

County of
Kalamazoo,
Michigan



Year Ended
December 31, 2021

Annual
Comprehensive
Financial Report
and Single Audit
Act Compliance

Prepared by:

County Administrator/Controller
Kevin A. Catlin

Finance Director
Amanda Morse

Deputy Finance Director
Jenna LeRoy

COUNTY OF KALAMAZOO, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF KALAMAZOO, MICHIGAN

LIST OF OFFICIALS

For the Year Ended December 31, 2021

COUNTY BOARD OF COMMISSIONERS

Tracy Hall - Chairperson
Tami Rey - Vice Chairperson
Fran Bruder Melgar
John Gisler
Jeff Hepler
Veronica McKissack
Monteze Morales
Mike Quinn
Dale Shugars
Jen Strebs
Roger Tuinier

CIRCUIT COURT JUDGES

Alexander C. Lipsey - Chief Judge of Circuit and Probate Courts
Gary C. Giguere, Jr. - Chief Judge Pro Tempore
Paul J. Bridenstine
Stephen D. Gorsalitz
Pamela L. Lightvoet

DISTRICT COURT JUDGES

Christopher T. Haenicke - Chief Judge
Tiffany A. Ankley - Chief Judge Pro Tempore
Richard A. Santoni
Alisa Parker-LaGrone
Kathleen P. Hemingway
Namita Sharma
Vincent C. Westra

PROBATE JUDGES

Curtis J. Bell
G. Scott Pierangeli

OTHERS

Prosecutor - Jeffrey Getting
Sheriff - Richard Fuller
County Clerk/Register of Deeds - Meredith Place
Treasurer - Thomas Whitener
Drain Commissioner - Jason Weirsma
Surveyor - Gary Hahn



KALAMAZOO COUNTY GOVERNMENT

In the Pursuit of Extraordinary Governance...

June 22, 2022

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

Members of the Board:

We are pleased to submit the Annual Comprehensive Financial Report of the County of Kalamazoo, Michigan (the County), for the year ended December 31, 2021. The basic financial statements included in this report have been audited by Rehmann, an independent firm of licensed 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, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures reported in the financial statements; assessing the accounting principles used and any significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the County's financial statements for the year ended December 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

OFFICE OF ADMINISTRATION

201 West Kalamazoo Avenue | Kalamazoo, MI 49007

Phone: 269.384.8111 | www.kalcounty.com

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.

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

Profile of the Government

The County of Kalamazoo, Michigan, the ninth most populous county in the state of Michigan, encompasses an area of approximately 576 square miles with the 2020 estimated census population of 261,670 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, 5 villages, and 4 cities. 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 area has a diversified employment base adding to the strength of the local economy. Major employers in the area are found in the pharmaceutical, banking, health and education sectors.

The County is governed by the County Board of Commissioners (the County Board), which in 2021, consists of 11 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

funds require approval of the board. Appropriation increases also require approval by the County Board. Budget-to-actual comparisons are provided in this report for each individual special revenue fund for which an appropriated annual budget has been adopted. The General Fund, Law Enforcement Fund and General Grants Fund are found on pages 44-46 as part of the basic financial statements for the governmental funds. For special revenue funds, other than the General Fund, Law Enforcement Fund, and General Grants Fund, this comparison is found starting on page 160.

Financial Condition Factors

Short Term Factors Affecting Budget

Over time, the County has managed to collectively remain sustainable. The area has a diversified employment base adding to the strength of the local economy. Major employers in the area are found in the pharmaceutical, banking, health, and education sectors.

Forecasting and budgetary stewardship have allowed the County to proactively make budgetary decisions to minimize reactionary impacts to core services. A large percentage of County revenue comes from the state and local property taxes. With these realities in mind, budget recommendations focus on continuing the prudent, long-term fiscal policies of the Board of Commissioners, supporting mandated and essential services, and protecting the public safety and welfare.

The COVID-19 pandemic continued to create some uncertainty in 2021. While many operations were restored to their pre-pandemic levels as the year progressed, the 8th District Court and 9th Circuit Court efforts to address case backlogs were slowed by ever changing COVID-19 mitigation requirements. The Office of the Sheriff has recognized reduced inmate populations; however, the number of violent offenses and the average length of stay has significantly increased. Across the County, departments are experiencing staffing retention and recruitment concerns.

As we continue to address the impact of the COVID-19 pandemic, the important work of County staff over the last two years has positioned the County to continue to improve business continuity functions and service enhancements.

Long Term Financial Planning

The County completes a five-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 baseline spending reduction. The Board of Commissioners is committed to ensuring the 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 reviewed based on analysis. Future forecasting projects expenditures to outpace revenues. The County will continue to align expenditure to these indicators. Cautious budgeting decisions and ongoing monitoring of revenues and expenditures must continue, or the County will find it necessary to reduce services in order to balance the budget.

Capital Improvement

The Board of Commissioners reviews annual funding requests for routine capital improvement items. For major capital items, a Facilities Master plan has been established. The primary mission of this plan is to account for and develop a county-wide strategy for facilities. This completed project included a property manual update with physical descriptions of all buildings, a facilities audit with planned maintenance, and projected long-term capital improvement requirements. The plan is a working document that guides long term asset construction and renovation projects.

Relevant Financial Policies

The Budget Stabilization Policy was adopted in 1980. Currently, this fund retains \$2.5 million. This reserve was established to ensure an amount was encumbered for an unforeseen situation, which could create an inability to balance revenues and expenditures in future budget adoptions. It is the intent of the policy that any amount utilized for these situations requires a plan of action for reimbursement to the fund.

To solidify the Board of Commissioner's 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 25%. 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 2021 unrestricted, uncommitted and unassigned fund balance in comparison to revenues for the County's operating funds (General Fund, Law Enforcement Fund, and certain special revenue funds that receive significant appropriation from the General Fund or have expenditures that are paid through the General Fund) was 37.5%.

Major Initiatives

Budgetary pressures have continued to be placed on the County. Long-term pressures resulted from revenue streams which do not grow at the pace of expenditure needs and long-term facility needs. To remain committed to providing essential services, a strategic initiative has been outlined and utilized. The County has created a strategic plan that is reviewed to emphasize framework in the following areas: deliver consistent high-quality programs and services, strengthen engagement in our community and build a relationship-focused culture. In 2021, the following strategic initiatives were prioritized.

- ***American Rescue Plan State and Local Fiscal Recovery Funds***

In May 2021, Kalamazoo County was granted \$51,485,963 in American Rescue Plan (ARP) State and Local Fiscal Recovery Funds to use through 2024. These funds are available from the federal government to communities across the country to assist in recovery efforts from the impacts of the COVID-19 pandemic.

Kalamazoo County recognized the significant impact that the COVID-19 pandemic has had within our community and the historic opportunity State, and Local Fiscal Recovery Funds provide to address that impact. When Treasury released the Interim Final Rule in May 2021,

Kalamazoo County Government staff began participating in a variety of webinars hosted by the White House, National Association of Counties, State of Michigan, and the Government Finance Officers Association to gain a thorough knowledge of the eligible uses of these funds and the corresponding reporting requirements. Kalamazoo County Government received our first deposit of \$25,742,981.50 at the end of June 2021, and presentations to the Board of Commissioners, which outlined important planning information, began in July 2021.

After securing the funds, Finance Department staff worked to develop a draft grant application process that will allow the community, County departments, and other municipalities to apply for these funds. The preliminary results of that work were presented to the Board of Commissioners in August for their feedback. Additionally, a community feedback session regarding proposed use of the funds was held on August 24, 2021. The County also began to seek proposals and ultimately selected a consulting firm in December of 2021 to ensure that allocations meet the federal government's specifications for American Rescue Plan spending.

The grant application process opened in 2022 and the Board of Commissioners will finalize funding decisions during the summer of 2022.

- ***Justice Facility***

In April of 2017, Kalamazoo County Government entered into an agreement for a real estate transfer which initiated the beginning of the development of a future downtown County building. A project Owner's Representative and Architect were selected during 2017 and programming to discuss the space needs of staff located within the Michigan Avenue Courthouse, Crosstown Complex and Administration Building ensued. Due to cost constraints, it was decided that this facility would house the staff located within the Michigan Avenue Courthouse and Crosstown Complex. Design on the facility began in 2019 and continued into the spring of 2020 with construction documents completed in the fall of 2020. The project was bid out in December of 2020 and construction began in the spring of 2021. Construction has progressed through 2021 and the project is expected to be completed in the summer of 2023.

