Oakland Schools	838,204	-	838,204	-	-	-
Roseville School District	560,705	-	560,705	-	-	-
Sault Ste Marie	277,534	-	-	277,534	-	-
Southwest Michigan Regional San Swr	281,058	-	281,058	-	-	-
St Johns Schools - QS	455,402	-	455,402	-	-	-
Sturgis - TXB	324,963	-	-	324,963	-	-
University of Michigan Revs	296,856	296,856	-	-	-	-
Van Buren School District - TXB	281,795	-	281,795	-	-	-
Van Dyke School	628,964	-	-	-	-	628,964
Warren	1,384,194	-	1,384,194	-	-	-
Wayne Arpt	528,515	-	-	528,515	-	-
Wayne Charter County	2,620,804	443,671	-	155,583	2,021,550	-
Wayne County	2,001,875	-	2,001,875	-	-	-
Totals by Rating	\$ 30,100,660	\$ 4,390,223	\$ 19,338,176	\$ 3,241,814	\$ 2,021,550	\$ 1,108,897

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, 2011, the General Electric commercial paper had a Standard & Poor's rating of A-1+ and the AIG commercial paper had a Standard & Poor's rating of A-1.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County's investment policy requires the treasurer to diversify investments by security type and institution. With the exception of U.S. Treasury securities, no more than 60% of the total investment portfolio will be invested in a single security type or with a single financial institution. As of December 31, 2011, 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, 2011, 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, 2011, the System had deposit balances of \$998,269, all of which were uninsured and uncollateralized.

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, 2011, 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	\$ 1,049,405	\$ 100,473	\$ 45,764	\$ 903,168	\$ -
Corporate Bonds	15,314,345	-	3,931,961	4,217,465	7,164,919
Federal Home Loan Mortgage Corporation (FHLMC)	984,457	-	-	215,504	768,953
Federal National Mortgage Association (FNMA)	10,348,701	652,519	-	65,289	9,630,893
Government Issue FICO Strip Securities	2,836,407	-	612,607	1,388,980	834,820
U.S. Treasury Bonds	8,496,383	-	3,249	2,695,811	5,797,323
Total	39,029,698	\$ 752,992	\$ 4,593,581	\$ 9,486,217	\$ 24,196,908
Other Investments:					
U.S. Micro Cap Equity Mutual Fund	7,853,750				
Equity Index Collective Trust Fund	46,921,245				
Mutual International Small Cap Fund	15,271,232				
Mutual Emerging Markets Fund	14,908,334				
U.S. Large Cap Equity Mutual Fund	7,836,293				
U.S. Small Cap Equity Mutual Fund	15,688,428				
Real Estate Pooled Separate Account	4,269,239				
REIT Index Inst	3,583,085				
Total Investments	\$ 155,361,304				

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

As of December 31, 2011, the System'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>BBB</i>	<i>Unrated</i>
Asset Backed						
Corporate Bonds	\$ 1,049,405	\$ 1,049,405	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	15,314,345	1,086,238	2,012,916	5,962,555	3,755,474	2,497,162
Federal Home Loan Mortgage Corporation (FHLMC)						
Corporation (FHLMC)	984,457	984,457	-	-	-	-
Federal National Mortgage Association (FNMA)						
Association (FNMA)	10,348,701	69,117	9,938,482	-	-	341,102
Government Issue FICO Strip Securities						
Strip Securities	2,836,407	51,021	-	-	-	2,785,386
U.S. Treasury Bonds	8,496,382	3,249	-	-	-	8,493,134
Totals by Rating	\$ 39,029,697	\$ 3,243,487	\$ 11,951,398	\$ 5,962,555	\$ 3,755,474	\$ 14,116,784

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

<i>Funds</i>	<i>Fair Value</i>	<i>Morningstar Rating</i>		
		★★	★★★	★★★★
U.S. Micro Cap Equity Mutual Fund	\$ 7,853,750	-	\$ 7,853,750	-
Equity Index Collective Trust Fund	46,921,245	-	46,921,245	-
International Small Cap Mutual Fund	15,271,232	-	15,271,232	-
Emerging Markets Mutual Fund	14,908,334	-	-	14,908,334
U.S. Large Cap Equity Mutual Fund	7,836,293	-	7,836,293	-
U.S. Small Cap Equity Mutual Fund	15,688,428	-	15,688,428	-
REIT Index Inst	3,583,085	-	3,583,085	-
Totals by Rating	\$ 112,062,367	\$ -	\$ 97,154,033	\$ 14,908,334

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 70% 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, 2011, 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, 2011, 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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

As of December 31, 2011, the System invested \$15,271,000 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 22% of the portfolio's assets is 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	\$ 88,922

<i>Fund</i>	<i>Advances from Other Funds</i>
Capital Projects Fund - Drains	\$ 72,407
Capital Projects - Lake Improvement Fund	\$ 16,515

To accommodate the payment of Drain Fund and Lake Improvement Fund related expenditures prior to assessments levied, the General Fund has advanced \$72,407 to the Drain Fund and \$16,515 to the Lake Improvement Fund. A 2011 budget policy adopted by the board of commissioners established the advances at a level of \$200,000 and \$30,000, respectively, with the recognition that appropriate assessments occur in order to repay the advances.

Due to-Due From

Due to-due from balances for the year ended December 31, 2011, consists of the following:

<i>Fund</i>	<i>Due to Other Funds</i>
Internal Service - Employee Benefits	\$ 89,387

<i>Fund</i>	<i>Due from Other Funds</i>
Fiduciary Funds - Pension Trust Funds	\$ 89,387

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consists of the following:

	<i>General Fund</i>	<i>Law Enforce- ment</i>	<i>Health Fund</i>	<i>Nonmajor Governmental</i>	<i>All Others</i>	<i>Total Transfers In</i>
Transfer to:						
General Fund	\$ -	\$ -	\$ -	\$ 3,877,876	\$ 1,275,000	\$ 5,152,876
Health Fund	1,659,744	-	-	231,473	-	1,891,217
Justice Facilities Improvement	8,691,290	-	-	-	-	8,691,290
Nonmajor Governmental	4,224,709	204,297	41,758	863,157	-	5,333,921
Total Transfers Out	\$ 14,575,743	\$ 204,297	\$ 41,758	\$ 4,972,506	\$ 1,275,000	\$ 21,069,304

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

5. Capital Assets

Capital asset activity for the year ended December 31, 2011, consists of the following:

<i>Primary Government</i>	<i>Balance, January 1, 2011</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2011</i>
Government Activities:				
Capital assets not depreciated:				
Land	\$ 2,441,868	\$ -	\$ -	\$ 2,441,868
Construction in progress (estimated costs to complete \$22,181,000)	765,284	1,742,149	765,284	1,742,149
Capital assets in progress	-	58,068	-	58,068
Intangible easements	106,646	-	-	106,646
Capital assets depreciated:				
Land improvements	10,349,520	23,725	10,747	10,362,498
Buildings and improvements	54,472,181	4,701,550	-	59,173,731
Furniture, machinery, and equipment	9,765,645	376,382	1,619	10,140,408
Vehicles	4,673,600	682,963	434,348	4,922,215
Law library books	405,392	-	-	405,392
Totals at Historical Cost	82,980,136	7,584,837	1,211,998	89,352,975
Less accumulated depreciation:				
Land improvements	3,307,440	474,732	269	3,781,903
Buildings and improvements	23,971,654	1,412,060	-	25,383,714
Furniture, machinery, and equipment	6,021,948	885,230	890	6,906,288
Vehicles	2,795,310	596,643	318,214	3,073,739
Law library books	405,392	-	-	405,392
Total accumulated depreciation	36,501,744	3,368,665	319,373	39,551,036
Total Governmental Activities - Net Capital Assets	\$ 46,478,392	\$ 4,216,172	\$ 892,625	\$ 49,801,939

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Depreciation expense charged to governmental functions consisted of the following:

General government	\$ 362,648
Public safety	786,870
Health and welfare	256,511
Recreation and culture	715,142
Judicial	1,247,089
Other	405
<hr/>	
Total Depreciation Expense	\$ 3,368,665

<i>Primary Government</i>	<i>Balance, January 1, 2011</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2011</i>
Business-Type Activities:				
Capital assets not depreciated:				
Land	\$ 3,868,097	\$ -	\$ -	\$ 3,868,097
Construction in progress (estimated costs to complete \$893,000)	25,212,885	11,679,115	36,421,392	470,608
Capital assets depreciated:				
Land improvements	43,438,252	145,267	6,591	43,576,928
Buildings and improvements	9,620,350	31,965,015	-	41,585,365
Furniture, machinery, and equipment	6,589,795	5,056,687	1,321,348	10,325,134
<hr/>				
Totals at Historical Cost	88,729,379	48,846,084	37,749,331	99,826,132
<hr/>				
Less accumulated depreciation:				
Land improvements	22,590,332	1,758,025	-	24,348,357
Buildings and improvements	7,949,545	560,349	-	8,509,894
Furniture, machinery, and equipment	5,872,365	516,884	1,154,559	5,234,690
<hr/>				
Total accumulated depreciation	36,412,242	2,835,258	1,154,559	38,092,941
<hr/>				
Total Business-Type Activities - Net Capital Assets	\$ 52,317,137	\$ 46,010,826	\$ 36,594,772	\$ 61,733,191

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Capital asset activity for the Kalamazoo Community Mental Health and Substance Abuse Services for the year ended December 31, 2011, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, October 1, 2010</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, September 30, 2011</i>
Kalamazoo Community Mental Health and Substance Abuse Services:				
Capital Assets:				
Capital assets not depreciated -				
Land	\$ 670,911	\$ -	\$ -	\$ 670,911
Construction in progress	208,741	332,731	(451,913)	89,559
Capital assets depreciated:				
Buildings and improvements	2,942,047	-	328,388	3,270,435
Equipment and furniture	2,864,156	-	39,282	2,903,438
Motor vehicles	82,525	-	(15,657)	66,868
Total Capital Assets	6,768,380	332,731	(99,900)	7,001,211
Less accumulated depreciation	2,341,743	857,061	(91,337)	3,107,467
Total Kalamazoo Community Mental Health and Substance Abuse Services Capital Assets, net	\$ 4,426,637	\$ (524,330)	\$ (8,563)	\$ 3,893,744

Capital asset activity for the Kalamazoo County Road Commission for the year ended December 31, 2011, consists of the following:

<i>Discretely Presented Component Units</i>	<i>Balance, January 1, 2011</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance, December 31, 2011</i>
Road Commission Capital Assets:				
Capital assets not depreciated:				
Land and improvements, infrastructure	\$ 19,838,075	\$ 361,712	\$ -	\$ 20,199,787
Land and improvements	475,599	-	-	475,599
Capital assets depreciated:				
Buildings and improvements	3,838,834	401,090	(169,776)	4,070,148
Road equipment	7,268,407	281,792	(86,010)	7,464,189
Other equipment	577,708	56,815	(46,864)	587,659
Infrastructure and improvements	160,208,498	5,683,993	(2,860,784)	163,031,707
Total Capital Assets	192,207,121	6,785,402	(3,163,434)	195,829,089
Less accumulated depreciation	78,402,569	7,727,357	(2,995,645)	83,134,281
Total Kalamazoo County Road Commission Capital Assets, net	\$ 113,804,552	\$ (941,955)	\$ (167,789)	\$ 112,694,808

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, 2011</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance, December 31, 2011</i>	<i>Due Within One Year</i>
Government Activities:					
Bonds and notes payable -					
General obligation debt	\$ 34,374,960	\$ 3,000,000	\$ 1,948,244	\$ 35,426,716	\$ 1,721,716
Other liabilities:					
Compensated absences	3,400,819	2,760,902	2,702,572	3,459,149	1,153,050
Net OPEB obligation	4,617,292	4,572,114	3,344,872	5,844,534	-
	42,393,071	10,333,016	7,995,688	44,730,399	2,874,766
Net Bond Premium	202,939	-	33,347	169,592	-
Net Bond Discount	(165,695)	-	7,589	(158,106)	-
Total Long-Term Liabilities - Governmental Activities	\$ 42,430,315	\$ 10,333,016	\$ 8,036,624	\$ 44,741,885	\$ 2,874,766
Business-Type Activities -					
Bonds payable - General obligation debt	\$ 8,400,000	-	\$ 500,000	\$ 7,900,000	\$ 500,000
<u>Discretely Presented Component Units</u>					
Total Long-Term Liabilities - Business-Type Activities - Compensated absences	\$ 714,342	\$ 1,018,678	\$ 935,616	\$ 797,404	\$ 797,404

Long-term bonds and notes at December 31, 2011, consists 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%	\$ 100,000
1996 Sewage Disposal System No. 7 Bonds	5/1/2016	4.75-5.88%	625,000
2010 Sewage Disposal Indian/Pickerel Lake Bonds	12/1/2019	2.00-4.00%	1,645,000
2001 Cooper Township Sanitary Sewage Disposal System Bonds	5/1/2021	3.45-6.38%	1,675,000
2004 Texas Township Refunding Sanitary Sewage Disposal System Bonds	5/1/2013	2.50-4.00%	425,000
2005 Comstock Sewage Disposal System Bonds	5/1/2013	2.50-3.50%	345,000
2005 Village of Augusta Water Supply	5/1/2025	2.13%	570,000
2008 Townline Drain	3/1/2018	2.4-4.55%	315,000
Total Governmental Activities - without associated assets			\$ 5,700,000
2007 Juvenile Home Facilities Bond	10/1/2032	4.50-5.00%	\$ 26,800,000
2008 John Deere Tractor Lease	9/11/2012	7.50%	1,716
2011 Expo Center Improvement Bonds	4/1/2026	3.20%	2,925,000
Total Governmental Activities - with associated assets			\$ 29,726,716
Business-Type Activities - 2003 Building Authority Airport Facilities Bonds	5/1/2028	2.60-4.60%	\$ 7,900,000

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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

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

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

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

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

There are a number of limitations and restrictions contained in the various debt issues. At December 31, 2011, the County complied with all significant limitations and restrictions.

During 2011, the County issued limited tax general obligation capital improvement bonds in the amount of \$3,000,000, to provide resources for the improvement of the Expo Center, part of the Kalamazoo County Fairgrounds. These bonds have a maturity date of April 1, 2026, and pay interest at the rate of 3.20%. These bonds are subject to mandatory sinking fund redemption prior to maturity at set dates and amounts, at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of the redemption. The total interest to be paid on these bonds equals \$796,691.

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

<i>Year Ending December 31,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2012	\$ 1,721,716	\$ 1,482,342	\$ 500,000	\$ 314,250
2013	1,750,000	1,413,832	500,000	296,750
2014	1,510,000	1,349,605	500,000	278,750
2015	1,625,000	1,287,305	600,000	258,400
2016	1,755,000	1,219,943	600,000	235,750
2017-2021	7,915,000	5,112,869	3,000,000	815,750
2022-2026	8,050,000	3,412,175	1,800,000	242,450
2027-2031	9,000,000	1,530,000	400,000	18,400
2032	2,100,000	47,250	-	-
	\$ 35,426,716	\$ 16,855,321	\$ 7,900,000	\$ 2,460,500

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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, 2011, there was one Industrial Revenue Bond outstanding: W.B.C. Properties Limited Partnership Project, 5.75% \$6,500,000 Series, issued September 1, 1985, due in full in 2015.

7. Retirement Commitments

Kalamazoo County Employees' Retirement System (the System)

Plan Description

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Annual Pension Cost and Net Pension Obligation

The annual required contribution (ARC) for the current year was determined as part of the December 31, 2010, actuarial valuation using the entry age normal cost method for each employer. The actuarial assumptions included (a) a rate of return of 7.75%, b) projected salary increases ranging from 4.5% to 10.5%, including pay inflation of 4.5%, and c) no cost of living adjustments. The actuarial value of the System's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued asset is amortized over a closed period of 10 years for the County and KCMHSAS, and 12 years for the Road Commission as a level percent of payroll.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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

<i>Year Ended December 31,</i>		<i>Annual Pension Cost (APC)</i>	<i>Percentage of APC Contributed</i>
Primary Government:	2009	\$ 935,075	100.0%
	2010	\$ 1,541,332	100.0%
	2011	\$ 1,784,970	100.0%
Kalamazoo County Road Commission:	2009	\$ -	100.0%
	2010	\$ -	100.0%
	2011	\$ -	100.0%
Kalamazoo Community Mental Health and Substance Abuse Services:	2009	\$ 401,875	100.0%
	2010	\$ 413,004	100.0%
	2011	\$ 640,272	100.0%

As of December 31, 2010, the County is only required to obtain actuarial valuations every two years. Therefore, the below information was obtained from the 2010 actuarial valuations.

The Schedule of Funding Progress, as of December 31, 2010, consists of the following:

	<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>
		(A)	(B)	(B)-(A)	(A)/(B)	(C)	[(B)-(A)]/(C)
Totals:	12/31/2008	\$ 160,225,830	\$ 124,785,459	\$ (35,440,371)	128.4%	\$ 41,295,573	-85.8%
	12/31/2009	\$ 162,506,375	\$ 135,708,332	\$ (27,512,776)	119.7%	\$ 43,216,605	-62.0%
	12/31/2010	\$ 165,881,227	\$ 143,249,838	\$ (22,631,389)	115.8%	\$ 43,864,919	-51.6%

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 2011 contribution of \$2,171,187. 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 Probate Court Judges and the District Court employees who have opted not to participate in the County's defined benefit plan are eligible to be included in the Health Trust.

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 2011 contributions on behalf of the District Court employees of \$30,915. 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, 2011, KCMHSAS and its employees each contributed \$583,728. KCMHSAS is not a fiduciary with respect to the Plan and, accordingly, assets and liabilities of the Plan have been excluded from these financial statements.

Other Post Employment Benefits - Retiree Health Trust

Plan Description

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

Active participants of the defined benefits pension plan with a hire date prior to January 1, 2011, who retire at age 55 with eight or more years of service, are eligible for this benefit. Employees hired after January 1, 2011, must be age 60 with eight or more years of service to be eligible. Active participants of the FOP defined contribution plan are eligible under the terms of their collective bargaining agreement. Currently, there are 300 retirees of the primary government, 82 retirees of the FOP, 50 retirees of the Road Commission, and 38 retirees of KCMHSAS. Separate financial statements are not prepared. The District Court employees who have opted not to participate in the County Employee Retirement System are included in the Retiree Health Trust counts above.

The County's self-funded health insurance provides this benefit until the retiree has reached Medicare eligibility. The County requires the retiree and his/her covered dependents to obtain Medicare Parts A and B, at which point the County will provide supplemental insurance through an indemnity plan. Employees hired after January 1, 2010, are required to contribute 100% of this supplemental insurance. Dependent coverage, if requested, is financed by retiree contributions.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

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, 2010, actuarial valuation using the entry age normal cost method for each employee. The actuarial assumptions included (a) rate of return of 7.75%, (b) initial health cost trend of 9%, and (c) an ultimate health cost trend of 4.5%. The amortization method is level percent open and for a 30 year period.

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

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

Funding Policy and Contributions

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

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	2009	\$ 5,556,719	\$ 4,408,914	79.34%
	2010	\$ 4,355,779	\$ 3,200,836	70.01%
	2011	\$ 4,572,114	\$ 3,344,872	73.16%
Kalamazoo Community Mental Health and Substance Abuse Services	2009	\$ 431,772	\$ 681,572	157.85%
	2010	\$ 350,971	\$ 427,896	116.98%
	2011	\$ 365,783	\$ 489,660	133.87%
Kalamazoo County Road Commission	2009	\$ 347,068	\$ 563,177	162.27%
	2010	\$ 289,328	\$ 236,046	81.58%
	2011	\$ 304,018	\$ 232,532	76.49%
Totals	2009	\$ 6,335,559	\$ 5,653,663	89.24%
	2010	\$ 4,996,078	\$ 3,864,778	77.36%
	2011	\$ 5,241,915	\$ 4,067,064	77.59%

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, 2011</i>	<i>Kalamazoo County Government</i>	<i>Kalamazoo County Road Commission</i>	<i>Kalamazoo Community Mental Health and Substance Abuse Services</i>
Annual Required Contribution (ARC)	\$ 4,459,827	\$ 306,789	\$ 377,292
Interest on NET OPEB contribution	357,840	(8,829)	(36,679)
Adjustment to ARC	(245,553)	6,058	25,170
Annual OPEB cost	4,572,114	304,018	365,783
Contributions made	3,344,872	232,532	489,660
Increase (decrease) in net OPEB obligation	1,227,242	71,486	(123,877)
Net OPEB Obligation (Asset), December 31, 2010	4,617,292	(113,921)	(473,278)
Net OPEB Obligation (Asset), December 31, 2011	\$ 5,844,534	\$ (42,435)	\$ (597,155)
Percentage of Annual OPEB Cost Contributed	73.16%	76.49%	133.87%

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

As of December 31, 2010, the County is only required to obtain actuarial valuations every two years. The funded status for 2011 is not available at this time. Therefore, the below information was obtained from the 2009 actuarial valuations.

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

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

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

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 \$400,000 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 \$100,000 per individual) financed from the set aside of assets, the County reports claim expenditures and liabilities when it is probable that a loss has occurred and the amount of loss may be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Health and medical claim liabilities are subject to the same estimation limitations and periodic reevaluation as workers' compensation claims. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. In addition, in the past three fiscal years, settlements did not exceed insurance coverage.

Changes in the balances of claim liabilities for 2011 and 2010, 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:				
2010	\$ 158,813	\$ 439,521	\$ 98,669	\$ 499,665
2011	\$ 499,665	\$ 73,711	\$ 181,358	\$ 392,018

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 2011 and 2010, 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:				
2010	\$ 170,991	\$ 329,675	\$ (271,910)	\$ 228,756
2011	\$ 228,756	\$ 373,220	\$ (239,736)	\$ 362,240
Employee health and medical:				
2010	\$ 420,336	\$ 5,182,046	\$ (5,056,091)	\$ 546,291
2011	\$ 546,291	\$ 5,829,661	\$ (5,960,339)	\$ 415,613
Employee dental:				
2010	\$ 32,504	\$ 627,118	\$ (620,201)	\$ 39,421
2011	\$ 39,421	\$ 481,265	\$ (494,369)	\$ 26,316

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.

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Continued)

Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS)

The risks of loss arising from general liability, property, and crime are managed through participation in the Michigan Municipal Risk Management State Pool, a public entity risk pool currently operating as a common risk management program for government entities in the state of Michigan. KCMHSAS pays annual premiums to the state pool for insurance coverage up to a maximum of \$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.

9. Compliance

Expenditures Over Appropriations

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

<i>Year Ended December 31, 2011</i>	<i>Excess Expenditures</i>
General Fund:	\$
<i>Judicial - Circuit Court - Family Division</i>	(4,827)
<i>Public Safety:</i>	
Emergency Management	(15,612)
Transfers Out - Special Grants Fund	(2,590)
<i>Health and Welfare - Veteran's Burial</i>	(11,248)
<i>Transfers Out:</i>	
Friend of the Court	(127,454)
GCPI	(589,690)
Other - At Large Drains	(39)
Special Revenue Funds:	
Health Fund -	
<i>Transfers Out - NFP</i>	(4,758)
Law Enforcement Fund - <i>Judicial</i> - District Court	(6,624)
Accommodation Tax Special Revenue Fund:	
<i>Recreation and Culture</i>	(45,017)
<i>Transfers Out:</i>	
General Fund	(985)
Expo Center Construction	(575,000)
Expo Center Construction Debt Service	(101,933)
Veteran's Trust Special Revenue Fund - <i>Health and Welfare</i>	(1,675)
Health and Welfare Special Grants Special Revenue Fund:	
<i>Health and Welfare</i>	(1,816,003)
<i>Transfers Out:</i>	
AAA	(16,330)
Health Special Revenue Fund	(228,572)

County of Kalamazoo, Michigan

Notes to Basic Financial Statements

(Concluded)

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

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

At December 31, 2011, the System's investment in common stocks was 69.3% of plan assets at market value, thereby not exceeding the limit allowed by law.

10. Commitments and Contingencies

At December 31, 2011, the County had the following contractual construction commitments:

	<i>Project Authorization</i>	<i>Expended Through December 31, 2011</i>	<i>Committed</i>	<i>Required Future Financing</i>
Airport improvements	\$ 15,357,139	\$ 14,496,648	\$ 893,408	\$ *
Governmental activities	25,382,683	5,169,459	20,213,224	-
	\$ 40,739,822	\$ 19,666,107	\$ 21,106,632	\$ -

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

The County leases several facilities under non-cancelable agreements that have been classified as operating leases. Total cost for such leases were \$434,421 in 2011. The future minimum lease payments for these leases consists of the following:

<i>Year Ending December 31,</i>	<i>Amount</i>
2012	\$ 398,543
2013	259,712
2014	225,001
	\$ 883,256

11. Implementation of GASB Statement No. 54

In 2011, the County implemented Governmental Accounting Standards board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The pronouncement changes the classifications of fund balance and provides a new definition for Special Revenue Funds.

**Required Supplementary
Information**



County of Kalamazoo, Michigan

Schedules of Funding Progress

Kalamazoo County Employees' Retirement System

<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL) - Entry Age</i>	<i>Unfunded AAL (UAAL)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll</i>
<i>Employer</i>	(A)	(B)	(B)-(A)	(A)/(B)	(C)	[(B)-(A)]/(C)
	\$	\$	\$		\$	
Primary Government:						
12/31/2008	120,174,139	95,531,315	(24,642,824)	125.8%	29,132,398	-84.6%
12/31/2009	121,700,436	104,800,076	(16,900,360)	116.1%	30,836,049	-54.8%
12/31/2010	124,116,801	110,074,819	(14,041,982)	112.8%	31,293,381	-44.9%
Kalamazoo County Road Commission:						
12/31/2008	18,388,721	13,052,992	(5,335,729)	140.9%	3,114,099	-171.3%
12/31/2009	18,277,106	13,398,414	(4,878,692)	136.4%	2,842,241	-171.6%
12/31/2010	18,347,379	13,253,098	(5,094,281)	138.4%	2,747,330	-185.4%
Kalamazoo Community Mental Health and Substance Abuse Services:						
12/31/2008	21,662,970	16,201,152	(5,461,818)	133.7%	9,049,076	-60.4%
12/31/2009	22,528,833	17,509,842	(5,018,991)	128.7%	9,538,315	-52.6%
12/31/2010	23,417,047	19,921,921	(3,495,126)	117.5%	9,824,208	-35.6%
Totals:						
12/31/2008	160,225,830	124,785,459	(35,440,371)	128.4%	41,295,573	-85.8%
12/31/2009	162,506,375	135,708,332	(26,798,043)	119.7%	43,216,605	-62.0%
12/31/2010	165,881,227	143,249,838	(22,631,389)	115.8%	43,864,919	-51.6%

County of Kalamazoo, Michigan

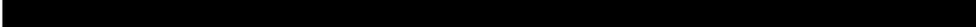
Schedules of Funding Progress

(Concluded)

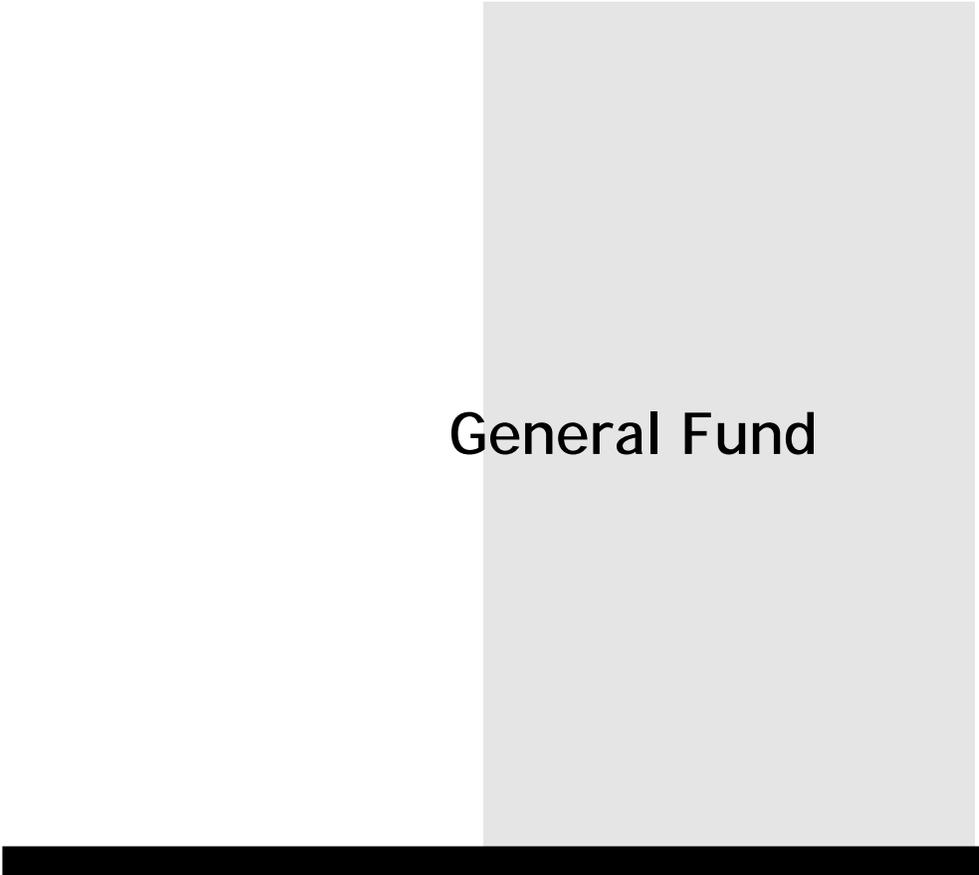
Other Post Employment Benefits - Retiree Health Trust

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

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 completed for the year ended December 31, 2009. The Trust began in 2007.



Combining and Individual Fund Statements and Schedules



General Fund

County of Kalamazoo, Michigan

General Fund

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, 2011</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	\$ 37,470,000	\$ 36,946,100	\$ 36,645,311	\$ (300,789)
Treasurer	90,000	90,000	45,759	(44,241)
<i>Total Taxes</i>	<i>37,560,000</i>	<i>37,036,100</i>	<i>36,691,070</i>	<i>(345,030)</i>
<i>Licenses and Permits:</i>				
County Clerk/Register of Deeds	49,000	49,000	47,525	(1,475)
Animal Services and Enforcement	424,000	424,000	467,955	43,955
Treasurer	10,000	10,000	13,841	3,841
Soil Erosion and Sedimentation Control	24,500	24,500	21,754	(2,746)
Medical Examiner	11,500	11,500	14,220	2,720
<i>Total Licenses and Permits</i>	<i>519,000</i>	<i>519,000</i>	<i>565,295</i>	<i>46,295</i>
<i>Federal Grants:</i>				
Friend of the Court	2,000,000	-	-	-
Sheriff	53,500	53,500	60,377	6,877
Emergency Management	48,500	50,400	52,086	1,686
Capital Outlay	-	380,200	380,244	44
Prosecuting Attorney	30,000	30,000	104,981	74,981
<i>Total Federal Grants</i>	<i>2,132,000</i>	<i>514,100</i>	<i>597,688</i>	<i>83,588</i>
<i>State Grants:</i>				
State Shared Revenue	3,725,300	4,204,200	4,793,844	589,644
State Court Fund Distribution	1,284,700	1,226,600	1,226,514	(86)
Convention and Tourism	1,394,500	1,500,200	1,500,245	45
Cigarette Tax	8,300	5,600	16,146	10,546
Elections	203,000	203,000	3,531	(199,469)
Friend of the Court	21,500	210,500	264,715	54,215
Circuit Court - Trial Division	185,500	185,500	185,869	369
Circuit Court - Family Division	341,700	341,700	342,617	917
District Court	408,600	408,600	415,142	6,542
Prosecuting Attorney	20,000	20,000	44,762	24,762
Probate Court	148,000	148,000	148,527	527
Sheriff	33,000	33,000	30,149	(2,851)
County Clerk/Register of Deeds	2,000	2,000	2,013	13
<i>Total State Grants</i>	<i>7,776,100</i>	<i>8,488,900</i>	<i>8,974,074</i>	<i>485,174</i>

County of Kalamazoo, Michigan

General Fund

Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2011</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	\$ 1,595,700	\$ 1,595,700	\$ 1,384,227	\$ (211,473)
Veteran's Affairs	5,200	5,200	4,192	(1,008)
<i>Total Local Unit Contributions</i>	<i>1,600,900</i>	<i>1,600,900</i>	<i>1,388,419</i>	<i>(212,481)</i>
<i>Charges for Services:</i>				
Circuit Court - Administration	890,500	684,500	680,491	(4,009)
District Court	2,307,600	2,317,600	2,033,143	(284,457)
Friend of the Court	160,000	160,000	164,413	4,413
Probate Court	66,500	66,500	67,406	906
Elections	175,000	175,000	189,237	14,237
County Clerk/Register of Deeds	1,621,200	1,621,200	1,609,915	(11,285)
Equalization	-	-	1,000	1,000
Prosecuting Attorney	30,000	30,000	41,889	11,889
Treasurer	42,200	42,200	45,993	3,793
Drain Commissioner	2,500	2,500	450	(2,050)
Sheriff	1,017,700	1,017,700	1,185,069	167,369
Animal Services and Enforcement	68,000	68,000	78,147	10,147
Emergency Management	-	-	2,952	2,952
HCS Administration	2,100	-	-	-
MSU Extension	10,500	10,500	10,500	-
Planning	2,500	8,500	7,625	(875)
<i>Total Charges for Services</i>	<i>6,396,300</i>	<i>6,204,200</i>	<i>6,118,230</i>	<i>(85,970)</i>
<i>Fines and Forfeitures:</i>				
Circuit Court - Administration	40,000	40,000	22,640	(17,360)
District Court	2,335,000	2,345,000	1,560,555	(784,445)
Prosecuting Attorney	114,200	114,200	56,029	(58,171)
Treasurer	3,000	3,000	455	(2,545)
Soil Erosion and Sedimentation Control	500	500	-	(500)
<i>Total Fines and Forfeitures</i>	<i>2,492,700</i>	<i>2,502,700</i>	<i>1,639,679</i>	<i>(863,021)</i>
<i>Interest and Rents</i>	<i>1,195,500</i>	<i>1,188,500</i>	<i>1,604,901</i>	<i>416,401</i>

County of Kalamazoo, Michigan

General Fund

Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2011</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	\$ -	\$ 3,200	\$ 3,206	\$ 6
Circuit Court - Administration	1,000	1,000	789	(211)
District Court	55,000	55,000	40,898	(14,102)
Friend of the Court	200	200	330	130
Probate Court	3,000	3,000	3,524	524
Family Counseling Services	25,500	25,500	25,155	(345)
County Clerk/Register of Deeds	5,000	5,000	6,389	1,389
Finance	16,000	11,000	11,556	556
Indirect Costs	869,100	869,100	872,419	3,319
Prosecuting Attorney	1,000	1,000	2,392	1,392
Treasurer	100	100	15	(85)
Drain Commissioner	600	600	594	(6)
Sheriff	513,400	513,400	337,115	(176,285)
Animal Services and Enforcement	14,300	14,300	15,841	1,541
Emergency Management	-	-	79	79
Veteran's Affairs	1,000	1,000	-	(1,000)
Medical Examiner	2,000	2,000	-	(2,000)
Total Other	1,507,200	1,505,400	1,320,302	(185,098)
<i>Contributions and Donations:</i>				
County Clerk/Register of Deeds	-	-	525	525
Sheriff	500	500	-	(500)
MSU Extension	5,500	5,500	5,500	-
Total Contributions and Donations	6,000	6,000	6,025	25
Total Revenues	61,185,700	59,565,800	58,905,683	(660,117)

County of Kalamazoo, Michigan

General Fund

Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2011</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	\$ 289,800	\$ 289,800	\$ 286,004	\$ 3,796
County Administration	509,600	503,300	498,914	4,386
Legal Services	193,500	192,100	186,535	5,565
<i>Total Legislative</i>	<i>992,900</i>	<i>985,200</i>	<i>971,453</i>	<i>13,747</i>
<i>Judicial:</i>				
Circuit Court - Administration	5,207,700	5,241,600	5,071,153	170,447
Circuit Court - Trial Division	465,500	449,800	448,926	874
Circuit Court - Family Division	851,700	851,700	856,527	(4,827)
District Court	5,139,300	5,158,800	5,018,073	140,727
Jury Board	3,300	3,300	3,096	204
Probate Court	921,800	922,300	888,239	34,061
<i>Total Judicial</i>	<i>12,589,300</i>	<i>12,627,500</i>	<i>12,286,014</i>	<i>341,486</i>
<i>General Government:</i>				
Elections	407,800	408,000	205,285	202,715
County Clerk/Register of Deeds	650,700	628,900	611,544	17,356
Resource Development	111,500	111,500	110,110	1,390
Finance	1,024,700	1,016,300	1,008,975	7,325
Equalization	459,600	444,700	410,132	34,568
Human Resources	807,400	779,300	588,083	191,217
Information Systems	954,900	948,800	931,831	16,969
Prosecuting Attorney	2,349,500	2,378,600	2,343,063	35,537
Purchasing	125,200	146,800	136,080	10,720
Treasurer	673,200	674,800	647,712	27,088
Building and Grounds	2,315,600	2,272,200	2,239,751	32,449
Utilities	978,900	978,900	786,514	192,386
Security	572,200	572,200	548,961	23,239
Drain Commissioner	271,700	271,200	234,760	36,440
Soil Erosion and Sedimentation Control	83,500	83,000	80,153	2,847
Planning and Community Development	146,500	146,500	142,692	3,808
Appropriation to SW Michigan First	75,000	200,000	200,000	-
<i>Total General Government</i>	<i>12,007,900</i>	<i>12,061,700</i>	<i>11,225,646</i>	<i>836,054</i>

County of Kalamazoo, Michigan

General Fund

Schedule of Sources and Uses of Financial Resources (Continued)

<i>Year Ended December 31, 2011</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	\$ 16,172,500	\$ 16,313,800	\$ 15,019,853	\$ 1,293,947
Animal Services and Enforcement	563,800	529,700	526,530	3,170
Emergency Management	212,600	224,500	240,112	(15,612)
Adult Probation	50,700	50,700	43,245	7,455
<i>Total Public Safety</i>	<i>16,999,600</i>	<i>17,118,700</i>	<i>15,829,740</i>	<i>1,288,960</i>
<i>Health and Welfare:</i>				
Human Services Administration	1,052,600	1,056,200	1,036,647	19,553
Veteran's Affairs	147,200	148,800	147,590	1,210
Medical Examiner	467,700	510,000	500,101	9,899
Veteran's Burial	96,000	96,000	107,248	(11,248)
Soldier and Sailor Relief	9,800	9,800	7,355	2,445
<i>Appropriations to:</i>				
Kalamazoo Community Mental Health and Substance Abuse Services	2,315,300	2,368,200	2,368,122	78
Michigan Department of Human Services	19,000	19,000	19,000	-
Child Care Welfare	612,100	612,100	612,100	-
<i>Total Health and Welfare</i>	<i>4,719,700</i>	<i>4,820,100</i>	<i>4,798,163</i>	<i>21,937</i>
<i>Recreation and Culture - MSU Extension</i>	<i>320,400</i>	<i>298,600</i>	<i>287,400</i>	<i>11,200</i>
<i>Other:</i>				
Contingencies	200,500	552,300	3,500	548,800
Reserves	261,200	261,200	-	261,200
At-Large Drains	24,200	24,200	24,239	(39)
DD/MI/Other Personnel Costs	100,000	-	-	-
Insurance and Surety Bonds	905,000	525,000	490,903	34,097
Strategic Issues	45,000	45,000	9,107	35,893
<i>Total Other</i>	<i>1,535,900</i>	<i>1,407,700</i>	<i>527,749</i>	<i>879,951</i>
<i>Capital Outlay</i>	<i>971,100</i>	<i>3,037,200</i>	<i>1,741,105</i>	<i>1,296,095</i>
Total Expenditures	50,136,800	52,356,700	47,667,270	4,689,430
Excess of Revenues Over Expenditures	11,048,900	7,209,100	11,238,413	4,029,313

County of Kalamazoo, Michigan

General Fund

Schedule of Sources and Uses of Financial Resources (Concluded)

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Other Financing Sources (Uses):				
<i>Transfers In:</i>				
Revenue Sharing Reserve Fund	\$ 3,725,800	\$ 3,735,600	\$ 3,735,646	\$ 46
Accommodation Tax Fund	25,000	31,800	31,785	(15)
Internal Delinquent Tax Revolving Fund	1,200,000	1,200,000	1,200,000	-
Tax Reversion Fund	75,000	75,000	75,000	-
Wireless Emergency Fund	100,000	100,000	100,000	-
Healthy Kids and Mi Child	-	8,800	-	(8,800)
HCAO Fund	-	1,000	1,445	445
Veterans' Trust Fund	11,000	11,000	9,000	(2,000)
Total Transfers In	5,136,800	5,163,200	5,152,876	(10,324)
<i>Transfers Out:</i>				
Parks and Recreation Fund	(294,100)	(249,100)	(229,960)	19,140
Friend of the Court Fund	(2,751,600)	(841,000)	(968,454)	(127,454)
GCPI	(7,612,900)	(8,101,600)	(8,691,290)	(589,690)
Health Fund	(2,469,600)	(2,269,400)	(1,659,744)	609,656
Law Library Fund	(43,200)	(42,300)	(42,280)	20
Area Agency on Aging Fund	(100,000)	(200,000)	(169,927)	30,073
Child Care Probate Fund	(3,883,500)	(3,538,300)	(2,674,298)	864,002
Judicial Special Grants Fund	(175,000)	(195,000)	(123,947)	71,053
Public Safety Special Grants Fund	-	(1,700)	(4,290)	(2,590)
Health and Welfare Special Grants Fund	-	(50,000)	(5,454)	44,546
Community Economic Development	-	(6,100)	(6,100)	-
Total Transfers Out	(17,329,900)	(15,494,500)	(14,575,744)	918,756
Total Other Financing Uses	(12,193,100)	(10,331,300)	(9,422,868)	908,432
Net Change in Fund Balance	\$ (1,144,200)	\$ (3,122,200)	\$ 1,815,545	\$ 4,937,745

Nonmajor Governmental Funds



County of Kalamazoo, Michigan

Nonmajor Governmental 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.