- ***Housing Millage***

The County Board of Commissioners recognized that the lack of housing is a serious challenge in our community and that more resources were required to ensure that County residents have access to safe, affordable, and supportive housing. Through a series of community-wide meetings regarding the housing needs of our community, a decision was made to seek voter approval for the expansion of the existing housing millage during the November 2020 election. Voters were asked to increase the millage to 0.75 mills for eight years (2021-2028) to support rental subsidies, permanent housing, and related supportive services. Voters approved the millage increase which was effective with the December 2021 tax bills. Work occurred over 2021 to establish a grant application process for distribution of those funds to address the following areas; supportive services, multi-family housing, single-family housing, single-family rehab, and opportunistic creative projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kalamazoo, Michigan, for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the twenty third 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

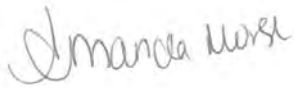
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of this report on a timely basis would not have been accomplished without the cooperation of all involved in the financial accounting process. We want to thank members of the Kalamazoo County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Kevin A. Catlin
Administrator/Controller



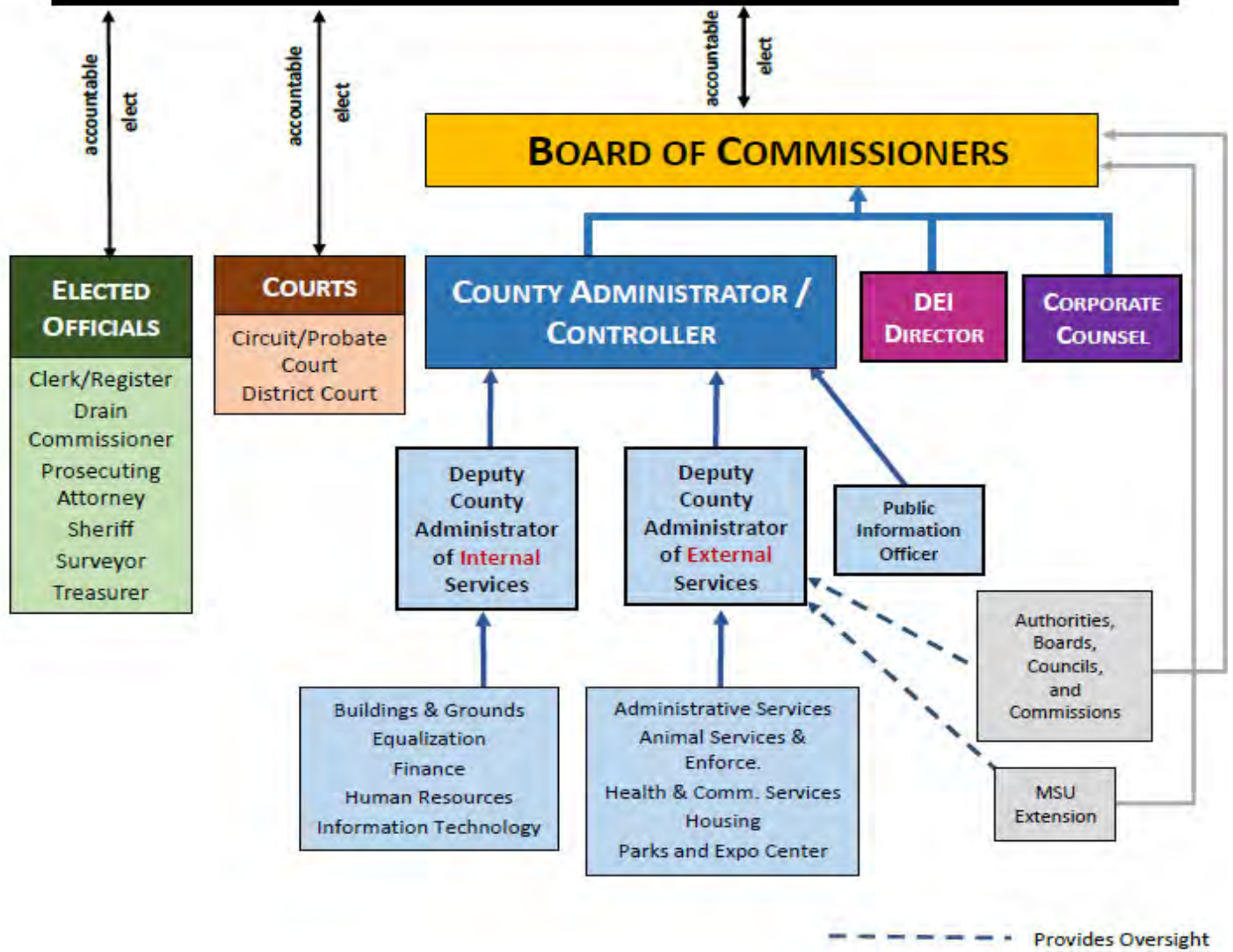
Amanda L. Morse
Finance Director



KALAMAZOO COUNTY GOVERNMENT

In the Pursuit of Extraordinary Governance...

KALAMAZOO COUNTY RESIDENTS





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Kalamazoo
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 22, 2022

Honorable Members of the
Board of Commissioners
of the County of Kalamazoo, Michigan
Kalamazoo, Michigan

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entities, which represent the indicated percentages of total aggregate discretely presented component units:

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Kalamazoo County Transportation Authority	0.1%	4.7%	0.0%
Central County Transportation Authority	19.3%	33.8%	11.5%
Kalamazoo County Road Commission	69.9%	50.1%	78.4%
Kalamazoo County Public Housing Commission	0.7%	1.8%	0.8%

Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Kalamazoo County Transportation Authority and the Kalamazoo County Road Commission were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lobman LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

As management of the County of Kalamazoo, Michigan (the "County" or the "government"), 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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

· Total net position	\$ 242,282,302
· Change in total net position	19,618,344
· Fund balances, governmental funds	148,989,056
· Change in fund balances, governmental funds	73,791,597
· Unassigned fund balance, general fund	42,581,886
· Change in fund balance, general fund	6,625,604
· Installment debt outstanding	95,025,000
· Change in installment debt	69,575,000

Overview of the Financial Statements

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

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

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

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

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, public works, health and welfare, cultural and recreation, judicial and community and economic development. The business-type activities of the County include the Kalamazoo/Battle Creek International Airport, Delinquent Tax Revolving Funds, the Local Government Public Works Financing Fund and the Tax Reversion Fund.

The government-wide financial statements include not only the County itself (known as the primary government), but also the following legally separate entities: Transportation Authority, Central County Transportation Authority, Road Commission, Drainage Districts, Land Bank Authority, Lake Level Districts, Public Housing Commission, and Brownfield Redevelopment Authority. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

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

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

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

The County maintains various individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and change in fund balances for the General Fund, Law Enforcement Fund, General Grants Fund, Capital Projects Fund, and the Justice Facility Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Airport Fund, the Delinquent Tax Revolving Fund, the Local Government Public Works Financing 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 internal service funds to account for its employee benefits program, technology systems, Alcott facility lease program, central stores activity, local site remediation and insurance. Because these services predominately benefit governmental rather than business-type activities, 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 Local Government Public Works Financing Fund, each considered to be a major fund of the County, as well as the Tax Reversion Fund, the only nonmajor enterprise fund. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column. Also, individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

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

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

The combining and individual fund financial statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$242,282,302 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 284,584,695	\$ 162,150,223	\$ 32,036,862	\$ 32,147,190	\$ 316,621,557	\$ 194,297,413
Capital assets, net	107,051,316	93,375,776	49,170,198	51,295,536	156,221,514	144,671,312
Total assets	391,636,011	255,525,999	81,207,060	83,442,726	472,843,071	338,968,725
Total deferred outflows of resources	4,946,337	8,078,436	321,409	391,310	5,267,746	8,469,746
Long-term debt	98,231,672	25,225,150	6,953,243	8,004,100	105,184,915	33,229,250
Other liabilities	70,111,275	49,855,015	1,880,338	2,846,478	71,991,613	52,701,493
Total liabilities	168,342,947	75,080,165	8,833,581	10,850,578	177,176,528	85,930,743
Total deferred inflows of resources	58,217,970	38,624,560	434,017	219,210	58,651,987	38,843,770
Net position						
Net investment in capital assets	74,296,286	73,348,642	47,084,190	48,609,105	121,380,476	121,957,747
Restricted	40,368,492	34,364,467	496,020	406,349	40,864,512	34,770,816
Unrestricted	55,356,653	42,186,601	24,680,661	23,748,794	80,037,314	65,935,395
Total net position	\$ 170,021,431	\$ 149,899,710	\$ 72,260,871	\$ 72,764,248	\$ 242,282,302	\$ 222,663,958

The significant increase in the governmental activities current and other assets is due to the receipt of the \$71.75 million 2021 limited tax general obligation bonds for the justice facility, which also resulted in an increase in the long-term debt. Current and other assets also increased, along with the other liabilities for unearned revenues, due to the receipt of approximately \$25.7 million in Coronavirus State and Local Fiscal Recovery Funds.