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

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

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

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

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

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

HIV/AIDS Consortium Fund - This fund was established to account for providing financial assistance to individuals and their families infected or affected with AIDS during difficult financial times. Individuals (families) receive appropriate financial subsidies for housing needs to move the person (family) from an emergency housing situation to a more stable housing plan and to prevent the person (family) from becoming homeless. This fund was closed in 2011.

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

County of Kalamazoo, Michigan

Nonmajor Governmental Funds

(Continued)

Special Revenue Funds (Concluded)

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

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

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

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

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

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

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

Community Economic Development Special Grants Fund - 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.

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

Debt Service Funds

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

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

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

County of Kalamazoo, Michigan

Nonmajor Governmental Funds

(Continued)

Debt Service Funds (Concluded)

2010 Indian Lake/Pickereel Lake Sewage Disposal System Bonds Fund - This fund was established to account for the collection of local unit contributions and the payment of limited tax obligation debt service (principal and interest). This debt is a special assessment debt secured by a commitment from the Townships of Brady and Pavilion, issued in connection with a sanitary sewage system project.

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

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

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

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

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

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

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

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.

County of Kalamazoo, Michigan

Nonmajor Governmental Funds

(Concluded)

Capital Projects Funds

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

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

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

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

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

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

Lake Improvement Revolving Fund - This fund was established to account for inland lake projects prior to actual special assessments being levied. Monies for this purpose are advanced from the General Fund and later repaid by the Lake Association assessments and are levied upon benefited properties.

Expo Center Construction Fund - This fund was established to account for the improvements to the Expo Center to be funded by a portion of the County Accommodation Tax and the bond proceeds.

County of Kalamazoo, Michigan

Nonmajor Governmental Funds Combining Balance Sheet

<i>December 31, 2011</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Other Governmental</i>
Assets:				
Cash	\$ 4,019,690	\$ 461,388	\$ 127,497	\$ 4,608,575
Restricted cash	-	-	150,035	150,035
Investments	943,567	-	-	943,567
Receivables -				
Accounts/taxes	303,781	1,561,233	-	1,865,014
Due from other governmental units	3,781,009	-	75,697	3,856,706
Other	14,950	-	-	14,950
Total Assets	\$ 9,062,997	\$ 2,022,621	\$ 353,229	\$ 11,438,847
 Liabilities and Fund Balance				
Liabilities:				
Checks issued against future deposits	\$ 2,087,073	\$ -	\$ -	\$ 2,087,073
Accounts payable	772,710	-	5,067	777,777
Retainage payable	-	-	149,947	149,947
Due to governmental units	145,757	-	-	145,757
Accrued liabilities	503,241	-	88	503,329
Advances to other funds	-	-	88,922	88,922
Deferred revenue	1,083,268	1,790,701	-	2,873,969
Total Liabilities	4,592,049	1,790,701	244,024	6,626,774
Fund Balance:				
Assigned	6,106	-	-	6,106
Non-spendable	970	-	-	970
Unassigned	4,463,872	231,920	109,205	4,804,997
Fund Balance	4,470,948	231,920	109,205	4,812,073
Total Liabilities and Fund Balance	\$ 9,062,997	\$ 2,022,621	\$ 353,229	\$ 11,438,847

County of Kalamazoo, Michigan

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

<i>Year Ended December 31, 2011</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total Other Governmental</i>
Revenues:				
Taxes	\$ 2,202,080	\$ -	\$ -	\$ 2,202,080
Federal grants	22,972,970	-	-	22,972,970
State grants	6,991,522	-	-	6,991,522
Local unit contributions	42,941	3,042,865	-	3,085,806
Donations and contributions	1,226,458	-	-	1,226,458
Charges for services	1,907,491	-	-	1,907,491
Interest and rents	23,094	1,089	867	25,050
Other	54,948	39,363	-	94,311
Total Revenues	35,421,504	3,083,317	867	38,505,688
Expenditures:				
Current:				
Judicial	4,716,908	-	-	4,716,908
Public safety	1,811,845	-	-	1,811,845
Public works	129,591	-	-	129,591
Health and welfare	28,360,668	-	-	28,360,668
Recreation and culture	3,057,673	-	-	3,057,673
Other	10,891	-	35,151	46,042
Community Economic Development	81,132	-	-	81,132
Debt service:				
Principal	-	1,765,000	-	1,765,000
Interest and other charges	-	1,476,923	-	1,476,923
Bond issuance costs	-	-	12,894	12,894
Capital outlay	700,527	-	3,530,462	4,230,989
Total Expenditures	38,869,235	3,241,923	3,578,507	45,689,665
Deficiency of Revenues Over Expenditures				
	(3,447,731)	(158,606)	(3,577,640)	(7,183,977)
Other Financing Sources (Uses):				
Transfers in	4,640,731	118,190	575,000	5,333,921
Transfers out	(4,956,248)	-	(16,257)	(4,972,505)
Issuance of bond	-	-	3,000,000	3,000,000
Total Other Financing Sources (Uses)	(315,517)	118,190	3,558,743	3,361,416
Net Change in Fund Balance	(3,763,248)	(40,416)	(18,897)	(3,822,561)
Fund Balance, beginning of year	8,234,196	272,336	128,102	8,634,634
Fund Balance, end of year	\$ 4,470,948	\$ 231,920	\$ 109,205	\$ 4,812,073

Special Revenue

<i>December 31, 2011</i>	<i>Parks and Recreation</i>	<i>Friend of the Court</i>	<i>Accom- modation Tax</i>	<i>Revenue Sharing Reserve</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>
Assets:									
Cash	\$ 29,234	\$ -	\$ 295,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	48,637	-	-	-	-	11,525	4,622	-	-
Due from other governmental units	-	446,382	-	-	-	295,834	810,221	3,667	123,681
Other	97	398	790	-	-	-	-	-	1,807
Total Assets	\$ 77,968	\$ 446,780	\$ 296,125	\$ -	\$ -	\$ 307,359	\$ 814,843	\$ 3,667	\$ 125,488

Liabilities and Fund Balance

Liabilities:

Checks issued against future deposits	\$ -	\$ 352,807	\$ -	\$ -	\$ -	\$ 155,239	\$ 475,270	\$ 3,667	\$ 41,469
Accounts payable	10,901	14,659	3,738	-	-	76,980	201,793	-	9,223
Due to governmental units	-	-	-	-	-	4,282	-	-	618
Accrued liabilities	21,837	79,314	-	-	-	8,564	137,780	-	12,596
Deferred revenues	45,230	-	-	-	-	5,946	-	-	61,516
Total Liabilities	77,968	446,780	3,738	-	-	251,011	814,843	3,667	125,422

Fund Balance:

Non-spendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	286,653	-	-	56,348	-	-	66
Assigned	-	-	5,734	-	-	-	-	-	-
Total Fund Balance	-	-	292,387	-	-	56,348	-	-	66

Total Liabilities and

Fund Balance	\$ 77,968	\$ 446,780	\$ 296,125	\$ -	\$ -	\$ 307,359	\$ 814,843	\$ 3,667	\$ 125,488
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County of Kalamazoo, Michigan

Nonmajor Special Revenue Funds Combining Balance Sheet

<i>Special Revenue</i>											
<i>HIV/AIDS</i>					<i>Judicial</i>	<i>Public</i>	<i>Public</i>	<i>Health and</i>	<i>Community</i>		
<i>Consort-</i>	<i>Community</i>	<i>W.I.A.</i>	<i>Head</i>	<i>Special</i>	<i>Safety</i>	<i>Works</i>	<i>Welfare</i>	<i>Other</i>	<i>Economic</i>	<i>Capital</i>	<i>Total</i>
<i>ium</i>	<i>Corrections</i>	<i>Start</i>	<i>Grants</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>
<i>ium</i>	<i>Corrections</i>	<i>Start</i>	<i>Grants</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>	<i>Special</i>
\$ 37,071	\$ 336,910	\$ -	\$ -	\$ 47,166	\$ 1,407,658	\$ 660	\$ 1,273,671	\$ -	\$ 150,821	\$ 441,164	\$ 4,019,690
-	-	-	-	-	-	-	141,321	-	-	802,246	943,567
-	-	-	-	184,223	2,593	5,000	47,181	-	-	-	303,781
-	79,911	-	708,363	292,686	388,003	50,504	581,757	-	-	-	3,781,009
-	-	-	4,425	-	-	-	7,433	-	-	-	14,950
\$ 37,071	\$ 416,821	\$ -	\$ 712,788	\$ 524,075	\$ 1,798,254	\$ 56,164	\$ 2,051,363	\$ -	\$ 150,821	\$ 1,243,410	\$ 9,062,997
\$ -	\$ -	\$ -	\$ 171,419	\$ 318,670	234,686	\$ 46,833	\$ 287,013	\$ -	\$ -	\$ -	\$ 2,087,073
21,316	25,951	-	109,004	83,621	84,046	5,641	111,600	-	1,402	12,835	772,710
15,755	5,385	-	-	11,316	14,517	2,363	91,521	-	-	-	145,757
-	12,900	-	106,198	33,494	18,674	-	71,884	-	-	-	503,241
-	13,732	-	325,197	8,903	25,151	667	596,926	-	-	-	1,083,268
37,071	57,968	-	711,818	456,004	377,074	55,504	1,158,944	-	1,402	12,835	4,592,049
-	-	-	970	-	-	-	-	-	-	-	970
-	358,853	-	-	68,071	1,421,180	660	892,419	-	149,047	1,230,575	4,463,872
-	-	-	-	-	-	-	-	-	372	-	6,106
-	358,853	-	970	68,071	1,421,180	660	892,419	-	149,419	1,230,575	4,470,948
\$ 37,071	\$ 416,821	\$ -	\$ 712,788	\$ 524,075	\$ 1,798,254	\$ 56,164	\$ 2,051,363	\$ -	\$ 150,821	\$ 1,243,410	\$ 9,062,997

Special Revenue

<i>Year Ended</i> <i>December 31, 2011</i>	<i>Parks and</i> <i>Recreation</i>	<i>Friend</i> <i>of the</i> <i>Court</i>	<i>Accom-</i> <i>modation</i> <i>Tax</i>	<i>Revenue</i> <i>Sharing</i> <i>Reserve</i>	<i>Law</i> <i>Library</i>	<i>Area</i> <i>Agency on</i> <i>Aging</i>	<i>Child</i> <i>Care</i> <i>Probate</i>	<i>Veterans'</i> <i>Trust</i>	<i>Community</i> <i>Healthy</i> <i>Start</i>
Revenues:									
Taxes	\$ -	\$ -	\$ 2,119,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	1,929,914	-	-	-	821,330	75,244	-	640,156
State grants	-	-	-	-	-	367,712	3,164,755	27,375	-
Local unit contributions	-	-	-	-	-	-	42,941	-	-
Donations and contributions	299,357	-	-	-	-	7,987	7,313	-	-
Charges for services	781,292	66,213	-	-	-	26,319	22,511	-	-
Interest	11,968	-	-	6,552	-	-	-	-	-
Other	4,539	(1,886)	-	-	6,500	1,373	9	-	400
Total Revenues	1,097,156	1,994,241	2,119,540	6,552	6,500	1,224,721	3,312,773	27,375	640,556
Expenditures:									
Current:									
Judicial	-	2,982,695	-	-	48,780	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,260,696	6,130,464	18,375	640,556
Recreation and culture	1,395,256	-	1,662,417	-	-	-	-	-	-
Comm./Econ. Development	-	-	-	-	-	-	-	-	-
Other expenditures	-	-	-	-	-	-	10,000	-	-
Debt Service -									
Capital outlay	22	-	100,872	-	-	-	28,807	-	-
Total Expenditures	1,395,278	2,982,695	1,763,289	-	48,780	1,260,696	6,169,271	18,375	640,556
Excess (Deficiency) of Revenues Over Expenditures	(298,122)	(988,454)	356,251	6,552	(42,280)	(35,975)	(2,856,498)	9,000	-
Other Financing Sources (Uses):									
Transfers in	317,262	988,454	-	-	42,280	54,850	2,856,498	-	-
Transfers out	(19,140)	-	(796,020)	(3,735,646)	-	-	-	(9,000)	-
Total Other Financing Sources (Uses)	298,122	988,454	(796,020)	(3,735,646)	42,280	54,850	2,856,498	(9,000)	-
Net Change in Fund Balance	-	-	(439,769)	(3,729,094)	-	18,875	-	-	-
Fund Balance, beginning of year	-	-	732,156	3,729,094	-	37,473	-	-	66
Fund Balance, end of year	\$ -	\$ -	\$ 292,387	\$ -	\$ -	\$ 56,348	\$ -	\$ -	\$ 66

County of Kalamazoo, Michigan

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

<i>Special Revenue</i>										
<i>Community Corrections</i>	<i>W.I.A.</i>	<i>Head Start</i>	<i>Judicial Special Grants</i>	<i>Public Safety Special Grants</i>	<i>Public Works Special Grants</i>	<i>Health and Welfare Special Grants</i>	<i>Other Special Grants</i>	<i>Community Economic Development Special Grants</i>	<i>Capital Outlay Special Grants</i>	<i>Total Special Revenue</i>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,540	\$ -	\$ 2,202,080
-	8,192,877	4,844,313	1,034,772	885,391	40,872	4,508,101	-	-	-	22,972,970
519,300	832,346	-	308,791	660,520	84,173	1,026,550	-	-	-	6,991,522
-	-	-	-	-	-	-	-	-	-	42,941
-	-	-	171,733	22,493	4,333	553,242	-	-	160,000	1,226,458
195,474	-	-	93,303	80,840	-	421,820	-	16,169	203,550	1,907,491
-	-	-	-	-	-	598	-	-	3,976	23,094
-	-	282	-	7,310	-	36,421	-	-	-	54,948
714,774	9,025,223	4,844,595	1,608,599	1,656,554	129,378	6,546,732	-	98,709	367,526	35,421,504
-	-	-	1,685,433	-	-	-	-	-	-	4,716,908
714,968	-	-	-	1,096,877	-	-	-	-	-	1,811,845
-	-	-	-	-	129,591	-	-	-	-	129,591
-	9,025,223	4,833,046	-	-	-	6,452,308	-	-	-	28,360,668
-	-	-	-	-	-	-	-	-	-	3,057,673
-	-	-	-	-	-	-	-	81,132	-	81,132
-	-	-	-	-	-	-	891	-	-	10,891
-	-	11,549	-	381,420	-	9,323	-	-	168,534	700,527
714,968	9,025,223	4,844,595	1,685,433	1,478,297	129,591	6,461,631	891	81,132	168,534	38,869,235
(194)	-	-	(76,834)	178,257	(213)	85,101	(891)	17,577	198,992	(3,447,731)
-	-	-	123,947	6,387	-	225,813	-	6,100	19,140	4,640,731
-	-	-	-	(100,000)	-	(296,442)	-	-	-	(4,956,248)
-	-	-	123,947	(93,613)	-	(70,629)	-	6,100	19,140	(315,517)
(194)	-	-	47,113	84,644	(213)	14,472	(891)	23,677	218,132	(3,763,248)
359,047	-	970	20,958	1,336,536	873	877,947	891	125,742	1,012,443	8,234,196
\$ 358,853	\$ -	\$ 970	\$ 68,071	\$ 1,421,180	\$ 660	\$ 892,419	\$ -	\$ 149,419	\$ 1,230,575	\$ 4,470,948

County of Kalamazoo, Michigan

Nonmajor Debt Service Funds Combining Balance Sheet

<i>December 31, 2011</i>	<i>Debt Service</i>			<i>Total Debt Service</i>
	<i>2007 Austin Lake Bond Fund</i>	<i>2008 Townline Drain Bond Fund</i>	<i>2007 Juvenile Home Bond Fund</i>	
Assets:				
Cash	\$ 22,543	\$ 92,222	\$ 346,623	\$ 461,388
Receivables - Taxes	-	-	1,561,233	1,561,233
Total Assets	\$ 22,543	\$ 92,222	\$ 1,907,856	\$ 2,022,621
Liabilities and Fund Balance				
Liabilities -				
Deferred revenue	\$ -	\$ -	\$ 1,790,701	\$ 1,790,701
Fund Balance -				
Restricted	22,543	92,222	117,155	231,920
Total Liabilities and Fund Balance	\$ 22,543	\$ 92,222	\$ 1,907,856	\$ 2,022,621

	<i>Debt Service</i>			
	<i>1982</i>	<i>1996</i>	<i>2010</i>	<i>2001</i>
<i>Year Ended December 31, 2011</i>	<i>Water</i>	<i>Sewage</i>	<i>Indian</i>	<i>Cooper</i>
	<i>Supply</i>	<i>Disposal</i>	<i>Lake/</i>	<i>Township</i>
	<i>System</i>	<i>System</i>	<i>Pickerel</i>	<i>Sanitary</i>
	<i>No. 1</i>	<i>No. 7</i>	<i>Lake</i>	<i>Sewage</i>
	<i>Bonds</i>	<i>Bonds</i>	<i>Sewage</i>	<i>Disposal</i>
	<i>System</i>	<i>System</i>	<i>Disposal</i>	<i>System</i>
	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>	<i>Bonds</i>
Revenues:				
Interest and rents	\$ -	\$ -	\$ -	\$ -
Local unit contributions	20,375	157,806	404,158	205,375
Other revenues	-	-	-	-
Total Revenues	20,375	157,806	404,158	205,375
Expenditures:				
Principal retirement	15,000	125,000	335,000	125,000
Interest and fiscal charges	5,375	32,806	72,750	80,375
Total Expenditures	20,375	157,806	407,750	205,375
Excess (Deficiency) of				
Revenues Over Expenditures	-	-	(3,592)	-
Other Financing Sources -				
Transfer in	-	-	-	-
Net Change in Fund Balance	-	-	(3,592)	-
Fund Balance, beginning of year	-	-	3,592	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

County of Kalamazoo, Michigan

Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Debt Service

2004 Texas Township Sewage Disposal System Refunding Bonds	2005 Comstock Sewage Disposal	2005 Village of Augusta Water Supply	2007 Austin Lake Bond	2007 Juvenile Home Bond	2008 Townline Drain	2011 Expo Center Improvements	Total Debt Service
\$ -	\$ -	\$ -	\$ 34	\$ 930	\$ 125	\$ -	\$ 1,089
389,525	164,925	47,464	-	1,653,237	-	-	3,042,865
-	-	-	-	-	39,363	-	39,363
389,525	164,925	47,464	34	1,654,167	39,488	-	3,083,317
365,000	150,000	35,000	-	500,000	40,000	75,000	1,765,000
24,525	14,925	12,464	-	1,192,937	13,833	26,933	1,476,923
389,525	164,925	47,464	-	1,692,937	53,833	101,933	3,241,923
-	-	-	34	(38,770)	(14,345)	(101,933)	(158,606)
-	-	-	-	-	16,257	101,933	118,190
-	-	-	34	(38,770)	1,912	-	(40,416)
-	-	-	22,509	155,925	90,310	-	272,336
\$ -	\$ -	\$ -	\$ 22,543	\$ 117,155	\$ 92,222	\$ -	\$ 231,920

County of Kalamazoo, Michigan

Nonmajor Capital Projects Funds Combining Balance Sheet

December 31, 2011	Capital Projects							Total Capital Projects	
	Juvenile Home Building Project	Drains	Austin Lake Special Assessment	Oshtemo Township Water Supply System Construction	2008 Townline Drain Construction	Lake Improvement Revolving	Expo Center Construction		
Assets:									
Cash	\$ 48,939	\$ -	\$ -	\$ 28,811	\$ -	\$ 16,865	\$ 32,882	\$ 127,497	
Restricted cash	-	-	-	-	-	-	150,035	150,035	
Receivables -									
Due from other funds	-	75,697	-	-	-	-	-	75,697	
Total Assets	\$ 48,939	\$ 75,697	\$ -	\$ 28,811	\$ -	\$ 16,865	\$ 182,917	\$ 353,229	
 Liabilities and Fund Balance									
Liabilities:									
Accounts payable	\$ -	\$ 3,290	\$ -	\$ -	\$ -	\$ 350	\$ 1,427	\$ 5,067	
Retainage payable	-	-	-	-	-	-	149,947	149,947	
Accrued liabilities	-	-	-	-	-	-	88	88	
Advance from other funds	-	72,407	-	-	-	16,515	-	88,922	
Total Liabilities	-	75,697	-	-	-	16,865	151,462	244,024	
Fund Balance -									
Restricted	48,939	-	-	28,811	-	-	31,455	109,205	
Total Fund Balance	48,939	-	-	28,811	-	-	31,455	109,205	
Total Liabilities and Fund Balance	\$ 48,939	\$ 75,697	\$ -	\$ 28,811	\$ -	\$ 16,865	\$ 182,917	\$ 353,229	