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

A substantial portion of the County's net position, \$121,380,476 (50.1%), reflects its investment in capital assets (e.g., land, in progress assets, intangible easements, land improvements, buildings and improvements, furniture, machinery and equipment, vehicles and books), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$40,864,512 (16.9%) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of unrestricted net position of \$80,037,314 (33.0%) to meet its ongoing obligations to citizens and creditors.

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

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 14,539,259	\$ 13,042,231	\$ 6,157,874	\$ 3,890,092	\$ 20,697,133	\$ 16,932,323
Operating grants and contributions	34,519,073	36,665,000	820,789	3,112,367	35,339,862	39,777,367
Capital grants and contributions	-	-	911,306	805,864	911,306	805,864
General revenues:						
Property taxes	68,241,673	60,826,553	-	-	68,241,673	60,826,553
Other taxes	2,741,031	1,605,240	-	-	2,741,031	1,605,240
State revenue sharing	5,457,862	4,155,631	-	-	5,457,862	4,155,631
Other	994,694	3,320,941	-	-	994,694	3,320,941
Total revenues	126,493,592	119,615,596	7,889,969	7,808,323	134,383,561	127,423,919
Expenses:						
General government	8,899,301	8,526,419	-	-	8,899,301	8,526,419
Public safety	33,872,354	31,847,288	-	-	33,872,354	31,847,288
Public works	552,800	550,334	-	-	552,800	550,334
Health and welfare	30,909,234	30,072,723	-	-	30,909,234	30,072,723
Cultural and recreation	4,390,610	2,844,492	-	-	4,390,610	2,844,492
Judicial	25,476,207	26,235,706	-	-	25,476,207	26,235,706
Community and economic development	1,473,348	2,339,133	-	-	1,473,348	2,339,133
Interest and fiscal charges	1,578,623	668,516	-	-	1,578,623	668,516
Airport operations	-	-	6,468,754	6,805,031	6,468,754	6,805,031
Local government public works financing	-	-	857,769	147,766	857,769	147,766
Tax reversion	-	-	286,217	350,722	286,217	350,722
Total expenses	107,152,477	103,084,611	7,612,740	7,303,519	114,765,217	110,388,130
Change in net position, before transfers	19,341,115	16,530,985	277,229	504,804	19,618,344	17,035,789
Transfers	780,606	1,836,600	(780,606)	(1,836,600)	-	-
Change in net position	20,121,721	18,367,585	(503,377)	(1,331,796)	19,618,344	17,035,789
Net position:						
Beginning of year	149,899,710	131,532,125	72,764,248	74,096,044	222,663,958	205,628,169
End of year	\$ 170,021,431	\$ 149,899,710	\$ 72,260,871	\$ 72,764,248	\$ 242,282,302	\$ 222,663,958

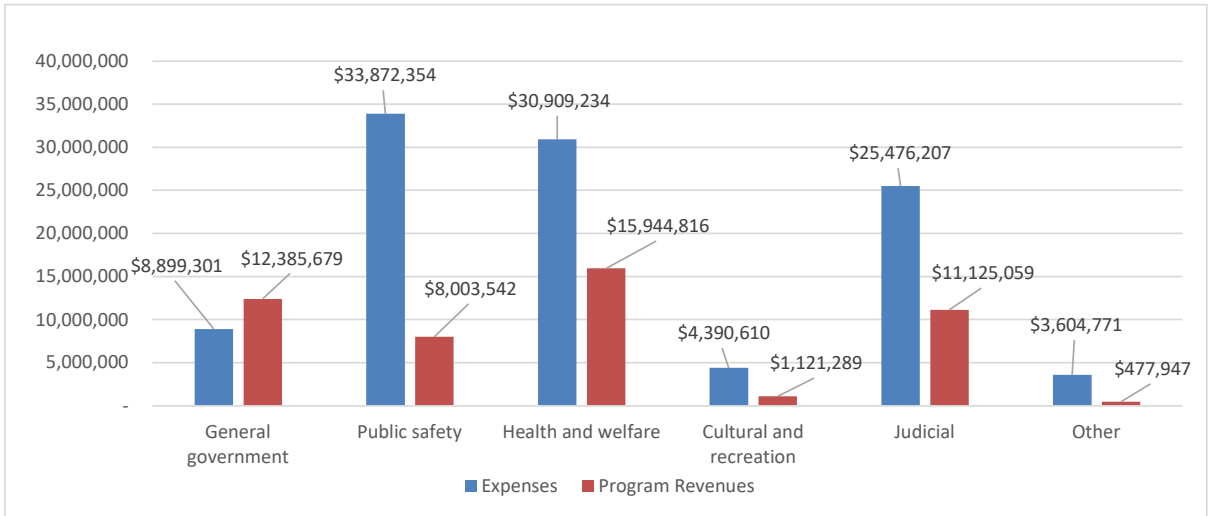
COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

Governmental Activities. Governmental activities increased the County’s net position by \$20,121,721, as compared to a prior year increase of \$18,367,585. Key elements of this increase consisted of the following:

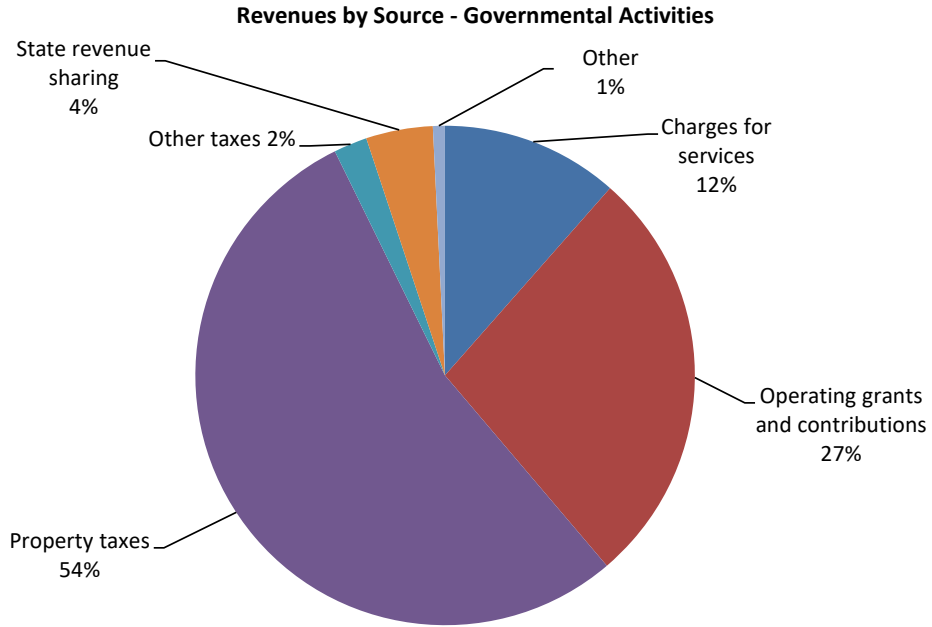
- Charges for services increased by \$1,497,028, which is largely due to the real estate transfer taxes of \$586,529, special elections charges of \$375,383, concealed pistol permits of \$122,340 and an increase in recording fees of \$107,849.
- Operating grants decreased by \$2,145,927. The County saw an increase in new grant funding of \$1.8 million in 2021. This increase was offset by the loss of the one-time, 2020 CARES Act dollars in the amount of \$3,912,033 for Public Safety Public Health Payroll reimbursements.
- Property taxes increased by \$7,415,120, which is largely due to the new County 911 millage and an overall increase of 3% to the taxable value in Kalamazoo County.
- Other taxes increased by \$1,135,791, which is largely due to an increase in the accommodation tax collected as a result of the County's Accommodation Ordinance, as the County experienced decreases in the prior year as a direct result of the COVID-19 pandemic.
- State revenue sharing increased by \$1,302,231, which is largely due the restoration of the August revenue sharing payment. The August 2020 payment was eliminated by the State of Michigan causing the 2020 revenue sharing total to be lower than expected.
- Other revenue decreased by \$2,326,247, which is largely due to a decrease in investment earnings for the year.
- Overall expenses increased by \$4,067,866, which is due to increased employee health care cost of \$1,990,180, insurance expenses of \$1,913,514 and that the County returned to normal operations. In 2020 during the height of the COVID-19 pandemic, the County experienced decreased expenses due to building closures and remote work.