County of Kalamazoo, Michigan

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

Year Ended	<i>Capital Projects</i>							Total Capital Projects
	<i>Juvenile Home Building Project</i>	<i>Drains</i>	<i>Austin Lake Special Assessment</i>	<i>Oshtemo Township Water Supply System Construction</i>	<i>2008 Townline Drain Construction</i>	<i>Lake Improvement Revolving</i>	<i>Expo Center Construction</i>	
December 31, 2011								
Revenues -								
Interest	\$ 77	\$ -	\$ 9	\$ -	\$ 4	\$ -	\$ 777	\$ 867
Expenditures:								
Other	-	-	35,151	-	-	-	-	35,151
Bond issuance costs	-	-	-	-	-	-	12,894	12,894
Capital outlay	(966)	-	-	-	-	-	3,531,428	3,530,462
Total Expenditures	(966)	-	35,151	-	-	-	3,544,322	3,578,507
Excess (Deficiency) of								
Revenues Over Expenditures	1,043	-	(35,142)	-	4	-	(3,543,545)	(3,577,640)
Other Financing Sources:								
Transfers in	-	-	-	-	-	-	575,000	575,000
Transfers out	-	-	-	-	(16,257)	-	-	(16,257)
Issuance of bond	-	-	-	-	-	-	3,000,000	3,000,000
Total Other Financing Sources (Uses)	-	-	-	-	(16,257)	-	3,575,000	3,558,743
Net Change in Fund Balance	1,043	-	(35,142)	-	(16,253)	-	31,455	(18,897)
Fund Balance,								
beginning of year	47,896	-	35,142	28,811	16,253	-	-	128,102
Fund Balance,								
end of year	\$ 48,939	\$ -	\$ -	\$ 28,811	\$ -	\$ -	\$ 31,455	\$ 109,205

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Donations and contributions	\$ 372,000	\$ 372,000	\$ 299,357	\$ (72,643)
Charges for services	718,400	734,200	781,292	47,092
Interest and rents	18,000	13,800	11,968	(1,832)
Other	-	3,000	4,539	1,539
Total Revenues	1,108,400	1,123,000	1,097,156	(25,844)
Expenditures:				
Recreation and culture	1,480,300	1,449,900	1,395,256	54,644
Capital outlay	10,000	10,000	22	9,978
Total Expenditures	1,490,300	1,459,900	1,395,278	64,622
Deficiency of Revenues Over Expenditures	(381,900)	(336,900)	(298,122)	38,778
Other Financing Sources (Uses):				
Transfers in:				
General Fund	294,100	249,100	229,960	(19,140)
Accommodation Tax Fund	87,800	87,800	87,302	(498)
Transfers out -				
Parks Improvement Fund	-	-	(19,140)	19,140
Total Other Financing Sources	381,900	336,900	298,122	(38,778)
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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ 292,000	\$ 2,103,000	\$ 1,929,914	\$ (173,086)
Charges for services	71,000	71,500	66,213	(5,287)
Other	-	-	(1,886)	(1,886)
Total Revenues	363,000	2,174,500	1,994,241	(180,259)
Expenditures -				
Judicial	3,134,600	3,035,500	2,982,695	52,805
Deficiency of Revenues Over Expenditures	(2,771,600)	(861,000)	(988,454)	(127,454)
Other Financing Sources -				
Transfers in:				
General Fund	2,751,600	841,000	968,454	127,454
Law Enforcement Fund	20,000	20,000	20,000	-
Total Other Financing Sources	2,771,600	861,000	988,454	127,454
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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes	\$ 1,700,000	\$ 2,055,000	\$ 2,119,540	\$ 64,540
Other revenues	518,528	-	-	-
Total Revenues	2,218,528	\$ 2,055,000	\$ 2,119,540	64,540
Expenditures:				
Recreation and culture	1,343,500	1,617,400	1,662,417	(45,017)
Capital outlay	761,728	314,400	100,872	213,528
Total Expenditures	2,105,228	1,931,800	1,763,289	168,511
Excess of Revenues Over Expenditures	113,300	123,200	356,251	233,051
Other Financing Uses -				
Transfers out:				
General Fund	(25,500)	(30,800)	(31,785)	(985)
Expo Center Construction	-	-	(575,000)	(575,000)
Expo Center Construction Debt Service	-	-	(101,933)	(101,933)
Parks and Recreation Fund	(87,800)	(92,400)	(87,302)	5,098
Total Other Financing Uses	(113,300)	(123,200)	(796,020)	(672,820)
Net Change in Fund Balance	-	-	(439,769)	(439,769)
Fund Balance, beginning of year	732,156	732,156	732,156	-
Fund Balance, end of year	\$ 732,156	\$ 732,156	\$ 292,387	\$ (439,769)

County of Kalamazoo, Michigan

Revenue Sharing Reserve Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Other	\$ 3,725,800	\$ 3,725,800	\$ -	\$ (3,725,800)
Interest and rents	-	-	6,552	6,552
Total Revenues	3,725,800	3,725,800	6,552	(3,719,248)
Other Financing Uses -				
Transfers out - General Fund	(3,725,800)	(3,725,800)	(3,735,646)	9,846
Net Change in Fund Balance	-	-	(3,729,094)	(3,729,094)
Fund Balance, beginning of year	-	3,729,094	3,729,094	-
Fund Balance, end of year	\$ -	\$ 3,729,094	\$ -	\$ (3,729,094)

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures -				
Judicial	49,700	48,800	48,780	20
Deficiency of Revenues Over Expenditures	(43,200)	(42,300)	(42,280)	20
Other Financing Sources -				
Transfers in -				
General Fund	43,200	42,300	42,280	(20)
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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 829,552	\$ 821,330	\$ (8,222)
State grants	-	376,326	367,712	(8,614)
Donations and contributions	-	12,566	7,987	(4,579)
Charges for services	-	27,267	26,319	(948)
Other	-	1,932	1,373	(559)
Total Revenues	-	1,247,643	1,224,721	(22,922)
Expenditures -				
Health and welfare	-	1,289,016	1,260,696	28,320
Deficiency of Revenues Over Expenditures	-	(41,373)	(35,975)	5,398
Other Financing Sources -				
Transfers in:				
General Fund	-	41,373	38,520	(2,853)
Emergency preparedness	-	-	16,330	16,330
Total Other Financing Sources	-	41,373	54,850	13,477
Net Change in Fund Balance	-	-	18,875	18,875
Fund Balance, beginning of year	37,473	37,473	37,473	-
Fund Balance, end of year	\$ 37,473	\$ 37,473	\$ 56,348	\$ 18,875

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ 83,000	\$ 83,000	\$ 75,244	\$ (7,756)
State grants	3,399,700	3,399,700	3,164,755	(234,945)
Local unit contributions	64,000	54,000	42,941	(11,059)
Charges for services	34,000	34,000	22,511	(11,489)
Donations and contributions	-	9,000	7,313	(1,687)
Other	-	-	9	9
Total Revenues	3,580,700	3,579,700	3,312,773	(266,927)
Expenditures:				
Health and welfare	7,636,400	7,258,200	6,130,464	1,127,736
Other expenditures	10,000	10,000	10,000	-
Capital outlay	-	32,000	28,807	3,193
Total Expenditures	7,646,400	7,300,200	6,169,271	1,130,929
Deficiency of Revenues Over Expenditures	(4,065,700)	(3,720,500)	(2,856,498)	864,002
Other Financing Sources -				
Transfers in:				
General Fund	3,883,500	3,538,300	2,674,298	(864,002)
Law Enforcement Fund	182,200	182,200	182,200	-
Total Other Financing Sources	4,065,700	3,720,500	2,856,498	(864,002)
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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
State grants	\$ 27,700	\$ 27,700	\$ 27,375	\$ (325)
Expenditures -				
Health and welfare	16,700	16,700	18,375	(1,675)
Excess of Revenues Over Expenditures	11,000	11,000	9,000	(2,000)
Other Financing Uses -				
Transfers out -				
General Fund	(11,000)	(11,000)	(9,000)	2,000
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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 628,600	\$ 640,156	\$ 11,556
Other	-	-	400	400
Total Revenues	-	628,600	640,556	11,956
Expenditures -				
Health and welfare	-	643,100	640,556	2,544
Deficiency of Revenues Over Expenditures	-	(14,500)	-	(14,500)
Other Financing Uses -				
Transfers in	-	14,500	-	14,500
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	66	66	66	-
Fund Balance, end of year	\$ 66	\$ 66	\$ 66	\$ -

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
State grants	\$ -	\$ 492,339	\$ 519,300	\$ 26,961
Charges for services	-	262,000	195,474	(66,526)
Total Revenues	-	754,339	714,774	(39,565)
Expenditures -				
Public safety	-	754,339	714,968	39,371
Net Change in Fund Balance	-	-	(194)	(194)
Fund Balance, beginning of year	359,047	359,047	359,047	-
Fund Balance, end of year	\$ 359,047	\$ 359,047	\$ 358,853	\$ (194)

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 9,780,357	\$ 8,192,877	\$ (1,587,480)
State grants	-	-	832,346	832,346
Total Revenues	-	9,780,357	9,025,223	(755,134)
Expenditures -				
Health and welfare	-	9,780,357	9,025,223	755,134
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

County of Kalamazoo, Michigan

Head Start Special Revenue Fund

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

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 4,844,352	\$ 4,844,313	\$ (39)
Other	-	6,000	282	(5,718)
Total Revenues	-	4,850,352	4,844,595	(5,757)
Expenditures:				
Health and welfare	-	4,833,352	4,833,046	306
Capital outlay	-	17,000	11,549	5,451
Total Expenditures	-	4,850,352	4,844,595	5,757
Net Change in Fund Balance	-	-	-	-
Fund Balance, beginning of year	970	970	970	-
Fund Balance, end of year	\$ 970	\$ 970	\$ 970	\$ -

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 2,014,602	\$ 1,034,772	\$ (979,830)
State grants	-	317,404	308,791	(8,613)
Donations and contributions	-	210,887	171,733	(39,154)
Charges for services	-	94,500	93,303	(1,197)
Total Revenues	-	2,637,393	1,608,599	(1,028,794)
Expenditures:				
Judicial	-	2,836,160	1,685,433	1,150,727
Capital outlay	-	1,800	-	1,800
Total Expenditures	-	2,837,960	1,685,433	1,152,527
Deficiency of Revenues Over Expenditures	-	(200,567)	(76,834)	123,733
Other Financing Sources -				
Transfers in -				
General Fund	-	200,567	123,947	(76,620)
Net Change in Fund Balance	-	-	47,113	47,113
Fund Balance, beginning of year	20,958	20,958	20,958	-
Fund Balance, end of year	\$ 20,958	\$ 20,958	\$ 68,071	\$ 47,113

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 661,107	\$ 885,391	\$ 224,284
State grants	-	638,000	660,520	22,520
Donations and contributions	-	21,100	22,493	1,393
Charges for services	75,000	84,800	80,840	(3,960)
Other	-	388,500	7,310	(381,190)
Total Revenues	75,000	1,793,507	1,656,554	(136,953)
Expenditures:				
Public safety	75,000	1,204,209	1,096,877	107,332
Capital outlay	-	493,200	381,420	111,780
Total Expenditures	75,000	1,697,409	1,478,297	219,112
Excess of Revenues Over Expenditures	-	96,098	178,257	82,159
Other Financing Sources (Uses) -				
Transfers in:				
General Fund	-	1,700	4,290	2,590
Law Enforcement Fund	-	2,202	2,097	(105)
Transfer out	-	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	-	(96,098)	(93,613)	2,485
Net Change in Fund Balance	-	-	84,644	84,644
Fund Balance, beginning of year	112,315	1,336,536	1,336,536	-
Fund Balance, end of year	\$ 112,315	\$ 1,336,536	\$ 1,421,180	\$ 84,644

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 63,436	\$ 40,872	\$ (22,564)
State grants	-	84,173	84,173	-
Donations and contributions	-	5,000	4,333	(667)
Other revenues	900	900	-	(900)
Total Revenues	900	153,509	129,378	(24,131)
Expenditures -				
Public works	900	153,509	129,591	23,918
Net Change in Fund Balance	-	-	(213)	213
Fund Balance, beginning of year	873	873	873	-
Fund Balance, end of year	\$ 873	\$ 873	\$ 660	\$ (213)

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Federal grants	\$ -	\$ 3,358,034	\$ 4,508,101	\$ 1,150,067
State grants	-	1,222,964	1,026,550	(196,414)
Donations and contributions	-	313,047	553,242	240,195
Charges for services	-	234,512	421,820	187,308
Interest and rents	-	-	598	598
Other	-	79,972	36,421	(43,551)
Total Revenues	-	5,208,529	6,546,732	1,338,203
Expenditures:				
Health and welfare	-	4,636,305	6,452,308	(1,816,003)
Capital outlay	-	17,700	9,323	8,377
Total Expenditures	-	4,654,005	6,461,631	(1,807,626)
Excess of Revenues Over Expenditures	-	554,524	85,101	(469,423)
Other Financing Sources (Uses):				
Transfers in:				
General Fund	-	238,781	136,860	(101,921)
WIC	-	10,400	10,384	(16)
Commodities distribution	-	240	-	(240)
Meth Contamination	-	-	36,011	36,011
Health Special Revenue Fund	-	-	41,758	41,758
Homeless grant	-	800	800	-
Transfers out:				
AIDS Grant	-	(800)	(800)	-
AAA	-	-	(16,330)	(16,330)
Community Services	-	(17,720)	(10,384)	7,336
Health Special Revenue Fund	-	(2,900)	(231,472)	(228,572)
Total Other Financing Sources (Uses)	-	227,801	(70,629)	(298,430)
Net Change in Fund Balance	-	782,325	14,472	(767,853)
Fund Balance, beginning of year	877,946	877,946	877,946	-
Fund Balance, end of year	\$ 877,946	\$ 1,660,271	\$ 892,418	\$ (767,853)

County of Kalamazoo, Michigan

Other Special Grants Special Revenue Fund

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

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues -				
Other	\$ 1,800	\$ 1,800	\$ -	\$ (1,800)
Expenditures -				
Other	1,800	1,800	891	909
Net Change in Fund Balance	-	-	(891)	(891)
Fund Balance, beginning of year	891	891	891	-
Fund Balance, end of year	\$ 891	\$ 891	\$ -	\$ (891)

County of Kalamazoo, Michigan

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

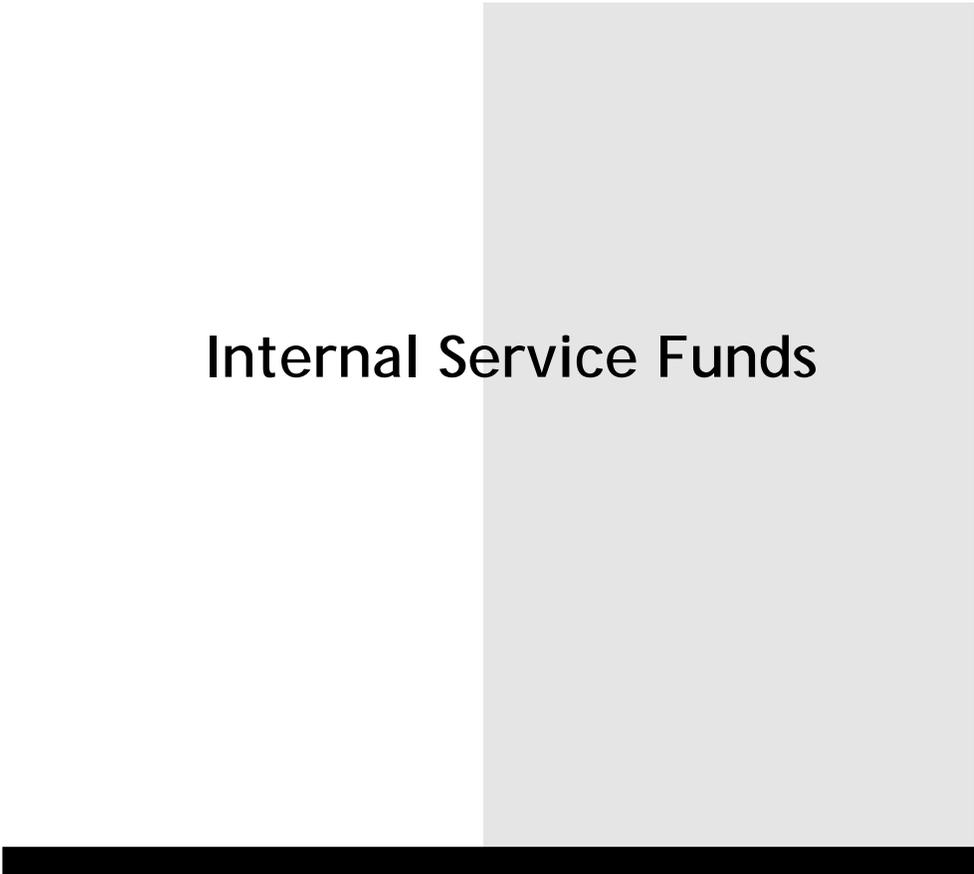
<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Donations and contributions	\$ -	\$ -	\$ 160,000	\$ 160,000
Charges for services	200,000	200,000	203,550	3,550
Interest and revenues	15,000	15,000	3,976	(11,024)
Other revenues	8,800	282,200	-	(282,200)
Total Revenues	223,800	497,200	367,526	(129,674)
Expenditures -				
Capital outlay	223,800	497,200	168,534	328,666
Excess of Revenues Over Expenditures	-	-	198,992	198,992
Other Financing Sources -				
Transfers in	-	-	19,140	19,140
Net Change in Fund Balance	-	-	218,132	218,132
Fund Balance, beginning of year	1,012,443	1,012,443	1,012,443	-
Fund Balance, end of year	\$ 1,012,443	\$ 1,012,443	\$ 1,230,575	\$ 218,132

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, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Taxes	\$ -	\$ -	\$ 82,540	\$ 82,540
Charges for services	-	-	16,169	16,169
Other	-	119,600	-	(119,600)
Total Revenues	-	119,600	98,709	(20,891)
Expenditures -				
Community Economic Development	-	125,700	81,132	44,568
Excess (Deficiency) of				
Revenues Over Expenditures	-	(6,100)	17,577	23,677
Other Financing Sources -				
Transfers in	-	6,100	6,100	-
Net Change in Fund Balance	-	-	23,677	23,677
Fund Balance, beginning of year	125,742	125,742	125,742	-
Fund Balance, end of year	\$ 125,742	\$ 125,742	\$ 149,419	\$ 23,677

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 government units on a cost reimbursement basis.