Expenses and Program Revenues - Governmental Activities



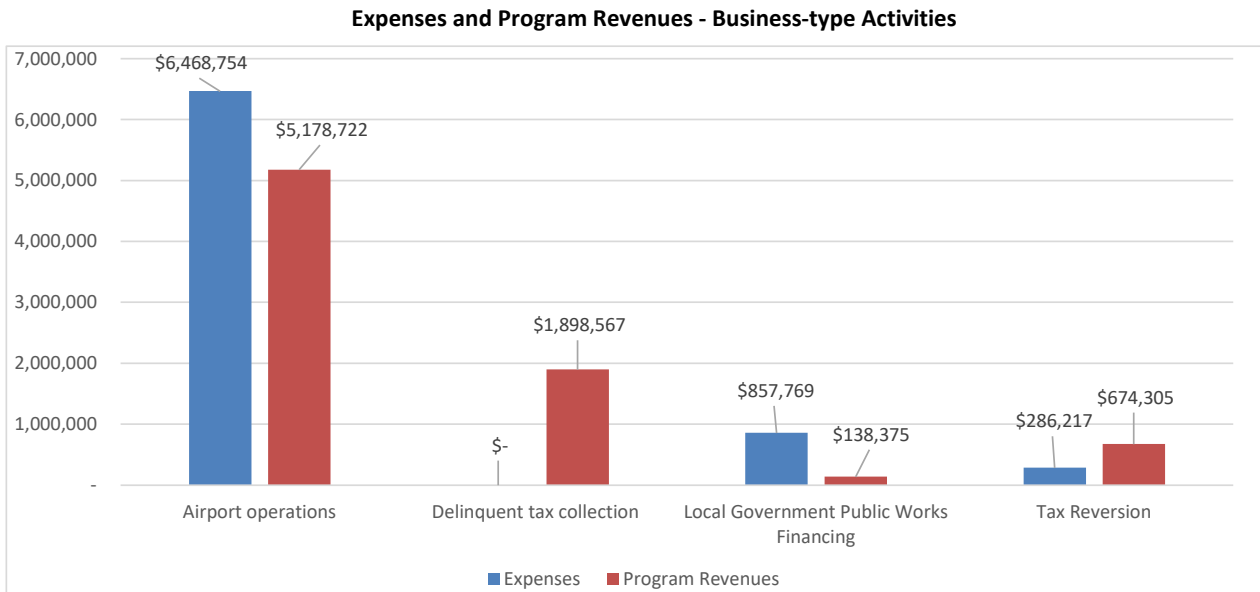
COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis



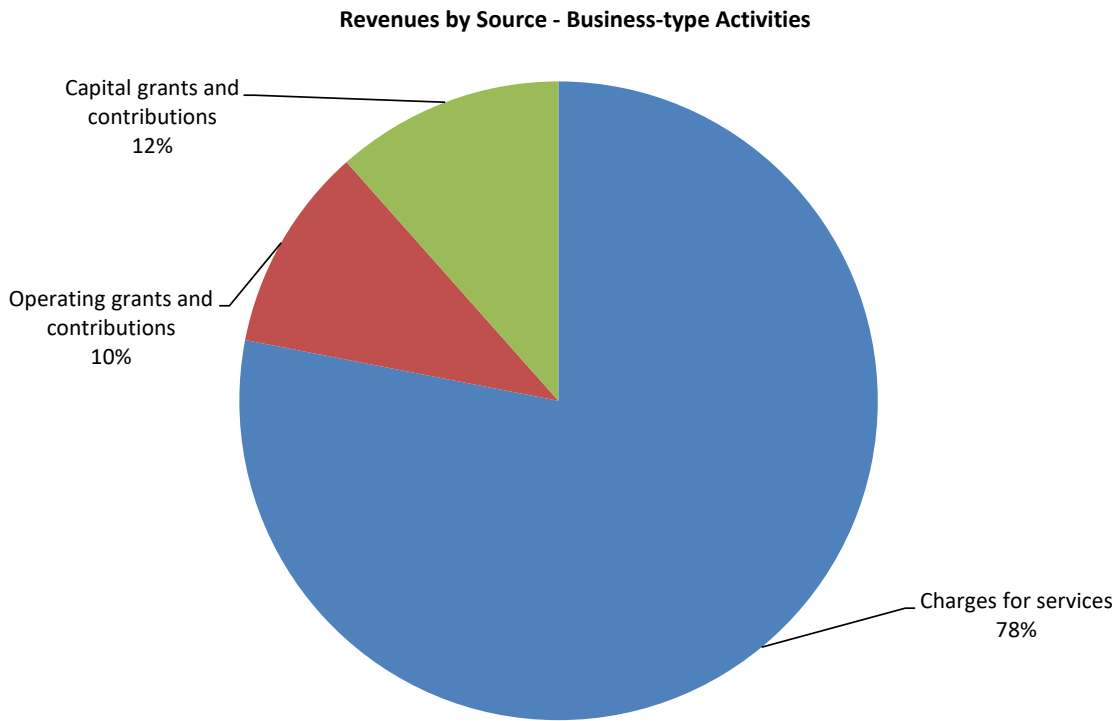
Business-type Activities. Business-type activities decreased the County's net position by \$503,377, as compared to a prior year decrease of \$1,331,796. Key elements of this decrease consisted of the following:

- Charges for services increased by \$2,267,782, which is largely due to the AZO Stakeholder Support Program waving many rents and fees in 2020, as well as increases in airport operations in 2021.
- Operating grants decreased by \$2,291,578, which is largely due to airport tenants returning to regular rent and fee structures in 2021, decreasing the airport's utilization of available operating grants.
- Overall expenses remained fairly consistent with the prior year, increasing by \$309,221.



COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis



Financial Analysis of the County's Funds

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

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

Fund balance components have been classified as nonspendable, 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.

Nonspendable fund balances make up \$414,023 (.3%) of the fund balance. Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The County's inventories, prepaids and advances to component units are nonspendable.

Restricted fund balances make up \$71,636,007 (48.1%) of the fund balance. Spending of these resources is constrained by externally imposed (statutory, bond covenant, contracts, or grantors) limitations on their use. The amounts are for budget stabilization, debt service, capital, and special revenue funds.

Committed fund balances make up \$656,046 (.4%) of the fund balance. Spending of these resources is for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment.

Assigned fund balance makes up \$33,701,094 (22.6%) of the fund balance. These funds are primarily assigned for Capital Projects Fund capital expenditures.

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

Unassigned fund balance represents the General Fund remaining fund balance. The General Fund unassigned fund balance is available to support general operations of the County. The unassigned amount of \$42,581,866 represents 28.6% 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 \$42,581,886, while total fund balance amounted to \$46,121,849. 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 60.3% of total General Fund expenditures and transfers out, while total fund balance represents 65.3% of that same amount.

The fund balance of the County's General Fund increased by \$6,625,604 during the current fiscal year. This is largely due to several factors including Marijuana tax revenue of \$1,072,615 and property tax revenue being \$544,112 over projections. There was also a decrease in required general fund support by various funds including the Child Care fund in the amount of \$1,056,109, the Insurance fund in the amount of \$921,463, the health fund in the amount of \$573,412 and the FOC fund in the amount of \$235,706. The remaining balance is due to underutilization of budgeted routine operating expenditures by department heads and elected officials.

The Law Enforcement Fund accounts for specific revenue derived from a special voter-approved millage, state and federal grants, and charges for services, and are to be expended as dictated by legal, regulatory, or administrative requirements. At the end of the current fiscal year, total fund balance of the Law Enforcement Fund was \$2,831,904. The fund balance of the County's Law Enforcement Fund increased by \$1,149,758 during the current fiscal year. The key factor in this change is lower than expected overall spending by departments and a high number of vacant positions that resulted in a salary savings.

The General Grants Fund accounts for American Rescue Plan Act and other grant programs. At the end of the current fiscal year, total fund balance of the General Grant Fund fund was \$3,821.

The Capital Projects Fund was established to account for renovation/construction projects performed on the County facilities and for the purchase of capital improvement equipment. These projects are funded primarily by the General Fund. The County continues to transfer a portion of the State Shared Revenue payments into the Capital Projects Fund to pay for capital facility needs. The fund balance increased by \$5,035,565, bringing the total fund balance to \$33,440,807. There are several key factors that account for this change, including 2021 CIP purchases being placed on hold until 2022 and various other large projects that are in progress, including the new ERP system, phone system, disaster recovery and District Court Imagesoft system.

The Justice Facility Capital Projects Fund was established to account for construction of the new justice facility. The fund balance increased by \$60,430,136, due to the bond proceeds received for the project in the current year, which will be used to fund the remainder of the project.

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

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

Unrestricted net position of the Airport Fund at the end of the year amounted to \$6,483,891. The net position for the Delinquent Tax Revolving Fund amounted to \$16,944,043 and the net position for the Local Government Public Works Financing Fund totaled \$0. The Airport Fund had a total decrease in net position of \$1,239,315, the Delinquent Tax Revolving Fund experienced an increase in net position of \$398,567 (primarily as a result of tax collections in excess of transfers out to other funds), and the Local Government Public Works Financing Fund saw no change in net position from prior year. Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The original General Fund budget projected no change in fund balance. The final amended budget planned for a \$195,900 decrease in fund balance. The actual increase in fund balance was \$6,625,604. Significant changes between original and final amended budget are as follows:

- The budget for contributions, grants, and reimbursements was increased by \$1,517,800, related to the 911 millage and reimbursement from the Kalamazoo County Consolidated Dispatch Authority of funding previously received.
- The budget for general government expenditures was increased by \$1,416,900, related to increases in various expenditures including administrator salary, consolidated election expenditures, classification consultant and legal expenditures.
- The budget for other expenditures was reduced by \$2,359,400, related to spending of the restricted reserve. As conditions improved over the course of the year, dollars were moved from the restricted reserve to restore operational reductions, step increases and positions.
- The budget for transfers out was increased by \$3,656,300, related to transfers to the County's capital projects fund, including the new ERP project and phone system. Excess funds that were budgeted for the Justice Facility bond payment were also transferred to the capital projects fund.

Revenues

Taxes - \$457,478 over budget. This revenue overage is due to a 3% actual growth rate in taxable value. A 2.5% rate was used for budgeting purposes.

Intergovernmental - \$1,478,372 over budget. This revenue overage is primarily due to Marijuana tax dollars in the amount of \$1,072,615 and Local Community Stabilization Share tax dollars totaling \$448,194 over projections.

Investment earnings - \$357,896 under budget. This revenue shortage is due to investment selections and market conditions that provided earnings lower than projected.

Expenditures

General government - \$720,839 under budget. This activity was under budget primarily due to lower than projected restitution payments, lower than projected consolidated election expenditures and overall conservative spending by department heads and elected officials.

Public safety - \$881,032 under budget. This activity was under budget primarily due to overall conservative spending by the Sheriff's Department, Animal Services, Adult Probation and Emergency Management.

Judicial - \$289,079 under budget. This activity was under budget primarily due to overall conservative spending by the Circuit Court, District Court and Prosecuting Attorney's Office.

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

Transfers out - \$3,097,239 under budget. This is primarily due to a lower need for general fund support by various funds including the Child Care fund in the amount of \$1,056,109, the Insurance fund in the amount of \$921,463, the Health fund in the amount of \$573,412 and the FOC fund in the amount of \$235,706.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$156,221,514 (net of accumulated depreciation). This investment in capital assets includes land, in process assets, intangible easements, land improvements, building and improvements, furniture, machinery and equipment, vehicles and books. The total increase in the County's investment in capital assets for the current fiscal year was \$11,550,202 (an increase of 14.6% for governmental activities and a decrease of 4.1% for business-type activities).

Significant additions to capital assets are as follows:

- Parking lot at the corner of Park St and Kalamazoo Ave
- Building improvements for Buildings & Grounds office space
- Building improvements for Clerk/Register of Deeds office space

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,050,097	\$ 4,741,921	\$ 5,323,562	\$ 5,323,562	\$ 10,373,659	\$ 10,065,483
Construction in progress	22,587,753	7,574,209	10,057,934	9,696,043	32,645,687	17,270,252
Intangible easement	147,493	147,493	-	-	147,493	147,493
Land improvements	6,300,641	5,642,610	9,649,882	10,953,224	15,950,523	16,595,834
Buildings and improvements	69,075,073	70,476,341	23,873,431	24,708,250	92,948,504	95,184,591
Furniture, machinery and equipment	2,814,063	3,575,223	161,278	437,786	2,975,341	4,013,009
Vehicles	1,074,608	1,215,332	104,111	176,671	1,178,719	1,392,003
Law library books	1,588	2,647	-	-	1,588	2,647
Total	\$ 107,051,316	\$ 93,375,776	\$ 49,170,198	\$ 51,295,536	\$ 156,221,514	\$ 144,671,312

Additional information on the County's capital assets can be found in Note 7 of this report.

COUNTY OF KALAMAZOO, MICHIGAN

Management's Discussion and Analysis

Long-term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$105,184,915, an increase of \$71,955,665 from the prior year, mainly due to new debt issuance for the justice facility capital project.

	General Obligation and Revenue Bonds					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 88,455,000	\$ 17,895,000	\$ 6,570,000	\$ 7,555,000	\$ 95,025,000	\$ 25,450,000
Bond premium/discount	4,873,945	2,289,827	280,069	317,539	5,154,014	2,607,366
Compensated absences	4,902,727	5,040,323	103,174	131,561	5,005,901	5,171,884
Total	\$ 98,231,672	\$ 25,225,150	\$ 6,953,243	\$ 8,004,100	\$ 105,184,915	\$ 33,229,250

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

The current debt limitation for the County is \$1,187,085,149, 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 8.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County as of March 2022 is 3.9% which is a 1.5% decrease from March 2021. This is lower than the state average of 4.3%.
- Property values increased by 5.52% in 2022.
- While Inflationary trends in the region compare favorable to national indices, rates of inflation continue to be high and will be monitored closely.

These factors were considered in preparing and monitoring the County's budget for the 2022 fiscal year.

At calendar year end, the unassigned fund balance in the General Fund was \$42,581,886. 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 2022 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, may be addressed to the Deputy Finance Director, Kalamazoo County Government, 201 West Kalamazoo Ave, Room 402, Kalamazoo, MI 49007.

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BASIC FINANCIAL STATEMENTS

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Net Position

December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 74,642,969	\$ 16,487,075	\$ 91,130,044	\$ 28,724,593
Restricted cash	966,639	700	967,339	281,063
Investments	120,258,904	327,043	120,585,947	972,603
Receivables	37,095,312	14,265,111	51,360,423	17,276,083
Restricted receivables	-	26,370	26,370	-
Internal balances	(77,077)	77,077	-	-
Advances to component unit	280,163	-	280,163	-
Other assets	5,406,837	70,153	5,476,990	2,850,094
Capital assets not being depreciated	27,785,343	15,381,496	43,166,839	29,815,560
Capital assets being depreciated, net	79,265,973	33,788,702	113,054,675	167,919,386
Net pension asset	46,010,948	783,333	46,794,281	10,811,706
Total assets	391,636,011	81,207,060	472,843,071	258,651,088
Deferred outflows of resources				
Deferred charge on refunding	143,779	210,814	354,593	-
Deferred pension amounts	3,531,651	68,405	3,600,056	1,549,759
Deferred other postemployment benefit amounts	1,270,907	42,190	1,313,097	3,195,054
Total deferred outflows of resources	4,946,337	321,409	5,267,746	4,744,813
Liabilities				
Accounts payable and accrued liabilities	17,221,409	1,709,026	18,930,435	4,234,613
Advances from primary government	-	-	-	280,163
Unearned revenue	29,207,875	38,664	29,246,539	935,719
Long-term debt:				
Due within one year	5,420,702	974,681	6,395,383	1,724,699
Due in more than one year	92,810,970	5,978,562	98,789,532	6,126,289
Net other postemployment benefit liability (due in more than one year)	23,681,991	132,648	23,814,639	15,746,125
Total liabilities	168,342,947	8,833,581	177,176,528	29,047,608
Deferred inflows of resources				
Property taxes levied for subsequent period	31,382,832	-	31,382,832	716,781
Deferred pension amounts	20,127,472	382,788	20,510,260	3,823,653
Deferred other postemployment benefit amounts	6,707,666	51,229	6,758,895	1,109,462
Total deferred inflows of resources	58,217,970	434,017	58,651,987	5,649,896
Net position				
Net investment in capital assets	74,296,286	47,084,190	121,380,476	196,034,438
Restricted for:				
Public safety	4,126,847	-	4,126,847	-
Health and welfare	3,360,691	-	3,360,691	-
Cultural and recreation	2,765	-	2,765	-
Judicial	406	-	406	-
Community and economic development	35,840	-	35,840	-
Capital projects	-	27,070	27,070	-
Pension	29,415,127	468,950	29,884,077	8,537,812
Budget stabilization	2,500,000	-	2,500,000	-
Other state mandated programs	926,816	-	926,816	-
Donor specified purposes	-	-	-	1,088,304
Replacement and insurance escrow reserves	-	-	-	268,641
Public housing	-	-	-	1,612,175
Unrestricted	55,356,653	24,680,661	80,037,314	21,157,027
Total net position	\$ 170,021,431	\$ 72,260,871	\$ 242,282,302	\$ 228,698,397