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

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

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

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

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

County of Kalamazoo, Michigan

Combining Statement of Net Assets Internal Service Funds

<i>December 31, 2011</i>	<i>Employee Benefits</i>	<i>Technology</i>	<i>Nazareth Facility</i>	<i>Central Stores</i>	<i>HSD Personnel Pool</i>	<i>Total</i>
Assets:						
Cash	\$ 1,809,999	\$ 1,000,505	\$ 105,598	\$ 71,640	\$ 7,808	\$ 2,995,550
Investments	6,511,161	-	-	-	-	6,511,161
Accounts receivable	477,652	-	462	1,915	-	480,029
Accrued interest	97,073	-	-	-	-	97,073
Inventories	2,440	2,295	265	89,340	-	94,340
Prepaid items	62,495	83,527	11,380	98	-	157,500
Total Current Assets	8,960,820	1,086,327	117,705	162,993	7,808	10,335,653
Property, Plant, and Equipment, net of accumulated depreciation	16,754	629,284	193,827	-	-	839,865
Total Assets	\$ 8,977,574	\$ 1,715,611	\$ 311,532	\$ 162,993	\$ 7,808	\$ 11,175,518
Liabilities and Net Assets						
Liabilities:						
Accounts payable	\$ 402,445	\$ 37,610	\$ 27,725	\$ 19,587	\$ -	\$ 487,367
Due to other funds	89,387	-	-	-	-	89,387
Accrued liabilities	166,604	13,885	25,515	7,264	7,808	221,076
Liability for estimated claims	804,170	-	-	6,080	-	810,250
Deposits payable	27,378	-	447	-	-	27,825
Total Liabilities	1,489,984	51,495	53,687	32,931	7,808	1,635,905
Net Assets:						
Investment in capital assets, net of related debt	16,754	629,284	193,827	-	-	839,865
Unrestricted	7,470,836	1,034,832	64,018	130,062	-	8,699,748
Total Net Assets	7,487,590	1,664,116	257,845	130,062	-	9,539,613
Total Liabilities and Net Assets	\$ 8,977,574	\$ 1,715,611	\$ 311,532	\$ 162,993	\$ 7,808	\$ 11,175,518

County of Kalamazoo, Michigan

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

<i>Year Ended</i>	<i>Employee</i>		<i>Nazareth</i>	<i>Central</i>	<i>HSD</i>	
<i>December 31, 2011</i>	<i>Benefits</i>	<i>Technology</i>	<i>Facility</i>	<i>Stores</i>	<i>Personnel</i>	<i>Pool</i>
						<i>Total</i>
Operating Revenues -						
Charges for services	\$ 20,637,940	\$ 801,956	\$ 839,139	\$1,078,508	\$ 199,474	\$ 23,557,017
Operating Expenses:						
Operating expenses	-	552,835	856,410	1,081,624	199,474	2,690,343
Depreciation and amortization	-	224,046	20,933	1,508	-	246,487
Employee benefits	20,730,475	-	-	-	-	20,730,475
Total Operating Expenses	20,730,475	776,881	877,343	1,083,132	199,474	23,667,305
Operating Income (Loss)	(92,535)	25,075	(38,204)	(4,624)	-	(110,288)
Net Assets, beginning of year	7,580,125	1,639,041	296,049	134,686	-	9,649,901
Net Assets, end of year	\$ 7,487,590	\$ 1,664,116	\$ 257,845	\$ 130,062	\$ -	\$ 9,539,613

County of Kalamazoo, Michigan

Combining Statement of Cash Flows Internal Service Funds

Year Ended December 31, 2011	Employee Benefits	Technology	Nazareth Facility	Central Stores	HSD Personnel Pool	Total
Operating Activities:						
Cash received from interfund services provided	\$ 20,710,647	\$ 802,232	\$ 838,730	\$ 1,078,798	\$ 199,474	\$ 23,629,881
Cash paid to employees	(771,262)	-	(227,102)	(87,512)	(104,208)	(1,190,084)
Cash paid for interfund services use	(1,766,799)	-	(93,538)	(32,015)	(42,482)	(1,934,834)
Cash paid to suppliers	(18,386,881)	(562,136)	(554,209)	(996,267)	(49,816)	(20,549,309)
Cash Provided by (Used in) Operating Activities	(214,295)	240,096	(36,119)	(36,996)	2,968	(44,346)
Cash Provided by Investing Activities - Sale of investments	489,826	-	-	-	-	489,826
Cash Used in Capital and Related Financing Activities - Acquisition of capital assets	(16,755)	(44,644)	-	-	-	(61,399)
Net Increase (Decrease) in Cash	258,776	195,452	(36,119)	(36,996)	2,968	384,081
Cash, beginning of year	1,551,223	805,053	141,717	108,636	4,840	2,611,469
Cash, end of year	\$ 1,809,999	\$ 1,000,505	\$ 105,598	\$ 71,640	\$ 7,808	\$ 2,995,550
Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ (92,535)	\$ 25,075	\$ (38,204)	\$ (4,624)	\$ -	\$ (110,288)
Depreciation and amortization	-	224,046	20,933	1,508	-	246,487
Loss on disposal	-	-	-	728	-	728
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	114,174	276	(409)	290	-	114,331
Interest receivable	(59,667)	-	-	-	-	(59,667)
Due from other funds	18,200	-	-	-	-	18,200
Inventories	8,053	(416)	(111)	(2,785)	-	4,741
Prepaid items	13,262	(3,487)	(2)	133	-	9,906
Increase (decrease) in:						
Accounts payable	(234,293)	(7,099)	(23,317)	(27,922)	(198)	(292,829)
Due to other funds	18,170	-	-	-	-	18,170
Accrued expenses	1,263	1,701	4,544	(458)	3,166	10,216
Liability for estimated claim	(10,298)	-	-	-	-	(10,298)
Deposits payable	9,376	-	447	(3,866)	-	5,957
Cash Provided by (Used in) Operating Activities	\$ (214,295)	\$ 240,096	\$ (36,119)	\$ (36,996)	\$ 2,968	\$ (44,346)

County of Kalamazoo, Michigan

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

<i>Year Ended December 31, 2011</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Operating Revenues -				
Charges for services	\$ 1,127,500	\$ 1,127,500	\$ 1,078,508	\$ (48,992)
Operating Expenses:				
Employment expenses	120,400	120,400	119,075	1,325
Contractual and other	243,000	243,000	238,254	4,746
Supplies	760,900	760,900	724,295	36,605
Depreciation	3,200	3,200	1,508	1,692
Total Operating Expenses	1,127,500	1,127,500	1,083,132	44,368
Change in Net Assets	-	-	(4,624)	(4,624)
Net Assets, beginning of year	134,686	134,686	134,686	-
Net Assets, end of year	\$ 134,686	\$ 134,686	\$ 130,062	\$ (4,624)



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.

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

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

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

County of Kalamazoo, Michigan

Agency Funds Statement of Fiduciary Assets and Liabilities

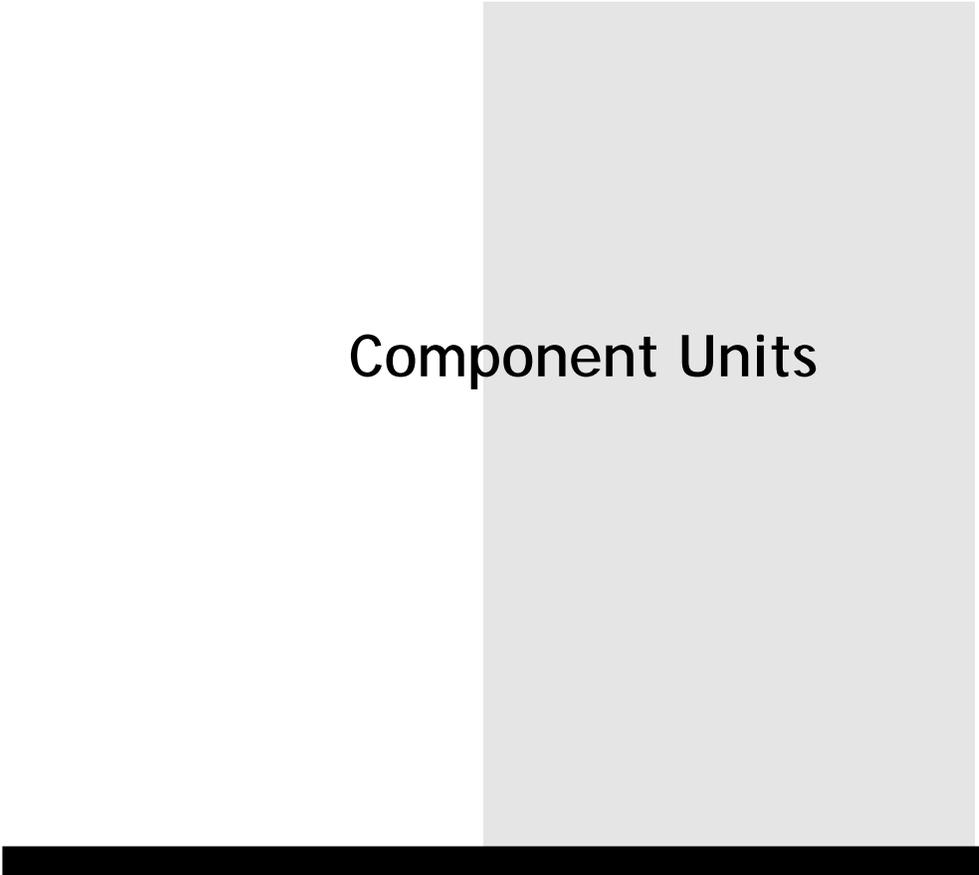
<i>December 31, 2011</i>	<i>Trust and Agency</i>	<i>Library Trust</i>	<i>Bail Bond</i>	<i>Inmates' Trust</i>	<i>Drain Performance Bond</i>	<i>Total</i>
Assets:						
Cash	\$ (2,082,957)	\$ 207,426	\$ 22,360	\$ 40,959	\$ 83,388	\$ (1,728,824)
Investments	4,000,000	-	-	-	-	4,000,000
Accounts receivable	92	-	-	-	-	92
Total Assets	\$ 1,917,135	\$ 207,426	\$ 22,360	\$ 40,959	\$ 83,388	\$ 2,271,268
Liabilities:						
Due to other governmental units	\$ (76,107)	\$ 207,426	\$ -	\$ -	\$ -	\$ 131,319
Other payables	1,993,242	-	22,360	40,959	83,388	2,139,949
Total Liabilities	\$ 1,917,135	\$ 207,426	\$ 22,360	\$ 40,959	\$ 83,388	\$ 2,271,268

County of Kalamazoo, Michigan

Agency Funds

Combining Statement of Changes in Assets and Liabilities - Year Ended December 31, 2011

	Balance, January 1, 2011	Additions	Deductions	Balance, December 31, 2011
<u>Trust and Agency</u>				
Assets:				
Cash	\$ 762,955	\$ 132,343,334	\$ 135,189,246	\$ (2,082,957)
Investments	2,038,404	2,000,050	38,454	4,000,000
Accounts receivable	-	936	844	92
Total Assets	\$ 2,293,166	\$ 134,344,320	\$ 135,228,544	\$ 1,917,135
Liabilities:				
Due to other governmental units	\$ 615,929	\$ 128,021,313	\$ 127,329,277	\$ (76,107)
Other payables	2,185,430	63,507,946	63,315,758	1,993,242
Total Liabilities	\$ 2,801,359	\$ 191,529,259	\$ 190,645,035	\$ 1,917,135
<u>Library Trust</u>				
Assets - Cash	\$ 207,253	\$ 583,850	\$ 583,677	\$ 207,426
Liability - Due to other governmental units	\$ 207,253	\$ 1,162,457	\$ 1,162,630	\$ 207,426
<u>Bail Bond</u>				
Assets - Cash	\$ 3,450	\$ 865,069	\$ 846,159	\$ 22,360
Liability - Other payables	\$ 3,450	\$ 1,709,903	\$ 1,728,813	\$ 22,360
<u>Inmates' Trust</u>				
Assets - Cash	\$ 40,081	\$ 508,193	\$ 507,315	\$ 40,959
Liability - Other payables	\$ 40,081	\$ 489,861	\$ 490,739	\$ 40,959
<u>Drain Performance Bond</u>				
Assets - Cash	\$ 83,263	\$ 125	-	\$ 83,388
Liability - Other payables	\$ 83,263	-	\$ 125	\$ 83,388
<u>Total Agency Funds</u>				
Assets:				
Cash	\$ 1,097,002	\$ 134,300,571	\$ 137,126,397	\$ (1,728,824)
Investments	2,038,404	2,000,050	38,454	4,000,000
Accounts receivable	-	936	844	92
Total Assets	\$ 2,649,837	\$ 136,300,621	\$ 137,164,851	\$ 2,271,268
Liabilities:				
Due to other governmental units	\$ 823,182	\$ 129,183,770	\$ 128,491,907	\$ 131,319
Other payables	2,312,224	65,707,710	65,535,435	2,139,949
Total Liabilities	\$ 2,649,929	\$ 194,891,480	\$ 194,027,342	\$ 2,271,268



Component Units

County of Kalamazoo, Michigan

Component Units Balance Sheet - At-Large Drains

	<i>Special Revenue</i>
	<i>At-Large Drains</i>
<hr/>	
<i>December 31, 2011</i>	
<hr/>	
Assets:	
Cash	\$ 1,028,359
Accounts receivable	75,697
<hr/>	
Total Assets	1,104,056
<hr/>	
Liabilities:	
Accounts payable	\$ 161
Noncurrent liabilities - Due within one year	75,697
<hr/>	
Total Liabilities	75,858
Fund Balance - Assigned	1,028,198
<hr/>	
Total Liabilities and Fund Balance	\$ 1,104,056
<hr/>	

County of Kalamazoo, Michigan

Component Units

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

	<i>Special Revenue</i>
	<i>At-Large Drains</i>
<hr/>	
<i>Year Ended December 31, 2011</i>	
<hr/>	
Revenues:	
Interest and rents	\$ 1,688
Other	212,344
<hr/>	
Total Revenues	214,032
Expenditures -	
Public works - Drains	186,092
<hr/>	
Net Change in Fund Balance	27,940
Fund Balance, beginning of year	1,000,258
<hr/>	
Fund Balance, end of year	\$ 1,028,198
<hr/>	

County of Kalamazoo, Michigan

Component Units Balance Sheet - DHS/Child Care Welfare

	<i>Special Revenue</i>
	<i>DHS/ Child Care Welfare</i>
<hr/>	
<i>December 31, 2011</i>	
<hr/>	
Assets:	
Cash	\$ 608,922
Due from other governmental units	19,000
<hr/>	
Total Assets	\$ 627,922
<hr/>	
Liabilities -	
Deferred revenues	\$ 627,922
<hr/>	

County of Kalamazoo, Michigan

Component Units

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

	<i>Special Revenue</i>
	<i>DHS/ Child Care Welfare</i>
<hr/>	
<i>Year Ended December 31, 2011</i>	
<hr/>	
Revenues:	
State grants	\$ 1,018,411
Local unit contributions	641,100
Charges for services	58,726
Other revenues	1,234,710
<hr/>	
Total Revenues	2,952,947
Expenditures -	
Health and welfare	2,952,947
<hr/>	
Net Change in Fund Balance	-
Fund Balance, beginning of year	-
<hr/>	
Fund Balance, end of year	\$ -
<hr/>	

**Statistical Section
(Unaudited)**



County of Kalamazoo, Michigan

Statistical Section (Unaudited) Contents

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

	<i>Page</i>
Financial Trends - Schedules 1 - 4	115 - 119
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	120 - 123
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	124 - 127
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 and 13	128 and 129
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	130 - 132
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.

<i>December 31,</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 20,075,223	\$ 19,173,432	\$ 14,661,496	\$ 31,973,057	\$ 14,798,453
Restricted:					
Budget Stabilization	2,500,000	-	-	-	-
Revenue Sharing Reserve	-	3,729,094	8,844,326	13,876,233	18,318,542
Capital Projects	-	-	-	-	-
Special revenue grants:					
Law Enforcement Fund	955,624	387,990	624,792	-	-
Health Fund	34,219	1,499	1,499	-	-
Other	4,463,872	7,279,978	6,497,893	7,071,644	6,544,606
Unrestricted	70,239,778	59,674,138	59,211,457	35,299,847	44,414,631
Total Governmental Activities					
Net Assets	\$ 98,268,716	\$ 90,246,131	\$ 89,841,463	\$ 88,220,781	\$ 84,076,232
Business-Type Activities:					
Invested in capital assets, net of related debt	\$ 53,833,191	\$ 43,917,137	\$ 27,521,531	\$ 23,914,326	\$ 24,479,312
Unrestricted	29,467,743	31,172,945	30,865,423	29,143,845	25,967,411
Total Business-Type Activities					
Net Assets	\$ 83,300,934	\$ 75,090,082	\$ 58,386,954	\$ 53,058,171	\$ 50,446,723
Primary Government:					
Invested in capital assets, net of related debt	\$ 73,908,414	\$ 63,090,560	\$ 42,183,027	\$ 55,887,383	\$ 39,277,765
Restricted:					
Budget Stabilization	2,500,000	-	-	-	-
Revenue Sharing Reserve	-	3,729,094	8,844,326	13,876,233	18,318,542
Capital Projects	-	-	-	-	-
Special revenue grants:					
Law Enforcement Fund	955,624	387,990	624,792	-	-
Health Fund	34,219	1,499	1,499	-	-
Other	4,463,872	7,279,978	6,497,893	7,071,644	6,544,606
Unrestricted	99,707,521	90,847,092	90,076,880	64,443,692	70,382,042
Total Primary Government					
Net Assets	\$ 181,569,650	\$ 165,336,213	\$ 148,228,417	\$ 141,278,952	\$ 134,522,955

County of Kalamazoo, Michigan

Schedule 1 - Net Assets by Component, Last Ten Fiscal Years - 2011-2002 (Unaudited)

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 14,594,522	\$ 15,261,715	\$ 15,521,670	\$ 15,339,334	\$ 15,519,059
-	-	-	-	-
21,154,552	14,334,413	8,357,014	-	-
4,882,322	4,169,092	4,169,994	7,670,957	7,496,724
-	-	-	-	-
-	-	-	-	-
6,254,864	4,836,203	3,584,389	198,507	4,353,842
<u>32,575,999</u>	<u>32,683,732</u>	<u>37,673,606</u>	<u>43,838,436</u>	<u>35,647,333</u>
<u>\$ 79,462,259</u>	<u>\$ 71,285,155</u>	<u>\$ 69,306,673</u>	<u>\$ 67,047,234</u>	<u>\$ 63,016,958</u>
\$ 22,144,066	\$ 22,238,237	\$ 17,177,064	\$ 25,622,908	\$ 25,136,081
<u>24,150,506</u>	<u>22,834,327</u>	<u>25,133,407</u>	<u>15,401,720</u>	<u>16,850,333</u>
<u>\$ 46,294,572</u>	<u>\$ 45,072,564</u>	<u>\$ 42,310,471</u>	<u>\$ 41,024,628</u>	<u>\$ 41,986,414</u>
\$ 36,738,588	\$ 37,499,952	\$ 32,698,734	\$ 40,962,242	\$ 40,655,140
-	-	-	-	-
21,154,552	14,334,413	8,357,014	-	-
4,882,322	4,169,092	4,169,994	7,670,957	7,496,724
-	-	-	-	-
-	-	-	-	-
6,254,864	4,836,203	3,584,389	198,507	4,353,842
<u>56,726,505</u>	<u>55,518,059</u>	<u>62,807,013</u>	<u>59,240,156</u>	<u>52,497,666</u>
<u>\$ 125,756,831</u>	<u>\$ 116,357,719</u>	<u>\$ 111,617,144</u>	<u>\$ 108,071,862</u>	<u>\$ 105,003,372</u>

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

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

<i>Year Ended December 31,</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Expenses:					
Governmental activities:					
General government	\$ 14,685,317	\$ 16,454,956	\$ 15,304,080	\$ 18,716,502	\$ 17,195,129
Public safety	25,723,553	27,429,129	28,190,183	25,185,011	25,519,348
Public works	133,937	478,320	302,635	166,934	299,344
Health and welfare	38,749,470	41,958,505	40,947,081	36,838,395	36,180,122
Recreation and culture	4,013,029	3,950,921	3,345,053	3,268,444	3,232,282
Legislative	971,453	954,998	938,582	862,396	897,634
Judicial	19,540,568	19,851,817	19,477,810	17,665,498	17,774,174
Community Economic Development	81,132	59,446	-	-	-
Other	-	-	-	-	-
Transfer to Component Unit	-	-	-	-	-
Interest and fiscal charges	1,461,542	1,599,239	1,615,949	1,797,799	656,948
Total governmental activities expenses	105,360,001	112,737,331	110,121,373	104,500,979	101,754,981
Business-type activities:					
Delinquent tax	-	1,800	-	800	6,690
Tax reversion	537,829	516,924	266,656	-	-
Airport operations	7,755,405	6,269,714	7,244,951	6,019,869	5,759,066
Total business-type activities expenses	8,293,234	6,788,438	7,511,607	6,020,669	5,765,756
Total Primary Government Expenses	\$ 113,653,235	\$ 119,525,769	\$ 117,632,980	\$ 110,521,648	\$ 107,520,737
Program Revenues:					
Governmental activities:					
Charges for Services:					
General government	\$ 5,284,450	\$ 1,866,708	\$ 2,147,274	\$ 2,252,045	\$ 2,703,273
Public safety	2,080,437	1,895,004	1,977,075	1,947,155	1,728,469
Public works	98,709	4,618	-	-	-
Health and welfare	2,282,647	2,359,508	2,519,035	2,175,576	2,016,657
Recreation and culture	2,911,332	2,821,377	2,527,150	2,669,459	2,634,950
Judicial	4,688,164	5,041,762	5,095,013	5,652,775	5,871,196
Interest and fiscal charges	-	-	-	-	-
Other	-	-	-	-	-
Operating Grants and Contributions:					
General government	5,346,046	363,001	207,441	284,284	249,407
Public safety	2,230,316	2,257,433	1,874,351	1,660,903	2,919,091
Public works	129,378	161,622	75,520	117,541	147,679
Health and welfare	27,124,803	29,290,317	28,652,957	24,561,585	23,970,105
Recreation and culture	1,805,102	1,811,563	1,689,076	1,602,217	1,389,113
Judicial	7,412,821	7,434,135	7,404,748	7,281,433	7,448,395
Interest and fiscal charges	160,623	-	-	-	15,395
Other	-	10,789	-	-	-
Capital grants and contributions - Other	-	-	-	-	352,556
Total governmental activities program revenues	61,554,828	55,317,837	54,169,640	50,204,973	51,446,286

County of Kalamazoo, Michigan

Schedule 2 - Changes in Net Assets, Last Ten Fiscal Years - 2011-2002 (Unaudited)