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2021

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
General government	\$ 13,618,811	\$ (4,719,510)	\$ 5,733,465	\$ 6,652,214	\$ -	\$ 3,486,378
Public safety	33,688,513	183,841	2,553,407	5,450,135	-	(25,868,812)
Public works	551,475	1,325	54,005	75,385	-	(423,410)
Health and welfare	26,793,625	4,115,609	1,670,830	14,273,986	-	(14,964,418)
Cultural and recreation	4,390,610	-	1,082,374	38,915	-	(3,269,321)
Judicial	25,178,661	297,546	3,187,275	7,937,784	-	(14,351,148)
Community and economic development	1,473,348	-	257,903	90,654	-	(1,124,791)
Interest and fiscal charges	1,578,623	-	-	-	-	(1,578,623)
Total governmental activities	107,273,666	(121,189)	14,539,259	34,519,073	-	(58,094,145)
Business-type activities:						
Airport operations	6,347,565	121,189	3,482,701	784,715	911,306	(1,290,032)
Delinquent tax collection and administration	-	-	1,862,493	36,074	-	1,898,567
Local government public works financing	857,769	-	138,375	-	-	(719,394)
Tax reversion	286,217	-	674,305	-	-	388,088
Total business-type activities	7,491,551	121,189	6,157,874	820,789	911,306	277,229
Total primary government	\$ 114,765,217	\$ -	\$ 20,697,133	\$ 35,339,862	\$ 911,306	\$ (57,816,916)
Component units						
Kalamazoo County Transportation Authority	2,979,433	-	-	123,368	-	(2,856,065)
Central County Transportation Authority	24,133,303	-	580,438	15,646,720	1,243,148	(6,662,997)
Road Commission	22,405,433	-	208,592	31,586,319	-	9,389,478
Drainage Districts	78,176	-	-	-	-	(78,176)
Land Bank Authority	1,133,201	-	355,959	1,415,979	-	638,737
Lake Level Districts	260,850	-	-	-	-	(260,850)
Public Housing Commission	840,214	-	37,692	1,104,544	-	302,022
Brownfield Redevelopment Authority	672,750	-	1,250	214,094	-	(457,406)
Total component units	\$ 52,503,360	\$ -	\$ 1,183,931	\$ 50,091,024	\$ 1,243,148	\$ 14,743

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COUNTY OF KALAMAZOO, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (58,094,145)	\$ 277,229	\$ (57,816,916)	\$ 14,743
General revenues:				
Property taxes	68,241,673	-	68,241,673	10,814,460
Lodging excise taxes	2,741,031	-	2,741,031	-
State revenue sharing	5,457,862	-	5,457,862	-
Unrestricted investment earnings	91,534	-	91,534	46,478
Gain on sale of capital assets	-	-	-	7,850
Other revenues	903,160	-	903,160	181,073
Transfers - internal activities	780,606	(780,606)	-	-
Total general revenues and transfers	78,215,866	(780,606)	77,435,260	11,049,861
Change in net position	20,121,721	(503,377)	19,618,344	11,064,604
Net position, beginning of year	149,899,710	72,764,248	222,663,958	217,633,793
Net position, end of year	<u>\$ 170,021,431</u>	<u>\$ 72,260,871</u>	<u>\$ 242,282,302</u>	<u>\$ 228,698,397</u>

concluded

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

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COUNTY OF KALAMAZOO, MICHIGAN

Balance Sheet

Governmental Funds

December 31, 2021

	General Fund	Law Enforcement	General Grants
Assets			
Cash and cash equivalents	\$ -	\$ 2,442,548	\$ -
Restricted cash	-	-	-
Investments	91,919,997	2,323,221	25,746,803
Receivables:			
Accounts	1,197,376	17,500	-
Taxes	1,658,224	12,058,018	-
Due from other governments	1,394,901	-	-
Accrued interest	62,670	6,142	-
Advances to component units	280,163	-	-
Inventories	24,464	-	-
Prepays	79,290	150	-
Total assets	<u>\$ 96,617,085</u>	<u>\$ 16,847,579</u>	<u>\$ 25,746,803</u>
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ 45,859,285	\$ -	\$ 7,564
Accounts payable	2,049,962	93,250	49,095
Accrued liabilities	1,311,450	437,752	-
Due to other governments	-	-	-
Deposits payable	121,949	-	-
Unearned revenue	-	-	25,686,323
Total liabilities	<u>49,342,646</u>	<u>531,002</u>	<u>25,742,982</u>
Deferred inflows of resources			
Property taxes levied for subsequent period	-	13,465,570	-
Unavailable revenue - property taxes	1,152,590	19,103	-
Total deferred inflows of resources	<u>1,152,590</u>	<u>13,484,673</u>	<u>-</u>
Fund balances			
Nonspendable	383,917	150	-
Restricted	2,500,000	2,831,754	3,821
Committed	656,046	-	-
Assigned	-	-	-
Unassigned	42,581,886	-	-
Total fund balances	<u>46,121,849</u>	<u>2,831,904</u>	<u>3,821</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 96,617,085</u>	<u>\$ 16,847,579</u>	<u>\$ 25,746,803</u>

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

Capital Projects	Justice Facility Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 33,653,511	\$ 63,843,717	\$ 12,591,567	\$ 112,531,343
-	966,639	-	966,639
-	-	268,883	120,258,904
-	-	993,979	2,208,855
-	-	16,022,380	29,738,622
-	-	2,959,453	4,354,354
15,029	-	3	83,844
-	-	-	280,163
-	-	883	25,347
9,923	-	19,150	108,513
<u>\$ 33,678,463</u>	<u>\$ 64,810,356</u>	<u>\$ 32,856,298</u>	<u>\$ 270,556,584</u>
\$ -	\$ -	\$ 1,264,476	\$ 47,131,325
237,656	4,380,199	2,949,354	9,759,516
-	21	806,491	2,555,714
-	-	219,314	219,314
-	-	7,635	129,584
-	-	3,521,552	29,207,875
<u>237,656</u>	<u>4,380,220</u>	<u>8,768,822</u>	<u>89,003,328</u>
-	-	17,917,262	31,382,832
-	-	9,675	1,181,368
-	-	17,926,937	32,564,200
9,923	-	20,033	414,023
-	60,430,136	5,870,296	71,636,007
-	-	-	656,046
33,430,884	-	270,210	33,701,094
-	-	-	42,581,886
<u>33,440,807</u>	<u>60,430,136</u>	<u>6,160,539</u>	<u>148,989,056</u>
<u>\$ 33,678,463</u>	<u>\$ 64,810,356</u>	<u>\$ 32,856,298</u>	<u>\$ 270,556,584</u>

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COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
December 31, 2021

Fund balances - total governmental funds **\$ 148,989,056**

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

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

Capital assets not being depreciated	27,785,343
Capital assets being depreciated, net	79,265,973
Less: amounts accounted for in internal service funds	(1,391,594)

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

Deferred inflows for property taxes receivable	1,181,368
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.

Net position of governmental activities accounted for in internal service funds:	
Total internal service fund net position	12,487,469
Internal service fund net position accounted for in business-type activities	(77,077)

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

Bonds payable	(88,455,000)
Bond premiums/discounts, net	(4,873,945)
Deferred charge on bond refunding	143,779
Compensated absences	(4,902,727)
Less: amounts accounted for in internal service funds	73,658
Accrued interest on long-term debt	(501,249)

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

Net pension asset	46,010,948
Net other postemployment benefit liability	(23,681,991)
Deferred outflows related to the net pension asset	3,531,651
Deferred outflows related to the net other postemployment benefit liability	1,270,907
Deferred inflows related to the net pension asset	(20,127,472)
Deferred inflows related to the net other postemployment benefit liability	(6,707,666)

Net position of governmental activities **\$ 170,021,431**

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds

For the Year Ended December 31, 2021

	General Fund	Law Enforcement	General Grants
Revenues			
Taxes	\$ 43,692,578	\$ 13,082,337	\$ -
Licenses and permits	759,768	-	-
Intergovernmental	15,162,272	585,424	56,659
Charges for services	7,887,867	-	-
Fines and forfeitures	931,627	-	-
Investment earnings (loss)	77,104	(62,029)	3,822
Contributions, grants and reimbursements	1,514,076	-	16,868
Other	5,595,497	-	-
Total revenues	<u>75,620,789</u>	<u>13,605,732</u>	<u>77,349</u>
Expenditures			
Current:			
General government	14,367,061	-	24,433
Public safety	16,690,468	7,506,124	-
Public works	450,933	-	-
Health and welfare	5,180,211	554,639	-
Cultural and recreation	-	-	-
Judicial	13,199,421	3,902,815	-
Community and economic development	612,758	-	-
Other	161,842	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance cost	-	-	-
Capital outlay	-	-	49,095
Total expenditures	<u>50,662,694</u>	<u>11,963,578</u>	<u>73,528</u>
Revenues over (under) expenditures	<u>24,958,095</u>	<u>1,642,154</u>	<u>3,821</u>
Other financing sources (uses)			
Transfers in	1,593,300	-	-
Transfers out	(19,934,261)	(492,396)	-
Issuance of long-term debt	-	-	-
Premium on issuance of long-term debt	-	-	-
Proceeds from sale of capital assets	8,470	-	-
Total other financing sources (uses)	<u>(18,332,491)</u>	<u>(492,396)</u>	<u>-</u>
Net change in fund balances	6,625,604	1,149,758	3,821
Fund balances, beginning of year	39,496,245	1,682,146	-
Fund balances, end of year	<u>\$ 46,121,849</u>	<u>\$ 2,831,904</u>	<u>\$ 3,821</u>