2006	2005	2004	2003	2002
\$ 13,287,815	\$ 13,112,946	\$ 11,732,332	\$ 11,123,116	\$ 10,880,583
24,567,020	23,603,804	22,280,373	20,966,523	20,542,319
943,220	1,387,569	2,217,157	3,726,950	2,968,647
35,516,055	35,057,267	37,871,316	35,414,960	39,402,887
3,066,342	3,085,417	3,272,460	3,271,733	3,074,684
840,222	877,050	966,888	1,026,702	877,044
17,872,285	18,775,967	19,129,554	19,413,915	19,181,485
-	-	-	-	-
-	3,447,841	3,153,334	2,598,686	3,010,874
-	-	-	3,200,421	-
517,525	650,538	770,194	101,494	12,645
96,610,484	99,998,399	101,393,608	100,844,500	99,951,168
130,180	4,692	-	-	-
-	-	-	-	-
5,360,135	5,112,676	5,166,426	4,787,446	4,736,051
5,490,315	5,117,368	5,166,426	4,787,446	4,736,051
\$ 102,100,799	\$ 105,115,767	\$ 106,560,034	\$ 105,631,946	\$ 104,687,219
\$ 2,950,571	\$ 3,260,615	\$ 3,034,136	\$ 3,159,116	\$ 2,531,938
2,041,571	1,955,818	1,880,319	2,828,112	2,369,491
-	-	-	-	-
1,245,711	2,536,375	2,897,372	3,900,534	3,525,571
2,419,217	2,349,378	2,184,590	2,150,853	1,875,856
6,057,390	5,567,520	5,643,531	5,177,202	5,158,766
-	-	-	5,721	-
-	-	2,535,357	-	-
301,947	225,171	2,380,121	4,919,944	5,699,471
3,470,642	4,256,489	3,447,189	2,604,522	2,506,079
134,747	133,005	101,632	81,241	96,385
23,641,025	22,353,996	23,478,271	22,686,497	26,539,470
1,293,595	1,200,748	1,088,279	1,071,803	1,071,299
7,596,287	7,609,797	7,470,937	6,094,228	5,468,000
-	-	-	-	16,679
-	21,819	-	63,650	6,805
-	51,625	970,524	2,092,493	166,459
51,152,703	51,522,356	57,112,258	56,835,916	57,032,269

<i>Year Ended December 31,</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Program Revenues (Concluded):					
Business-type activities:					
Charges for services:					
Delinquent tax	\$ 3,922,110	\$ 3,638,412	\$ 2,696,334	\$ 2,062,382	\$ 1,957,711
Tax reversion	763,810	1,301,043	550,258	-	-
Airport operations	4,554,926	4,098,683	3,762,887	3,902,591	4,316,214
Operating grants and contributions -					
Airport operations	114,992	640,594	159,178	197,926	(28,892)
Capital grants and contributions -					
Airport operations	8,364,153	14,672,847	6,350,499	2,879,337	3,471,510
Total business-type activities					
program revenues	17,719,991	24,351,579	13,519,156	9,042,236	9,716,543
Total Primary Government					
Program Revenues	\$ 79,274,819	\$ 79,669,416	\$ 67,688,796	\$ 59,247,209	\$ 61,162,829
Net (Expense) Revenue:					
Governmental activities	\$ (43,805,173)	\$ (57,419,494)	\$ (55,951,733)	\$ (54,296,006)	\$ (50,308,695)
Business-type activities	9,426,757	17,563,141	6,007,549	3,021,567	3,950,787
Total Primary Government					
Net Expenses	\$ (34,378,416)	\$ (39,856,353)	\$ (49,944,184)	\$ (51,274,439)	\$ (46,357,908)
General Revenues and Other Changes in Net Assets:					
Governmental activities:					
Property taxes levied for operating	\$ 48,405,162	\$ 48,288,959	\$ 50,691,287	\$ 50,142,756	\$ 47,291,086
Property taxes levied for revenue sharing reserve	-	-	-	-	1,108,851
Other taxes	-	-	-	-	-
Local unit contract revenue	-	-	1,642,012	1,696,138	1,218,268
Other	44,613	1,673,430	2,191,289	2,521,458	1,633,340
Unrestricted investment earnings	2,102,983	1,304,275	1,702,897	3,080,203	3,460,386
Transfers in (out)	1,275,000	1,000,000	1,000,000	1,000,000	975,000
Total governmental activities					
	51,827,758	52,266,664	57,227,485	58,440,555	55,686,931
Business-type activities:					
Other	-	-	8,170	1,823	3,550
Unrestricted investment earnings	59,095	139,987	313,064	588,058	1,172,814
Transfers in (out)	(1,275,000)	(1,000,000)	(1,000,000)	(1,000,000)	(975,000)
Total business-type activities					
	(1,215,905)	(860,013)	(678,766)	(410,119)	201,364
Total Primary Government					
	\$ 50,611,853	\$ 51,406,651	\$ 56,548,719	\$ 58,030,436	\$ 55,888,295
Change in Net Assets:					
Governmental activities	\$ 8,022,585	\$ (5,152,830)	\$ 1,275,752	\$ 4,144,549	\$ 5,378,236
Business-type activities	8,210,852	16,703,128	5,328,783	2,611,448	4,152,151
Total Primary Government					
	\$ 16,233,437	\$ 11,550,298	\$ 6,604,535	\$ 6,755,997	\$ 9,530,387

County of Kalamazoo, Michigan

Schedule 2 - Changes in Net Assets, Last Ten Fiscal Years - 2011-2002 (Concluded) (Unaudited)

2006	2005	2004	2003	2002
\$ 1,444,859	\$ 1,497,697	\$ 1,253,219	\$ 1,334,219	\$ 1,389,643
-	-	-	-	-
4,233,581	4,483,389	4,004,586	3,971,819	4,228,094
600,649	186,278	165,547	225,328	518,604
721,909	1,760,080	1,627,723	(1,088,788)	3,700,929
7,000,998	7,927,444	7,051,075	4,442,578	9,837,270
\$ 58,153,701	\$ 59,449,800	\$ 64,163,333	\$ 61,278,494	\$ 66,869,539
\$ (45,457,781)	\$ (48,476,043)	\$ (44,281,350)	\$ (44,008,584)	\$ (42,918,899)
1,510,683	2,810,076	1,884,649	(344,868)	5,101,219
\$ (43,947,098)	\$ (45,665,967)	\$ (42,396,701)	\$ (44,353,452)	\$ (37,817,680)
\$ 34,879,561	\$ 33,990,340	\$ 30,922,234	\$ 34,573,669	\$ 37,232,784
11,064,283	10,416,376	10,654,932	10,689,067	284,333
-	-	46,309	89,972	3,979,224
1,276,194	1,631,699	1,285,000	-	-
1,583,650	1,714,911	2,100,784	2,486,451	-
3,113,934	1,776,199	631,530	639,642	892,627
953,000	925,000	900,000	800,000	(1,214,438)
52,870,622	50,454,525	46,540,789	49,278,801	41,174,530
3,449	391,916	-	-	-
660,876	485,101	301,194	183,082	200,298
(953,000)	(925,000)	(900,000)	(800,000)	(975,000)
(288,675)	(47,983)	(598,806)	(616,918)	(774,702)
\$ 52,581,947	\$ 50,406,542	\$ 45,941,983	\$ 48,661,883	\$ 40,399,828
\$ 7,412,841	\$ 1,978,482	\$ 2,259,439	\$ 5,270,217	\$ (1,744,369)
1,222,008	2,762,093	1,285,843	(961,786)	4,326,517
\$ 8,634,849	\$ 4,740,575	\$ 3,545,282	\$ 4,308,431	\$ 2,582,148

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

<i>December 31,</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
General Fund:					
Non-spendable	\$ 148,715	\$ -	\$ -	\$ -	\$ -
Restricted for Budget Stabilization	2,500,000	-	-	-	-
Committed	4,685,797	-	-	-	-
Assigned	500,000	-	-	-	-
Unassigned	24,327,571	-	-	-	-
Reserved:					
Encumbrances	-	136,468	525,197	99,516	320,821
Prepaid expenditures/inventories	-	122,669	61,024	243,393	219,467
Long-term advances	-	-	-	-	-
Unreserved -					
Designated for future expenditures	-	4,439,610	4,727,510	5,917,064	5,764,300
Unreserved, reported in -					
General Fund	-	23,147,791	22,867,133	18,705,734	15,078,874
Total General Fund	\$ 32,162,083	\$ 27,846,538	\$ 28,180,864	\$ 24,965,707	\$ 21,383,462

All Other Governmental Funds:					
Non-spendable	\$ 134,950	\$ -	\$ -	\$ -	\$ -
Restricted:					
Law Enforcement Fund	955,624	-	-	-	-
Special Revenue Funds	4,473,519	-	-	-	-
Debt Service Funds	231,920	-	-	-	-
Capital Projects Funds	109,205	-	-	-	-
Committed	21,641,559	-	-	-	-
Assigned to:					
Capital Projects Funds	5,039,590	-	-	-	-
Reserved:					
Revenue Sharing Reserve Fund	-	3,729,094	8,844,326	13,876,233	18,318,542
Encumbrances	-	69,139	244,937	63,458	232,968
Prepaid expenditures/inventories	-	-	119	-	-
Long-term receivable from other governmental unit	-	-	-	-	-
Unreserved:					
Designated for future expenditures	-	56,429	138,433	305,287	411,500
Special Revenue Funds	-	7,669,467	7,142,805	7,071,644	6,502,765
Debt Service Funds	-	-	483,502	475,127	314
Capital Projects Funds	-	19,214,149	14,289,474	19,893,490	32,081,896
Total All Other Governmental Funds	\$ 32,586,367	\$ 30,738,278	\$ 31,143,596	\$ 41,685,239	\$ 57,547,985

County of Kalamazoo, Michigan

Schedule 3 - Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2011-2002 (Unaudited)

2006	2005	2004	2003	2002
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
142,981	137,877	118,176	62,986	\$ 92,536
34,327	108,592	18,497	9,495	7,844
23,790	300,000	-	-	-
5,764,300	4,252,900	4,252,900	4,040,300	3,937,113
11,017,692	6,448,111	4,736,676	4,712,564	4,942,016
\$ 16,983,090	\$ 11,247,480	\$ 9,126,249	\$ 8,825,345	\$ 8,979,509
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,154,552	14,334,413	8,357,014	-	-
198,706	253,453	497,474	65,648	13,000
-	485	23,156	76,293	76,224
279,901	320,439	-	-	-
411,500	224,720	222,876	378,700	37,626
6,254,864	4,836,203	3,584,389	3,745,252	4,353,842
-	-	-	-	-
4,602,421	3,848,653	4,169,994	4,047,920	7,496,724
\$ 32,901,944	\$ 23,818,366	\$ 16,854,903	\$ 8,313,813	\$ 11,977,416

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.

<i>Year Ended December 31,</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Revenues:					
Taxes	\$ 50,467,213	\$ 50,801,324	\$ 52,112,225	\$ 52,127,490	\$ 49,760,689
Licenses and permits	932,107	926,176	908,768	903,893	793,611
Intergovernmental	45,645,465	43,980,599	42,247,256	38,073,037	35,704,794
Changes for services	9,825,820	9,179,624	9,505,860	9,510,775	10,124,910
Fines and forfeitures	1,709,679	2,018,339	2,247,219	2,484,283	2,634,069
Interest	2,102,983	1,651,105	1,702,897	3,080,203	3,460,386
Other	1,415,236	1,747,905	2,191,289	2,512,099	1,631,441
Donations and contributions	1,239,054	940,075	810,363	712,053	2,260,309
Total Revenues	113,337,557	111,245,147	111,725,877	109,403,833	106,370,209
Expenditures:					
General government	13,078,145	13,345,721	12,207,828	12,478,693	9,841,143
Public safety	24,896,389	26,545,756	26,449,376	25,048,512	24,822,423
Public works	1,650,676	478,288	302,625	166,941	299,335
Health and welfare	38,782,339	41,800,901	40,150,567	36,636,836	36,130,575
Recreation and culture	3,345,073	3,323,146	3,031,205	3,026,214	2,926,544
Legislative	971,453	954,998	938,582	862,396	897,634
Judicial	18,598,870	18,667,915	18,204,672	17,424,528	17,432,615
Other	573,791	1,137,672	1,336,165	3,728,747	8,102,389
Community Economic Development	81,132	59,446	-	-	-
Transfer to component units	-	-	-	-	-
Debt service:					
Principal	1,765,000	2,678,010	2,104,898	2,148,821	1,810,040
Interest	1,476,923	1,598,867	1,629,462	1,615,516	517,222
Capital outlay	12,894	3,175,109	13,200,679	19,102,990	3,294,285
Total Expenditures	111,448,917	113,765,829	119,556,059	122,240,194	106,074,205
Excess (Deficiency) of					
Revenues Over Expenditures	1,888,640	(2,520,682)	(7,830,182)	(12,836,361)	296,004
Other Financing Sources (Uses):					
Transfers in	21,069,304	18,935,879	18,963,217	17,607,669	16,946,211
Transfers in - Component Unit	-	-	-	-	-
Transfers out	(19,794,304)	(17,414,888)	(18,804,451)	(17,463,255)	(16,808,792)
Transfers out - Component Unit	-	-	-	-	-
Issuance of notes	-	-	-	12,545	630,000
Issuance of bonds	3,000,000	-	-	415,000	28,321,900
Bond discount	-	-	-	-	(189,727)
Issuance of refunding bonds	-	2,160,000	-	-	-
Premium on refunding bond	-	167,992	-	-	-
Bond issuance costs	-	(67,945)	-	(16,099)	(149,183)
Payments to refunded bond escrow agent	-	(2,000,000)	-	-	-
Total Other Financing Sources (Uses)	4,275,000	1,781,038	158,766	555,860	28,750,409
Net Change in Fund Balances	\$ 6,163,640	\$ (739,644)	\$ (7,671,416)	\$ (12,280,501)	\$ 29,046,413
Debt Service as a Percentage of					
Noncapital Expenditures	3.1%	3.9%	3.5%	3.2%	2.3%

County of Kalamazoo, Michigan

Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years - 2011-2002 (Unaudited)

2006	2005	2004	2003	2002
\$ 57,777,230	\$ 53,541,737	\$ 51,332,024	\$ 38,747,183	\$ 35,881,691
785,730	846,714	862,458	482,737	688,569
37,753,619	36,904,503	41,158,355	42,331,020	44,701,470
9,598,624	10,762,032	10,664,460	13,395,974	11,524,246
2,789,201	2,618,152	2,747,894	2,016,715	1,832,553
3,113,934	1,776,199	631,530	645,363	922,473
1,566,376	1,714,911	2,100,784	2,511,701	4,008,224
249,663	578,346	-	-	-
<u>113,634,377</u>	<u>108,742,594</u>	<u>109,497,505</u>	<u>100,130,693</u>	<u>99,559,226</u>
10,909,325	11,159,696	11,461,734	10,699,858	10,222,174
24,539,667	23,294,592	21,472,657	19,960,944	19,452,026
943,231	1,387,608	2,195,172	3,726,967	2,968,693
35,765,016	35,179,510	37,117,973	34,549,824	38,425,154
2,792,553	2,812,928	2,976,942	2,984,957	2,785,506
840,222	877,050	966,888	1,026,702	877,044
17,829,372	18,617,735	18,644,364	18,790,626	18,411,630
2,320,857	2,944,769	3,090,484	2,567,505	2,974,320
-	-	-	-	-
-	-	-	3,200,421	-
1,443,530	1,386,687	1,647,000	2,345,000	2,067,865
524,919	633,923	686,452	793,684	909,528
1,742,541	2,138,519	2,803,172	2,940,717	2,327,244
<u>99,651,233</u>	<u>100,433,017</u>	<u>103,062,838</u>	<u>103,587,205</u>	<u>101,421,184</u>
<u>13,983,144</u>	<u>8,309,577</u>	<u>6,434,667</u>	<u>(3,456,512)</u>	<u>(1,861,958)</u>
16,541,876	16,434,229	13,816,990	12,515,159	12,954,003
-	-	-	-	6,614
(16,212,332)	(16,275,980)	(13,646,120)	(12,876,414)	(13,136,988)
-	-	-	-	(2,196,052)
506,500	750,000	2,151,000	-	-
-	1,295,000	2,910,000	-	-
-	-	-	-	-
-	-	-	-	-
-	13,231	65,401	-	-
-	-	-	-	-
-	(1,441,363)	(2,889,944)	-	-
<u>836,044</u>	<u>775,117</u>	<u>2,407,327</u>	<u>(361,255)</u>	<u>(2,372,423)</u>
<u>\$ 14,819,188</u>	<u>\$ 9,084,694</u>	<u>\$ 8,841,994</u>	<u>\$ (3,817,767)</u>	<u>\$ (4,234,381)</u>
2.0%	2.1%	2.3%	3.1%	3.0%

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 - 2011-2002 (Unaudited)

<i>Fiscal Year</i>	<u>Real Property Value</u>						<i>(b)</i>
	<i>Agricultural Property</i>	<i>Commercial Property</i>	<i>Industrial Property</i>	<i>Residential Property</i>	<i>Personal Property</i>	<i>Total</i>	<i>Total Direct Tax Rate</i>
	\$	\$	\$	\$	\$	\$	\$
2011	268,185,110	1,632,908,929	374,444,944	5,676,932,378	906,612,546	8,859,083,907	6.36
2010	234,323,992	1,743,345,742	399,521,368	5,734,285,728	876,276,355	8,987,753,185	6.34
2009	225,488,791	1,792,326,915	503,111,457	6,046,379,311	896,482,771	9,463,789,245	6.32
2008	222,094,495	1,766,531,482	513,496,587	6,310,592,521	876,103,736	9,688,818,821	6.33
2007	216,698,123	1,719,347,867	505,724,481	6,159,696,308	809,587,546	9,411,054,325	6.34
2006	199,195,596	1,639,755,890	485,676,345	5,838,021,440	795,172,638	8,957,821,909	6.14
2005	202,576,301	1,561,122,682	481,762,317	5,428,008,097	806,931,249	8,480,400,646	6.14
2004	185,417,194	1,487,215,229	475,181,926	5,082,135,722	792,256,281	8,022,206,352	6.14
2003	153,280,951	1,396,751,002	443,920,723	4,729,736,472	810,320,054	7,534,009,202	6.14
2002	147,726,339	1,280,730,398	450,485,268	4,372,387,161	789,912,726	7,041,241,892	6.14

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

County of Kalamazoo, Michigan

Schedule 6 - Direct and Overlapping Property Tax Rates, Last Ten Years - 2011-2002 (Unaudited)

<i>December 31,</i>	<i>Year Taxes Are Payable</i>										
	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>	
County Direct Rates:											
Operating	4.6871	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	1.4491
Juvenile Home debt	0.2193	0.2050	0.1850	0.1950	0.2000	-	-	-	-	-	
Total direct rates	6.3555	6.3412	6.3212	6.3312	6.3362	6.1362	6.1362	6.1362	6.1362	6.1362	
Kalamazoo County											
Transportation Authority:	0.4000	0.4000	0.4000	-	0.3800	0.4500	-	-	-	-	
City Rates:											
Galesburg	9.7856	9.7856	9.7856	9.7856	9.7856	9.8112	9.8112	9.9144	9.9603	10.0004	
Kalamazoo	19.2705	19.2705	19.2705	19.2705	19.2705	19.1606	19.2705	19.2705	19.2705	19.2705	
Parchment	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	16.6772	
Portage	10.8916	10.7312	10.6598	10.6598	10.4892	10.1442	10.1442	10.1442	10.1442	10.3017	
Township Rates:											
	0.7860- 8.9691	0.6519- 8.9691	0.7860- 8.9691	0.7860- 8.9691	0.7860- 8.9691	0.7978- 10.8691	0.8059- 8.9691	0.8151- 8.9367	0.8352- 8.9943	0.8352- 8.9943	
Village Rates:											
	9.0000- 15.9005	9.0000- 15.9005	9.0000- 15.9005	8.0000- 15.9001	9.0000- 16.0000	9.5000- 16.0000	9.0000- 16.2000	9.0000- 16.4000	9.0000- 15.1185	9.0000- 15.1251	
Intermediate School Rates:											
	2.6837- 6.2057	2.6837- 6.2057	2.6837- 6.2057	4.1217- 6.2057	4.1217- 6.2057	2.6837- 9.0832	2.6837- 6.2057	2.9307- 6.2057	2.7054- 6.2641	2.7130- 6.3558	
Local School Rates:											
	18.0000- 27.1000	18.0000- 27.1000	18.0000- 27.1000	17.7517- 27.0500	18.0000- 27.0500	18.0000- 27.0990	16.6421- 26.6209	16.9801- 27.8283	17.3267- 27.0500	17.6408- 26.8967	
Library Rates:											
	0.5000- 3.9583	0.5000- 3.9583	0.5000- 3.9583	0.5000- 3.9583	0.4291- 3.9583	0.4376- 3.9583	0.4483- 3.9583	0.4558- 3.9583	0.4629- 3.9583	0.4784- 3.9583	
Community College Rates:											
Glen Oaks	2.7249	2.7249	2.7249	2.7249	2.7249	2.7249	2.7088	2.7453	2.7453	2.7495	
Kalamazoo Valley	2.8135	2.8135	2.8135	2.8135	2.8135	5.6270	2.8135	2.8135	2.8139	2.8139	
Kellogg	3.7106	3.7106	3.7106	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	5.0000	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, 2011 and 2002 (Unaudited)

<i>Taxpayer</i>	<i>Fiscal Year 2011</i>				<i>Fiscal Year 2002</i>		
	<i>Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total County Taxable Assessed Value</i>	<i>Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total County Taxable Assessed Value</i>	
Pfizer/Pharmacia	\$ 467,538,591	1	5.19%	\$ 483,669,326	1	6.73%	
Consumers Energy Company	94,263,867	2	1.05%	102,072,740	2	1.42%	
Meyer C. Weiner	50,035,902	3	0.56%	30,872,448	6	0.43%	
Target	49,030,894	4	0.54%	33,816,760	5	0.47%	
Edward Rose and Son	48,439,516	5	0.54%	42,350,523	3	0.59%	
Graphic Packaging	36,009,577	6	0.40%	36,100,332	4	0.50%	
Meijer, Inc.	29,737,438	7	0.33%	30,721,483	7	0.43%	
PNC	25,752,665	8	0.29%	25,554,436	8	0.36%	
Stryker Corporation	25,303,079	9	0.28%	25,101,225	9	0.35%	
Portfolio One	19,685,451	10	0.22%	18,246,137	10	0.25%	
Total	\$ 845,796,980		9.40%	\$ 828,505,410		11.52%	

Source: County of Kalamazoo, Michigan, Equalization Department.

County of Kalamazoo, Michigan
Schedule 8 - Property Tax Levies and Collections,
Last Ten Years - 2011-2002
(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	
2011	2010	\$ 51,197,564	\$ 777,902	\$ 50,419,662	\$ 44,775,206	87.46%	\$ 1,819,001	\$ 46,594,207	92.41%
	2010	51,424,204	566,792	50,857,412	45,414,298	88.31%	2,039,887	47,454,185	93.31%
	2009	53,090,391	656,203	52,434,188	48,996,211	92.29%	2,109,871	51,106,082	97.47%
	2008	52,632,244	674,189	51,958,055	48,201,774	91.58%	1,893,233	50,095,007	96.41%
	2007	50,775,893	818,318	49,957,575	45,113,305	88.85%	2,214,007	47,327,312	94.74%
	2006	46,640,625	911,302	45,729,323	43,297,409	92.83%	*	43,297,409	94.68%
	2005	44,014,109	1,865,269	42,148,840	38,821,673	88.20%	*	38,821,673	92.11%
	2004	41,847,285	2,678,991	39,168,294	36,770,855	87.87%	*	36,770,855	93.88%
	2003	39,647,219	3,043,657	36,603,562	34,665,210	87.43%	*	34,665,210	94.70%
	2002	38,055,102	4,545,137	33,509,965	31,485,341	82.74%	*	31,485,341	93.96%
	2001	35,694,912	529,273	35,165,639	30,982,184	86.80%	*	30,982,184	88.10%

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

* 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 - 2011-2002 (Unaudited)

<i>Fiscal Year</i>	<i>General Bonded Debt Outstanding</i>				<i>Percentage of</i>		
	<i>Government Obligation Bonds</i>	<i>Business Type Obligation Bonds</i>	<i>Less Amounts Restricted to Repaying Principal</i>	<i>Total</i>	<i>Personal Income</i>	<i>Actual Value of Taxable Property</i>	<i>Per Capita</i>
2011	\$ 35,425,000	\$ 7,900,000	\$ -	\$ 43,325,000	0.49%	0.49%	171.87
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	-	22,877,284	0.25%	0.26%	93.98
2005	12,800,000	9,500,000	-	22,300,000	0.29%	0.41%	91.91
2004	15,256,000	9,500,000	-	24,756,000	0.33%	0.41%	102.25
2003	14,620,000	9,500,000	-	24,120,000	0.33%	0.38%	99.62
2002	17,515,000	-	-	17,515,000	0.25%	0.27%	73.41

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

Note: 2011 percentage of Personal Income calculated using 2010 personal income data, which is the most recent available.

County of Kalamazoo, Michigan

Schedule 10 - Direct and Overlapping Governmental Activities Debt, as of December 31, 2011 (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	\$ 3,000,000	100.00%	\$ 3,000,000
Otsego	3,275,000	31.85%	1,043,088
Richland	635,000	100.00%	635,000
Total Libraries			4,678,088
Townships:			
Brady	1,208,088	100.00%	1,208,088
Charleston	3,812	100.00%	3,812
Comstock	970,000	100.00%	970,000
Cooper	1,675,000	100.00%	1,675,000
Pavilion	436,912	100.00%	436,912
Texas	609,000	100.00%	609,000
Total Townships			4,902,812
Cities:			
Galesburg	2,143,000	100.00%	2,143,000
Kalamazoo	39,560,000	100.00%	39,560,000
Parchment	-	100.00%	-
Portage	83,330,000	100.00%	83,330,000
Total Cities			125,033,000
Villages:			
Augusta	1,105,000	100.00%	1,105,000
Climax	100,000	100.00%	100,000
Richland	55,000	100.00%	55,000
Schoolcraft	665,000	100.00%	665,000
Total Villages			1,925,000

County of Kalamazoo, Michigan

Schedule 10 - Direct and Overlapping Governmental Activities Debt, as of December 31, 2011 (Concluded) (Unaudited)

<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	\$ 2,850,000	4.91%	\$ 139,935
Climax Scotts	6,052,917	87.16%	5,275,722
Colon	14,765,000	0.86%	126,979
Comstock	10,441,000	100.00%	10,441,000
Galesburg Augusta	16,369,053	100.00%	16,369,053
Gull Lake	38,394,000	83.35%	32,001,399
Kalamazoo	151,715,000	100.00%	151,715,000
Lawton	28,679,542	0.62%	177,813
Mattawan	23,110,000	67.09%	15,504,499
Mendon	15,160,756	1.37%	207,702
Otsego	60,856,502	39.13%	23,813,149
Parchment	34,082,276	100.00%	34,082,276
Plainwell	55,162,250	33.01%	18,209,059
Portage	125,420,000	100.00%	125,420,000
Schoolcraft	14,015,627	100.00%	14,015,627
Vicksburg	15,413,000	97.42%	15,015,345
Total School Districts			462,514,559
Community Colleges:			
Glen Oaks	3,065,000	0.16%	4,904
Kellogg	2,200,000	0.19%	4,180
Total Community Colleges			9,084
Intermediate School Districts:			
Allegan	3,120,000	11.88%	370,656
Kalamazoo RESA	21,200,000	97.66%	20,703,920
Total Intermediate School Districts			21,074,576
Subtotal, Overlapping Debt			620,137,118
Total Direct Debt			43,325,000
Total Direct and Overlapping Debt			\$ 663,462,118

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

Note: Percentage of overlap based on assessed property values.

<i>December 31,</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
Legal Debt Margin:					
Assessed value of property (SEV)*	\$ 8,829,083,907	\$ 8,987,753,185	\$ 9,463,789,245	\$ 9,688,818,821	\$ 9,411,054,325
Debt limit, 10% of assessed value (SEV) (constitutional debt limit)	\$ 882,908,391	\$ 898,775,319	\$ 946,378,925	\$ 968,881,882	\$ 941,105,433
Amount of debt applicable to limit:					
Debt issues for purpose of the County functions only:					
Building Authority	34,700,000	35,700,000	36,350,000	36,950,000	37,420,000
Notes payable	1,716	4,960	7,971	386,918	741,244
Debt issues for benefit of local improvements:					
Water	670,000	720,000	770,000	820,000	875,000
Sewage	4,715,000	5,815,000	7,565,000	9,070,000	9,730,000
Water and sewage	-	-	-	-	-
Drainage	315,000	355,000	610,000	430,000	630,000
Notes payable	91,136	180,000	240,000	240,950	422,900
Total net debt applicable to limit	40,492,852	42,774,960	45,542,971	47,897,868	49,819,144
Legal Debt Margin	\$ 842,415,539	\$ 856,000,359	\$ 900,835,954	\$ 920,984,014	\$ 891,286,289
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	4.59%	4.76%	4.81%	4.94%	5.29%

County of Kalamazoo, Michigan

Schedule 11 - Legal Debt Margin Information, Last Ten Years - 2011-2002 (Unaudited)

2006	2005	2004	2003	2002
\$ 8,997,222,049	\$ 8,480,400,646	\$ 8,022,206,352	\$ 7,534,009,202	\$ 7,041,241,892
\$ 899,722,205	\$ 848,040,065	\$ 802,220,635	\$ 753,400,920	\$ 704,124,189
9,300,000	9,500,000	9,500,000	9,500,000	325,000
1,090,282	1,424,813	1,750,000	-	-
930,000	970,000	245,000	270,000	1,015,000
10,790,000	11,830,000	12,860,000	13,725,000	15,475,000
-	-	-	625,000	-
-	-	-	-	-
767,000	289,500	401,000	-	700,000
22,877,282	24,014,313	24,756,000	24,120,000	17,515,000
\$ 876,844,923	\$ 824,025,752	\$ 777,464,635	\$ 729,280,920	\$ 686,609,189
2.54%	2.83%	3.09%	3.20%	2.49%

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 value of property for prior years have been revised accordingly.

County of Kalamazoo, Michigan

Schedule 12 - Demographic and Economic Statistics, Last Ten Fiscal Years - 2011-2002 (Unaudited)

<i>Year</i>	<i>Population</i>	<i>Personal Income</i>	<i>Per Capita Personal Income</i>	<i>Unemployment Rate</i>
2011	252,074	*	*	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%
2005	242,617	\$ 7,735,983,000	\$ 31,886	5.1%
2004	242,110	\$ 7,522,956,000	\$ 31,411	5.7%
2003	242,110	\$ 7,370,638,000	\$ 30,534	5.5%
2002	238,603	\$ 7,111,167,000	\$ 29,590	4.7%

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

** Personal income and per capita personal income information is not yet available for 2011.*

County of Kalamazoo, Michigan

Schedule 13 - Principal Employers, Current Year and Nine Years Ago - December 31, 2011 and 2002 (Unaudited)

<u>Employer</u>	<u>Fiscal Year 2011</u>			<u>Fiscal Year 2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Bronson Methodist Hospital	4,811	1	4.13%	3,240	4	3.24%
Western Michigan University	4,162	2	3.57%	4,612	2	4.61%
Pfizer	2,950	3	2.53%	6,300	1	6.30%
Borgess Medical Center	2,259	4	1.94%	4,727	3	4.73%
Stryker Corporation	2,250	5	1.93%	1,100	10	1.10%
Kalamazoo Public School District	2,194	6	1.88%	2,300	5	2.30%
Kalamazoo Valley Community College	1,155	7	0.99%			
MPI	1,150	8	0.99%			
Meijer, Inc.	1,100	9	0.94%	2,120	6	2.12%
Portage Public Schools	998	10	0.86%	1,121	9	1.12%
PNC (National City)*				2,000	7	2.00%
Summit Polymers, Inc.				1,616	8	1.62%
	23,029		19.78%	29,136		23.57%
Total County Employment	116,421		100%	123,621		100%

Note: This schedule is based on 2010, since 2011 information is unavailable.

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

** As a corporate policy, PNC will no longer provide a breakdown of employment by location. PNC was No. 6 in 2009 with 2,000 employees.*

County of Kalamazoo, Michigan

Schedule 14 - Full-time Equivalent County Government Employees by Function, Last Ten Fiscal Years - 2011-2002 (Unaudited)

<i>Function/Program</i>	<i>Full-time Equivalent Employees as of December 31,</i>									
	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
General government	140.3	139.8	129.2	128.2	128.2	128.7	127.7	128.4	133.4	130.8
Public safety	224.3	220.8	226.5	226.5	226.5	226.0	225.9	227.2	236.0	231.4
Health and welfare	292.1	285.3	295.6	278.0	299.3	306.3	314.4	316.2	328.3	321.9
Recreation and culture	18.2	18.2	19.0	19.0	17.3	17.7	19.5	19.8	20.5	20.1
Legislative	6.3	6.3	6.3	6.3	6.0	6.0	9.8	9.8	10.3	10.1
Judicial	227.8	226.8	226.0	225.1	222.1	225.1	225.9	227.3	235.9	231.3
Other	21.0	21.0	31.6	29.6	29.6	28.9	29.5	29.6	30.8	30.2
Airport	23.5	23.5	23.5	23.5	23.5	23.5	19.5	19.8	20.5	20.2
Total	953.5	941.7	957.7	936.2	952.5	962.2	972.2	978.1	1015.7	996.0

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

County of Kalamazoo, Michigan

Schedule 15 - Operating Indicators by Function, Last Ten Fiscal Years - 2011-2002 (Unaudited)

<i>Function/Program</i>	<i>Fiscal Year</i>									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government:										
Revenue from sale of maps, aerial photos, and street directories	\$ 7,625	\$ 5,594	\$ 865	\$ 1,490	\$ 12,117	\$ 1,039	\$ 1,809	\$ 262	\$ 362	\$ 1,034
Revenue from Soil Erosion and Sedimentation Control permits issued	\$ 21,754	\$ 21,880	\$ 22,715	\$ 30,173	\$ 36,180	\$ 47,147	\$ 50,011	\$ 60,728	\$ 58,353	\$ 60,361
Public Safety:										
Jail bookings	12,591	12,372	11,849	11,539	11,499	12,319	11,777	11,305	10,652	9,214
Average daily population	387	374	388	391	366	340	365	359	340	340
Judicial:										
8th District Court caseloads	55,636	64,034	67,143	73,210	80,700	79,257	82,326	80,608	79,296	71,796
Airport:										
Based aircraft	143	143	143	143	148	148	144	130	123	111
Enplanements	152,593	141,083	139,712	166,986	206,659	236,744	222,343	223,244	234,796	233,572

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 - 2011-2002 (Unaudited)

<i>Function/Program</i>	<i>Fiscal Year</i>									
	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
Public Safety:										
Correction facility capacity	327	327	327	327	327	327	327	327	327	327
Juvenile Home capacity	64	64	64	40	40	40	40	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	2	2
Airport Operations:										
Number of runways	3	3	3	3	3	3	3	3	3	3
Terminals	1	1	1	1	1	1	1	1	1	1
Number of hangars	95	95	95	95	95	95	95	95	95	95

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

Information on Single Audit





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

Board of Commissioners
County of Kalamazoo, Michigan
Kalamazoo, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely-presented component units, each major fund, and the aggregate remaining fund information of the County of Kalamazoo, Michigan (the County), as of and for the year ended December 31, 2011 (September 30, 2011, for certain component units), and have issued our report thereon dated June 8, 2012. We did not audit the financial statements of the Kalamazoo County Road Commission or the Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS), which represents 96% of the total assets of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for the Kalamazoo County Road Commission and KCMHSAS, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

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

BDO USA, LLP

Certified Public Accountants

June 8, 2012



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Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133*

Board of Commissioners
County of Kalamazoo, Michigan
Kalamazoo, Michigan

Compliance

We have audited the compliance of the County of Kalamazoo, Michigan (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Road Commission, which expended \$2,278,144 in federal awards, and KCMHSAS, which expended \$7,265,131 in federal awards, and are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2011. Our audit, described below, did not include the operations of the Road Commission and KCMHSAS because the component units' audits in accordance with *OMB Circular A-133* were performed separately and a separate report was issued.

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

In our opinion, the County complied, in all material respects, with the 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, 2011.

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Internal Control Over Compliance

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

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

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

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

BDO USA, LLP

Certified Public Accountants

June 8, 2012

**Schedule of Expenditures of
Federal Awards**



County of Kalamazoo, Michigan
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Agriculture:		
<i>Passed-through Michigan Department of Education:</i>		
School Breakfast Program:		
Breakfast - Project No. 111970	10.553	\$ 20,845
Breakfast - Project No. 121970	10.553	7,853
		28,698
National School Lunch Program:		
Section 4 - All Lunches - Project No. 111950	10.555	2,729
Section 11 - Free and Reduced - Project No. 111960	10.555	31,119
Section 11 - Free and Reduced - Project No. 121960	10.555	12,697
USDA Commodities - National School Lunch & Breakfast Program	10.555	4,250
		50,795
<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	542,486
<i>Passed-through Michigan Department of Education:</i>		
Child and Adult Care Food Program:		
Child Care Food Program	10.558	285,164
<i>Passed-through Michigan Department of Human Services:</i>		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs:		
Food Stamp Fraud Prosecution	10.561	5,138
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
FY11 Food Assistance	10.561	7,643
		12,781
Total U.S. Department of Agriculture		919,924
U.S. Department of Justice:		
<i>Passed-through Michigan State Police:</i>		
DCE/SP (HEMP) Overtime Reimbursement	16.2010-084	685
<i>Passed-through Michigan Department of Human Services:</i>		
Juvenile Accountability Block Grants:		
Juvenile Accountability Incentive Block Grant JAIBG-10-39001	16.523	5,440
Juvenile Accountability Incentive Block Grant JAIBG-11-39001	16.523	12,040
		17,480
Juvenile Justice and Delinquency Prevention - Allocation to States:		
Disproportionate Minority Contact Reduction Project (DMC)	16.540	6,923

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Justice (Concluded):		
<i>Passed-through Michigan Department of Community Health:</i>		
<i>Crime Victim Assistance:</i>		
Domestic Assault/Sexual Assault - Project 20081-14V09	16.575	\$ 53,682
Direct Program - State Criminal Alien Assistance Program	16.606	13,173
Direct Program - Bulletproof Vest Partnership Program	16.607	7,525
<i>Direct Program - Public Safety Partnership and Community Policing Grants:</i>		
COPS Grant 2006-CK-WX-0555	16.710	3,600
<i>Passed-through Michigan State Police:</i>		
<i>Edward Byrne Memorial Justice Assistance Grant Program:</i>		
SWET 70888-4-12-B	16.738	26,708
SWET 70888-3-11-B	16.738	66,594
Adult Men's Drug Treatment Court 2010-DJ-BX-0003	16.738	103,127
Adult Men's Drug Treatment Court 2011-DJ-BX-2240	16.738	45,630
Adult Women's Drug Treatment Court 2011-DJ-BX-2240	16.738	27,171
<i>Passed-through City of Kalamazoo:</i>		
Kalamazoo County Sheriff's Dept. Byrne Justice Assistant Grant	16.738	24,586
		293,816
<i>Passed-through Michigan Department of Community Health:</i>		
Recovery Act - State Victim Assistance Formula Victims of Violence Assistance Program - ARRA-20081-15R09	16.801	18,150
<i>Passed-through Michigan State Police:</i>		
<i>Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States & Territories:</i>		
ARRA - 9th Circuit Court - Women's Drug Treatment Court Program	16.803	169,515
ARRA - 8th District Court - Sobriety Court Enhancement Project	16.803	132,989
		302,504
<i>Passed-through City of Kalamazoo:</i>		
<i>Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to Units of Local Government:</i>		
ARRA - 9th Circuit Court - Female Drug Court Recovery Act	16.804	8,000
ARRA - Kalamazoo County Sheriff's Department Recovery Act	16.804	11,764
		19,764
Total U.S. Department of Justice		737,302

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Labor:		
Direct Program - Employee Benefits Security Administration:		
COBRA Premium Assistance Program	17.151	\$ 329
<hr/>		
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
Employment Service/Wagner-Peyser Funded Activities:		
ARRA - AY09 Employment Services - MI - NCRC	17.207	11,860
AY11 Wagner Peyser 7(A)	17.207	157,268
AY10 Wagner Peyser 7(A)	17.207	341,076
ARRA - AY09 Reemployment Services - Case Management	17.207	5,565
		515,769
<hr/>		
Trade Adjustment Assistance:		
FY12 Trade Adjustment Assistance - Trade	17.245	252,862
FY11 Trade Adjustment Assistance - Case Management	17.245	40,000
FY11 Trade Adjustment Assistance - Trade	17.245	893,915
		1,186,777
<hr/>		
Work Force Investment Act Adult Program:		
ARRA - AY08 WIA Adult	17.258	42,932
ARRA - AY08 WIA SWA - Additional Adult/DW	17.258	50,162
ARRA - AY08 WIA SWA Efficiency	17.258	12,759
AY11 WIA Adult	17.258	17,798
AY10 WIA Adult	17.258	679,568
AY10 WIA Local Administration	17.258	102,430
AY10 WIA SWA - MWA Service Center Operations	17.258	6,892
AY08 WIA SWA - MI - NCRC	17.258	14
AY10 WIA SWA - High Concentration Youth	17.258	1,835
AY10 WIA SWA - JET Support	17.258	43,277
AY10 WIA SWA - Incentive	17.258	3,118
		960,785
<hr/>		
Work Force Investment Act Youth Activities:		
ARRA - AY08 WIA Youth	17.259	16,451
ARRA - AY08 WIA SWA - Additional Adult/DW	17.259	54,613
ARRA - AY08 WIA SWA - Efficiency	17.259	21,738
AY11 WIA Youth	17.259	316,859
AY10 WIA Youth	17.259	1,060,755
AY10 WIA Local Administration	17.259	159,300
AY10 WIA SWA - MWA Service Center Operations	17.259	10,694
AY08 WIA SWA - MI - NCRC	17.259	25
AY10 WIA SWA - High Concentration Youth	17.259	2,848
AY10 WIA SWA - JET Support	17.259	73,730
AY10 WIA SWA - Incentive	17.259	3,395
		1,720,408