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

Capital Projects	Justice Facility Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,250,436	\$ 71,025,351
-	-	978,960	1,738,728
-	-	22,330,800	38,135,155
-	-	3,974,122	11,861,989
-	-	-	931,627
68,053	-	4,584	91,534
-	-	310,836	1,841,780
-	-	34,088	5,629,585
<u>68,053</u>	<u>-</u>	<u>41,883,826</u>	<u>131,255,749</u>
-	-	19,502	14,410,996
-	-	9,288,610	33,485,202
-	-	75,626	526,559
-	-	25,860,483	31,595,333
-	-	3,323,408	3,323,408
-	-	9,367,076	26,469,312
-	-	1,173,980	1,786,738
-	-	-	161,842
-	-	1,190,000	1,190,000
-	-	822,956	822,956
6,655	702,193	-	708,848
<u>3,506,679</u>	<u>13,459,239</u>	<u>893,059</u>	<u>17,908,072</u>
<u>3,513,334</u>	<u>14,161,432</u>	<u>52,014,700</u>	<u>132,389,266</u>
<u>(3,445,281)</u>	<u>(14,161,432)</u>	<u>(10,130,874)</u>	<u>(1,133,517)</u>
8,484,146	-	14,367,076	24,444,522
(3,300)	-	(3,689,489)	(24,119,446)
-	71,750,000	-	71,750,000
-	2,841,568	-	2,841,568
-	-	-	8,470
<u>8,480,846</u>	<u>74,591,568</u>	<u>10,677,587</u>	<u>74,925,114</u>
5,035,565	60,430,136	546,713	73,791,597
28,405,242	-	5,613,826	75,197,459
<u>\$ 33,440,807</u>	<u>\$ 60,430,136</u>	<u>\$ 6,160,539</u>	<u>\$ 148,989,056</u>

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COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds **\$ 73,791,597**

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

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

Capital assets purchased/constructed	17,941,785
Depreciation expense	(4,275,379)
Proceeds from sale of capital assets	(8,470)
Loss on sale of capital assets	(152,879)

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

Change in deferred property taxes receivable	(42,647)
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Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term debt in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

Principal payments on long-term debt	1,190,000
Issuance of long-term debt	(71,750,000)
Premium on issuance of long-term debt	(2,841,568)

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

Change in accrued interest payable on long-term debt	(290,355)
Amortization of bond premiums/discounts	257,450
Amortization of deferred charge on refunding	(13,914)
Change in the accrual for compensated absences	142,654
Change in the net pension asset and related deferred amounts	4,390,495
Change in the net other postemployment benefit liability and related deferred amounts	5,092,441

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

Net operating loss of the internal service funds	(3,864,700)
Operating loss of the internal service funds allocated to business-type activities	50,717
Investment earnings accounted for in the internal service funds	48,964
Operating transfers accounted for in the internal service funds	455,530

Change in net position of governmental activities **\$ 20,121,721**

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 43,182,900	\$ 43,235,100	\$ 43,692,578	\$ 457,478
Licenses and permits	886,200	904,200	759,768	(144,432)
Intergovernmental	13,894,000	13,683,900	15,162,272	1,478,372
Charges for services	7,403,100	7,851,100	7,887,867	36,767
Fines and forfeitures	800,600	783,800	931,627	147,827
Investment earnings	905,000	435,000	77,104	(357,896)
Contributions, grants, and reimbursements	-	1,517,800	1,514,076	(3,724)
Other	4,604,500	5,750,600	5,595,497	(155,103)
Total revenues	71,676,300	74,161,500	75,620,789	1,459,289
Expenditures				
Current:				
General government	13,671,000	15,087,900	14,367,061	(720,839)
Public safety	18,064,600	17,571,500	16,690,468	(881,032)
Public works	452,600	462,900	450,933	(11,967)
Health and welfare	5,262,800	5,351,200	5,180,211	(170,989)
Judicial	13,163,500	13,488,500	13,199,421	(289,079)
Community and economic development	708,800	648,800	612,758	(36,042)
Other	2,682,800	323,400	161,842	(161,558)
Total expenditures	54,006,100	52,934,200	50,662,694	(2,271,506)
Revenues over expenditures	17,670,200	21,227,300	24,958,095	3,730,795
Other financing sources (uses)				
Transfers in	1,690,000	1,593,300	1,593,300	-
Transfers out	(19,375,200)	(23,031,500)	(19,934,261)	(3,097,239)
Proceeds from sale of capital assets	15,000	15,000	8,470	(6,530)
Total other financing uses (uses)	(17,670,200)	(21,423,200)	(18,332,491)	3,090,709
Net change in fund balance	-	(195,900)	6,625,604	6,821,504
Fund balance, beginning of year	39,496,245	39,496,245	39,496,245	-
Fund balance, end of year	\$ 39,496,245	39,300,345	\$ 46,121,849	\$ 6,821,504

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - Law Enforcement Fund

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 13,174,300	\$ 13,091,700	\$ 13,082,337	\$ (9,363)
Intergovernmental	498,000	585,400	585,424	24
Investment earnings (loss)	9,600	114,700	(62,029)	(176,729)
Total revenues	<u>13,681,900</u>	<u>13,791,800</u>	<u>13,605,732</u>	<u>(186,068)</u>
Expenditures				
Current:				
Public safety:				
Community corrections	11,000	11,000	10,994	(6)
Sheriff - admin/support	217,200	289,100	256,369	(32,731)
Sheriff - jail	5,860,900	5,888,200	5,183,429	(704,771)
Sheriff - field operations	1,961,300	1,749,300	1,672,185	(77,115)
Animal services & enforcement	372,300	393,400	383,147	(10,253)
Total public safety	<u>8,422,700</u>	<u>8,331,000</u>	<u>7,506,124</u>	<u>(824,876)</u>
Health and welfare -				
Circuit court family division	<u>593,500</u>	<u>558,800</u>	<u>554,639</u>	<u>(4,161)</u>
Judicial:				
Prosecuting attorney	2,008,200	1,920,100	1,884,952	(35,148)
Circuit court trial division	598,600	578,000	553,953	(24,047)
District court	<u>1,515,300</u>	<u>1,456,600</u>	<u>1,463,910</u>	<u>7,310</u>
Total judicial	<u>4,122,100</u>	<u>3,954,700</u>	<u>3,902,815</u>	<u>(51,885)</u>
Other:				
Contingencies	<u>50,000</u>	<u>479,100</u>	<u>-</u>	<u>(479,100)</u>
Total expenditures	<u>13,188,300</u>	<u>13,323,600</u>	<u>11,963,578</u>	<u>(1,360,022)</u>
Revenues over expenditures	493,600	468,200	1,642,154	1,173,954
Other financing uses				
Transfers out	<u>(493,600)</u>	<u>(493,600)</u>	<u>(492,396)</u>	<u>(1,204)</u>
Net change in fund balance	-	(25,400)	1,149,758	1,175,158
Fund balance, beginning of year	<u>1,682,146</u>	<u>1,682,146</u>	<u>1,682,146</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,682,146</u>	<u>\$ 1,656,746</u>	<u>\$ 2,831,904</u>	<u>\$ 1,175,158</u>

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Budget and Actual - General Grants Fund

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ -	\$ 390,200	\$ 56,659	\$ (333,541)
Investment earnings	-	-	3,822	3,822
Contributions, grants and reimbursements	-	-	16,868	16,868
Other	-	30,000	-	(30,000)
Total revenues	-	420,200	77,349	(342,851)
Expenditures				
Current:				
General government	-	275,200	24,433	(250,767)
Capital outlay	-	145,000	49,095	(95,905)
Total expenditures	-	420,200	73,528	(346,672)
Net change in fund balance	-	-	3,821	3,821
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 3,821	\$ 3,821