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Labor (Concluded):		
Work Force Investment Act Dislocated Workers:		
ARRA - AY08 WIA Dislocated Worker	17.260	\$ 71,856
AY08 WIA SWA - MI - NCRC	17.260	14
		71,870
Work Force Investment Act Dislocated Worker Formula Grants:		
ARRA - AY08 WIA SWA - Additional Adult/DW	17.278	66,426
ARRA - AY08 WIA SWA - Efficiency	17.278	12,759
ARRA - FY09 WIA DW Nat. Res. Emergency OJT Neg.	17.278	500,169
AY11 WIA Dislocated Worker	17.278	152,089
AY10 WIA Dislocated Worker	17.278	524,185
AY10 WIA Local Administration	17.278	97,296
AY10 WIA SWA - MWA Service Center Operations	17.278	6,179
AY10 WIA SWA - High Concentration Youth	17.278	1,645
AY10 WIA SWA - JET Support	17.278	43,276
AY10 WIA SWA - Incentive	17.278	4,129
AY10 WIA Rapid Response - Incumbent Worker	17.278	93,147
AY09 WIA Rapid Response - Jac-Kzoo-St. Joe #11-3	17.278	1,213
		1,502,515
Total U.S. Department of Labor		5,958,453
 U.S. Department of Transportation:		
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
Highway Planning and Construction:		
Road Construction Apprenticeship Readiness (RCAR) Grant #KSJ10-RCAR3	20.205	7,497
Road Construction Apprenticeship Readiness (RCAR) Grant #KSJ11-RCAR4	20.205	80,152
		87,649
<i>Passed-through Michigan Department of State Police:</i>		
State and Community Highway Safety:		
Drunk Driving and Safety Belt Enforcement	20.600	51,266
Alcohol Impaired Driving Countermeasures Incentive Grants I:		
Strategic Traffic Enforcement Program - Impaired Driving Enforcement	20.601	775
High Visibility Drunk Driving Enforcement and Underage Drinking Enforcement	20.601	18,577
		19,352
Occupant Protection Incentive Grants:		
Child Passenger Safety	20.602	4,000
Interagency Hazardous Materials Public Sector Training & Planning Grants:		
Hazardous Materials Emergency Planning Grant	20.703	3,504
Total U.S. Department of Transportation		165,771

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Environmental Protection Agency:		
<i>Passed-through Michigan Department of Environmental Quality:</i>		
Water Quality Management Planning - Stimulus		
ARRA - Davis Creek TMDL Reduction Study	66.454	\$ 40,872
State Grants to Reimburse Operators of Small Water Systems for		
Training and Certification Costs:		
Nontransient NCW System	66.471	1,684
<i>Passed-through Michigan Department of Agriculture:</i>		
<i>Performance Partnership Grants:</i>		
Clean Sweep Program	66.605	8,661
Total U.S. Environmental Protection Agency		51,217
U.S. Department of Energy:		
<i>Passed-through Michigan Department of Human Services:</i>		
Weatherization Assistance for Low-Income Persons:		
ARRA - Weatherization Assistance Program	81.042	1,565,635
Weatherization Assistance Program	81.042	359,991
		1,925,626
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
Energy Efficiency and Conservation Block Grant Program:		
ARRA - Energy Efficiency Conservation Block Grant	81.128	380,244
Total U.S. Department of Energy		2,305,870
U.S. Department of Education:		
<i>Passed-through Western Michigan University:</i>		
Early Reading First:		
Early Reading First Program	84.359	4,817
Total Department of Education		4,817

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
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	\$ 8,616
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals:		
Title VII/A LTC Ombudsman	93.042	10,834
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services:		
Title III D Services	93.043	10,566
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:		
Title III B - Administration	93.044	25,597
Title III B - Services (Program Development)	93.044	41,097
Title III B - Services	93.044	168,882
		235,576
Special Programs for the Aging - Title III, Part C - Nutrition Services:		
Title III Administration	93.045	46,239
Title III C1/C2 Services	93.045	354,684
		400,923
National Family Caregiver Support - Title III, Part E:		
Title III E - NFCSP	93.052	12,015
Title III E - Care Management	93.052	33,243
Title III E - Administration	93.052	10,734
Title III E - Information and Assistance	93.052	37,250
		93,242
Nutrition Services Incentive Program:		
Area Agency on Aging - USDA Senior Citizen Meals	93.053	125,272
<i>Passed-through Michigan Department of Community Health:</i>		
Public Health Emergency Preparedness:		
Bioterrorism Regional EPI Support	93.069	2,264
Laboratory Services Bio	93.069	113,130
Bioterrorism - Coordination	93.069	157,374
		272,768

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Health and Human Services (Continued):		
Environmental Public Health & Emergency Response:		
Healthy Homes and Lead Poisoning Prevention	93.070	\$ 11,370
<hr/>		
Project Grants & Cooperative Agreements for Tuberculosis Control Programs:		
Tuberculosis Control Program & AIDS	93.116	24
<hr/>		
Immunization Grants:		
Vaccine Provided	93.268	365,312
Infant Immunization Initiative	93.268	118,852
<hr/>		
		484,164
<hr/>		
Centers for Disease Control and Prevention - Investigations and Technical Assistance:		
Laboratory Services ELC	93.283	11,250
BCCCP Coordination	93.283	176,225
Family Planning / BCCCP Joint Project	93.283	13,089
Case Management Services (Health Advantage)	93.283	3,620
<hr/>		
		204,184
<hr/>		
Affordable Care Act Maternal, Infant & Early Childhood Home Visiting Program		
Early Childhood Home Visiting Program	93.505	1,636
<hr/>		
<i>Passed-through Michigan Department of Human Services:</i>		
Promoting Safe and Stable Families:		
MSU - Kinship Care SFSC-08-39002	93.556	916
<hr/>		
<i>Passed-through Michigan Department of Energy, Labor and Economic Growth:</i>		
Temporary Assistance for Needy Families:		
FY12 TANF - JET	93.558	101,942
FY11 TANF - JET Supportive Services	93.558	15,000
FY11 TANF - JET	93.558	2,022,520
<hr/>		
		2,139,462
<hr/>		
<i>Passed-through Michigan Department of Human Services:</i>		
Child Support Enforcement:		
CS/FOC-10-39001 (YR 2)	93.563	1,203,105
CS/FOC-10-39001 (YR 3)	93.563	429,873
CS/PA-10-39002 (YR 2)	93.563	306,212
CS/PA-10-39002 (YR 3)	93.563	106,555
Federal Performance Incentive Payment:		
CS/FOC-10-39001 (FY 2012)	93.563	81,585
CS/FOC-10-39001 (FY 2011)	93.563	215,351
CS/PA-10-39002 (FY 2011)	93.563	35,057
<hr/>		
		2,377,738
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County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Health and Human Services (Continued):		
Low-Income Home Energy Assistance:		
Low-Income Home Energy Assistance	93.568	\$ 284,956
LCA Deliverable Fuel	93.568	75,524
		360,480
Community Services Block Grant:		
Community Services Block Grant - T Grant	93.569	17,242
Community Services Block Grant	93.569	426,461
		443,703
<i>Passed-through State Court Administrative Office:</i>		
Grants to States for Access and Visitation Programs:		
Access and Visitation Grant	93.597	9,720
Direct Program - Head Start:		
Head Start 05CH5120/36	93.600	3,746,397
Head Start 05CH5120/37	93.600	807,163
Head Start Body Start	93.600	772
		4,554,332
<i>Passed-through Michigan Department of Human Services:</i>		
Foster Care - Title IV-E:		
Prosecuting Attorney DHS Grant PROFC-11-39001	93.658	44,762
ARRA - Community Services Block Grant	93.710	(120)
<i>Passed-through Michigan Department of Community Health:</i>		
ARRA - Immunization:		
ARRA - Vaccine Provided	93.712	14,886
ARRA - Immunizations	93.712	17,869
		32,755
<i>Passed-through Michigan Office of Services to the Aging:</i>		
ARRA - PATH Grant	93.725	30,499
<i>Passed-through Michigan Department of Community Health:</i>		
Medical Assistance Program:		
Case Management Services - CHSCS	93.778	53,143
Medicaid Outreach	93.778	223,987
Coordinated Services - CSHCS	93.778	11,686
Medicaid Administrative	93.778	55,947
<i>Passed-through Michigan Office of Services to the Aging:</i>		
Targeted Case Management	93.778	32,469
		377,232

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Concluded) Year Ended December 31, 2011

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
U.S. Department of Health and Human Services (Concluded):		
<i>Passed-through Area Agency on Aging Association of Michigan:</i>		
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations:		
MMAP	93.779	\$ 36,403
Direct Program - Healthy Start Initiative	93.926	621,421
<i>Passed-through Michigan Department of Community Health:</i>		
HIV Prevention Activities - Health Department Based: AIDS/HIV Prevention	93.940	111,191
Preventative Health Services - Sexually Transmitted Diseases Control Grants:		
Laboratory Services - STD	93.977	64,921
Comp STD Prevention	93.977	55,355
		120,276
Preventative Health and Health Services Block Grant:		
Sexually Transmitted Disease (STD Control)	93.991	(1,076)
Maternal and Child Health Services Block Grant to the States:		
MCH Block Grant	93.994	145,834
Childhood Lead	93.994	30,081
MPHI Block Grant	93.994	810
Coordinated Services - CSHCS	93.994	2,317
Case Management Services - CSHCS	93.994	36,885
		215,927
Total U.S. Department of Health and Human Services		13,334,796
U.S. Department of Homeland Security:		
<i>Passed-through Michigan Department of Natural Resources:</i>		
Boating Safety Financial Assistance: Marine Safety Program	97.012	21,684
Emergency Management Performance Grants:		
<i>Passed-through Michigan State Police:</i>		
Emergency Management Performance Grant (PY2011)	97.042	36,508
Emergency Management Performance Grant (PY2012)	97.042	12,074
		48,582
<i>Passed-through Van Buren County:</i>		
Homeland Security Grant Program:		
Homeland Security Grant Program	97.067	742,239
Michigan Citizens Corps Grant Program	97.067	7,675
		749,914
Direct Program - Law Enforcement Officer Reimbursement Agreement Program	97.090	114,992
Total U.S. Department of Homeland Security		935,172
Total Primary Government Unit		\$24,413,322

<i>Services</i>	<i>Federal Admin.</i>	<i>Title IIB</i>	<i>Title IIC-1</i>	<i>Title IIC-2</i>	<i>Title VII/EAP</i>	<i>Title VIIA</i>	<i>NSIP/ USDA</i>	<i>Title IIID</i>	<i>NFCSP IIIE</i>	<i>State Admin.</i>
Adult day care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,434	\$ -
Care management	-	50,458	-	-	-	-	-	-	13,887	-
Caregiver education support and training	-	-	-	-	-	-	-	-	4,444	-
Care coordination and support	-	6,121	-	-	-	-	-	-	-	-
Congregate meals	-	-	178,061	-	-	-	34,897	-	-	-
Counseling	-	-	-	-	-	-	-	-	6,967	-
EAP	-	-	-	-	8,604	-	-	-	-	-
Gap services	-	437	-	-	-	-	-	-	-	-
Health promotion	-	-	-	-	-	10,834	-	10,409	-	-
Home delivered meals	-	-	-	178,793	-	-	93,617	-	-	-
Home injury control	-	3,000	-	-	-	-	-	-	-	-
Homemaker	-	27,006	-	-	-	-	-	-	-	-
Information and assistance	-	2,917	-	-	-	-	-	-	36,174	-
In-home respite care	-	6,116	-	-	-	-	-	-	-	-
Legal assistance	-	13,928	-	-	-	-	-	-	-	-
Medication management	-	5,320	-	-	-	-	-	3,687	-	-
Nutrition education	-	-	340	340	-	-	-	-	-	-
Ombudsman	-	2,764	-	-	-	-	-	-	-	-
PERS	-	89	-	-	-	-	-	-	11,249	-
Personal care	-	10,274	-	-	-	-	-	-	-	-
Program development	-	36,605	-	-	-	-	-	-	-	-
Senior center staffing	-	9,550	-	-	-	-	-	-	-	-
Transportation	-	39,688	-	-	-	-	-	-	-	-
Subtotal	-	214,273	178,401	179,133	8,604	10,834	128,514	14,096	87,155	-
Administration	74,205	-	-	-	-	-	-	-	-	12,769
Total	\$ 74,205	\$ 214,273	\$ 178,401	\$ 179,133	\$ 8,604	\$ 10,834	\$ 128,514	\$ 14,096	\$ 87,155	\$ 12,769

County of Kalamazoo, Michigan

Supplemental Schedule of Expenditures by Service September 30, 2011

<i>State Care Mgmt.</i>	<i>State Access</i>	<i>State In-Home</i>	<i>State Cong. Meals</i>	<i>State HDM</i>	<i>State NHO</i>	<i>State Alt. Care</i>	<i>State Respite/ Tobacco</i>	<i>Civil Money Penalty</i>	<i>State Merit Award Trust</i>	<i>Totals</i>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,111	\$ -	\$ 56,001	\$ 88,546
137,109	14,357	-	-	-	-	-	-	-	-	215,811
-	-	-	-	-	-	-	-	-	-	4,444
-	-	-	-	-	-	-	-	-	-	6,121
-	-	-	4,551	-	-	-	-	-	-	217,509
-	-	-	-	-	-	-	-	-	-	6,967
-	-	-	-	-	-	-	-	-	-	8,604
-	-	-	-	-	-	-	-	-	-	437
-	-	-	-	-	-	-	-	-	-	21,243
-	-	-	-	164,754	-	-	-	-	-	437,164
-	-	-	-	-	-	-	-	-	-	3,000
-	-	38,879	-	-	-	48,351	-	-	-	114,236
-	-	-	-	-	-	-	-	-	-	39,091
-	-	-	-	-	-	-	20,269	-	11,452	37,837
-	-	-	-	-	-	-	-	-	-	13,928
-	-	-	-	-	-	-	-	-	-	9,007
-	-	-	-	-	-	-	-	-	-	680
-	-	-	-	-	30,216	-	-	83,269	-	116,249
-	-	-	-	-	-	-	-	-	-	11,338
-	-	8,426	-	-	-	7,587	-	-	-	26,287
-	-	-	-	-	-	-	-	-	-	36,605
-	-	-	-	-	-	-	-	-	-	9,550
-	-	-	-	-	-	-	-	-	-	39,688
137,109	14,357	47,305	4,551	164,754	30,216	55,938	38,380	83,269	67,453	1,464,342
-	-	-	-	-	-	-	-	-	6,671	93,645
\$ 137,109	\$ 14,357	\$ 47,305	\$ 4,551	\$ 164,754	\$ 30,216	\$ 55,938	\$ 38,380	\$ 83,269	\$ 74,124	\$ 1,557,987

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards

Schedule of Federal Pass-Through Funds to Subrecipients - Year Ended December 31, 2011

<i>Program Name</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
Food Assistance	10.561	\$ 7,643
ARRA - Employment Services - MI - NCRC (National Career Readiness Certificate)	17.207	11,860
ARRA - Reemployment Services - Case Management	17.207	5,565
Wagner Peyser 7(A)	17.207	498,344
Trade Adjustment Assistance - Trade	17.245	1,146,776
Trade Adjustment Assistance - Case Management	17.245	40,000
ARRA - Workforce Investment Act - Adult	17.258	42,932
Workforce Investment Act - Adult	17.258	697,366
ARRA - Workforce Investment Act - Youth	17.259	16,451
Workforce Investment Act - Youth	17.259	1,377,614
ARRA - Workforce Investment Act - Dislocated Worker	17.260	71,856
Workforce Investment Act - Dislocated Worker	17.278	676,275
ARRA - Workforce Investment Act - SWA - Additional Adult/DW	17.258	50,162
ARRA - Workforce Investment Act - SWA - Additional Adult/DW	17.259	54,613
ARRA - Workforce Investment Act - SWA - Additional Adult/DW	17.278	66,426
ARRA - Workforce Investment Act - SWA - Efficiency	17.258	12,759
ARRA - Workforce Investment Act - SWA - Efficiency	17.259	21,738
ARRA - Workforce Investment Act - SWA - Efficiency	17.278	12,759
ARRA - Workforce Investment Act - DW Nat. Res. Emergency - OJT Neg.	17.278	500,169
Workforce Investment Act - Local Administration	17.258	102,430
Workforce Investment Act - Local Administration	17.259	159,300
Workforce Investment Act - Local Administration	17.278	97,296
Workforce Investment Act - High Concentration Youth Type N	17.258	1,835
Workforce Investment Act - High Concentration Youth Type N	17.259	2,848
Workforce Investment Act - High Concentration Youth Type N	17.278	1,645
Workforce Investment Act - SWA - JET Support	17.258	43,276
Workforce Investment Act - SWA - JET Support	17.259	73,730
Workforce Investment Act - SWA - JET Support	17.278	43,276
Workforce Investment Act - SWA - Incentive	17.258	3,118
Workforce Investment Act - SWA - Incentive	17.259	3,395
Workforce Investment Act - SWA - Incentive	17.278	4,129
Workforce Investment Act - SWA - MWA Service Center Operations	17.258	6,892
Workforce Investment Act - SWA - MWA Service Center Operations	17.259	10,694
Workforce Investment Act - SWA - MWA Service Center Operations	17.278	6,179
Workforce Investment Act - SWA - MI - NCRC (National Career Readiness Certificate)	17.258	14
Workforce Investment Act - SWA - MI - NCRC (National Career Readiness Certificate)	17.259	25
Workforce Investment Act - SWA - MI - NCRC (National Career Readiness Certificate)	17.260	14
Workforce Investment Act - Rapid Response - Incumbent Worker	17.278	93,147
Workforce Investment Act - Rapid Response - JAC-KZOO-ST.JOE #11-3	17.278	1,213
Road Construction Apprenticeship Readiness Grant #KSJ10-RCAR3	20.205	7,497

County of Kalamazoo, Michigan

Schedule of Expenditures of Federal Awards (Concluded) Schedule of Federal Pass-Through Funds to Subrecipients - Year Ended December 31, 2011

<i>Program Name</i>	<i>Federal CFDA Number</i>	<i>Current Year</i>
Road Construction Apprenticeship Readiness Grant #KSJ11-RCAR4	20.205	\$ 80,152
ARRA - Energy Efficiency Conservation Block Grant	81.128	81,335
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	7,769
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	62,298
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	354,046
National Family Caregiver Support - Title III, Part E	93.052	12,015
Nutrition Services Incentive Program (USDA) - Senior Citizens' Meal Program	93.053	125,272
Temporary Assistance for Needy Families - JET	93.558	2,124,462
Temporary Assistance for Needy Families - JET Supportive Services	93.558	15,000
Community Services Block Grant (CSBG)	93.569	7,000
ARRA - EBDP	93.725	6,088
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	33,356
Healthy Start Initiative - Phase II	93.926	173,879
Homeland Security CERT Grant Program (Transfer of Equipment to Oshtemo Township Fire Department)	97.067	7,498
Total Federal Pass-Through Funds to Subrecipients		\$ 9,063,434

County of Kalamazoo, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2011

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

Note 1 - 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.

Note 2 - 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.

These grants consist of the following:

<i>December 31, 2011</i>	<i>Federal CFDA Number</i>	<i>Current Year Expenditures</i>
Primary Government -		
U.S. Department of Transportation -		
<i>Passed-through Michigan Department of Transportation:</i>		
Airport Improvement Program	20.106	\$ 7,830,495
U.S. Department of Homeland Security -		
<i>Direct Program - Terminal Baggage Screening Project</i>		
Kalamazoo/Battle Creek International Airport Baggage Screening Project	N/A	292,178
Total Primary Government		\$ 8,122,673
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	\$ 2,278,144

County of Kalamazoo, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2011

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<i>CFDA No.</i>	<i>Name of Federal Program or Cluster</i>
16.801	Recovery Act - State Victim Assistance Formula Grant
16.738	JAG Cluster - Edward Byrne Memorial Justice Assistance Grant Program
16.803	JAG Cluster - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories
16.804	JAG Cluster - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government
17.207	Employment Service/Wagner-Peyser Funded Activities
17.245	Trade Adjustment Assistance
17.258	WIA Cluster - Adult Program
17.259	WIA Cluster - Youth Activities
17.260	WIA Cluster - Dislocated Workers
17.278	WIA Cluster - Dislocated Worker Formula Grants
66.454	ARRA - Water Quality Management Planning
81.042	ARRA - Weatherization Assistance For Low-Income Persons
81.128	ARRA - Energy Efficiency and Conservation Block Grant
93.044	Aging Cluster - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
93.045	Aging Cluster - Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053	Aging Cluster - Nutrition Services Incentive Program
93.268	Immunization Cluster - Immunization Grants
93.712	Immunization Cluster - ARRA Immunization
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.600	Head Start
93.725	ARRA - PATH Grant
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B Programs	\$ 732,400
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.