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

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COUNTY OF KALAMAZOO, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Delinquent Tax Revolving	Local Government Public Works Financing	Nonmajor Fund - Tax Reversion	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,842,678	\$ 9,454,041	\$ -	\$ 2,190,356	\$ 16,487,075	\$ 10,035,345
Investments	-	327,043	-	-	327,043	-
Receivables:						
Accounts	814,572	-	-	8,100	822,672	705,865
Taxes	-	7,134,654	-	260,843	7,395,497	-
Due from other governments	1,442,893	-	-	-	1,442,893	-
Leases, current portion	-	-	300,684	-	300,684	-
Accrued interest	-	28,305	-	-	28,305	3,772
Inventories	48,657	-	-	-	48,657	102,794
Prepays	21,496	-	-	-	21,496	5,170,183
Total current assets	7,170,296	16,944,043	300,684	2,459,299	26,874,322	16,017,959
Noncurrent assets:						
Restricted cash and cash equivalents	700	-	-	-	700	-
Restricted accounts receivable	26,370	-	-	-	26,370	-
Leases receivable, net of current portion	-	-	4,275,060	-	4,275,060	-
Capital assets not being depreciated	15,381,496	-	-	-	15,381,496	335,364
Capital assets being depreciated, net	33,788,702	-	-	-	33,788,702	1,056,230
Net pension asset	783,333	-	-	-	783,333	-
Total noncurrent assets	49,980,601	-	4,275,060	-	54,255,661	1,391,594
Total assets	57,150,897	16,944,043	4,575,744	2,459,299	81,129,983	17,409,553
Deferred outflows of resources						
Deferred charge on refunding	210,814	-	-	-	210,814	-
Deferred pension amounts	68,405	-	-	-	68,405	-
Deferred other postemployment benefit amounts	42,190	-	-	-	42,190	-
Total deferred outflows of resources	321,409	-	-	-	321,409	-
Liabilities						
Current liabilities:						
Negative equity in cash and cash equivalents	-	-	-	-	-	792,394
Accounts payable	316,309	-	-	26,941	343,250	626,614
Accrued liabilities	62,860	-	-	-	62,860	273,243
Deposits payable	12,023	-	-	-	12,023	82,270
Accrued interest	11,688	-	22,497	-	34,185	-
Undistributed receipts	-	-	-	1,256,708	1,256,708	-
Unearned revenue	38,664	-	-	-	38,664	-
Current portion of long-term debt	696,494	-	278,187	-	974,681	73,658
Total current liabilities	1,138,038	-	300,684	1,283,649	2,722,371	1,848,179
Noncurrent liabilities, net of current portion:						
Claims payable	-	-	-	-	-	3,073,905
Long-term debt	1,703,502	-	4,275,060	-	5,978,562	-
Net other postemployment benefit liability	132,648	-	-	-	132,648	-
Total noncurrent liabilities	1,836,150	-	4,275,060	-	6,111,210	3,073,905
Total liabilities	2,974,188	-	4,575,744	1,283,649	8,833,581	4,922,084
Deferred inflows of resources						
Deferred pension amounts	382,788	-	-	-	382,788	-
Deferred other postemployment benefit amounts	51,229	-	-	-	51,229	-
Total deferred inflows of resources	434,017	-	-	-	434,017	-
Net position						
Net investment in capital assets	47,084,190	-	-	-	47,084,190	1,391,594
Restricted for capital projects	27,070	-	-	-	27,070	-
Restricted for pension	468,950	-	-	-	468,950	-
Unrestricted	6,483,891	16,944,043	-	1,175,650	24,603,584	11,095,875
Total net position	\$ 54,064,101	\$ 16,944,043	\$ -	\$ 1,175,650	\$ 72,183,794	\$ 12,487,469

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

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
December 31, 2021

Net position - total enterprise funds \$ 72,183,794

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

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

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

77,077

Net position of business-type activities

\$ 72,260,871

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position
 Proprietary Funds
 For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				Governmental	
	Airport	Delinquent Tax Revolving	Local Government Public Works Financing	Nonmajor Fund - Tax Reversion	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 3,482,701	\$ -	\$ -	\$ -	\$ 3,482,701	\$ 26,540,954
Collection fees	-	489,141	-	658,597	1,147,738	-
Interest and penalties	-	1,373,352	-	15,708	1,389,060	-
Lease interest revenue	-	-	138,375	-	138,375	-
Total operating revenues	3,482,701	1,862,493	138,375	674,305	6,157,874	26,540,954
Operating expenses						
Salaries and fringes	1,389,892	-	-	-	1,389,892	803,267
Supplies and other operating expenses	2,296,994	-	-	286,217	2,583,211	2,130,544
Depreciation	2,648,132	-	-	-	2,648,132	211,112
Insurance benefits and claims	-	-	-	-	-	27,260,731
Total operating expenses	6,335,018	-	-	286,217	6,621,235	30,405,654
Operating income (loss)	(2,852,317)	1,862,493	138,375	388,088	(463,361)	(3,864,700)
Nonoperating revenues (expenses)						
Investment earnings	13	36,074	-	-	36,087	48,964
Other contract revenue	20,080	-	-	-	20,080	-
Grants and contributions	764,622	-	-	-	764,622	-
Interest expense	(83,019)	-	(857,769)	-	(940,788)	-
Total nonoperating revenues (expenses)	701,696	36,074	(857,769)	-	(119,999)	48,964
Income (loss) before capital contributions and transfers	(2,150,621)	1,898,567	(719,394)	388,088	(583,360)	(3,815,736)
Capital contributions						
Passenger facility charges	306,432	-	-	-	306,432	-
Grants and donations	604,874	-	-	-	604,874	-
Total capital contributions	911,306	-	-	-	911,306	-
Income (loss) before transfers	(1,239,315)	1,898,567	(719,394)	388,088	327,946	(3,815,736)
Transfers in	-	-	719,394	-	719,394	455,530
Transfers out	-	(1,500,000)	-	-	(1,500,000)	-
Change in net position	(1,239,315)	398,567	-	388,088	(452,660)	(3,360,206)
Net position, beginning of year	55,303,416	16,545,476	-	787,562	72,636,454	15,847,675
Net position, end of year	\$ 54,064,101	\$ 16,944,043	\$ -	\$ 1,175,650	\$ 72,183,794	\$ 12,487,469

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

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Net Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended December 31, 2021

Change in net position - total enterprise funds \$ (452,660)

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

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

Net operating loss from business-type activities accounted for in governmental-type
internal service funds (50,717)

Change in net position of business-type activities \$ (503,377)

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Airport	Delinquent Tax Revolving	Local Government Public Works Financing	Nonmajor Fund - Tax Reversion	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 2,853,319	\$ 13,449,126	\$ 528,816	\$ 694,082	\$ 17,525,343	\$ 26,615,898
Payments to vendors	(2,058,770)	-	-	(1,056,513)	(3,115,283)	(1,926,994)
Payments for personnel services	(1,524,761)	-	-	-	(1,524,761)	(819,949)
Benefit payments	-	-	-	-	-	(25,088,751)
Delinquent taxes purchased	-	(11,860,899)	-	-	(11,860,899)	-
Net cash provided by (used in) operating activities	<u>(730,212)</u>	<u>1,588,227</u>	<u>528,816</u>	<u>(362,431)</u>	<u>1,024,400</u>	<u>(1,219,796)</u>
Cash flows from noncapital financing activities						
Grants and contributions	764,622	-	-	-	764,622	-
Other contract revenue received	20,080	-	-	-	20,080	-
Transfers from other funds	-	-	719,394	-	719,394	455,530
Transfers to other funds	-	(1,500,000)	-	-	(1,500,000)	-
Net cash provided by (used in) noncapital financing activities	<u>784,702</u>	<u>(1,500,000)</u>	<u>719,394</u>	<u>-</u>	<u>4,096</u>	<u>455,530</u>
Cash flows from capital and related financing activities						
Passenger facility charges collected	306,432	-	-	-	306,432	-
Other capital contributions received	604,874	-	-	-	604,874	-
Purchase of capital assets	(522,794)	-	-	-	(522,794)	(381,595)
Principal paid on long-term debt	(605,000)	-	(380,000)	-	(985,000)	-
Interest paid on long-term debt	(110,862)	-	(868,210)	-	(979,072)	-
Net cash used in capital and related financing activities	<u>(327,350)</u>	<u>-</u>	<u>(1,248,210)</u>	<u>-</u>	<u>(1,575,560)</u>	<u>(381,595)</u>
Cash flows from investing activities						
Sale of investments	-	2,749,467	-	-	2,749,467	2,000,000
Interest received on investments	13	36,074	-	-	36,087	48,964
Net cash provided by investing activities	<u>13</u>	<u>2,785,541</u>	<u>-</u>	<u>-</u>	<u>2,785,554</u>	<u>2,048,964</u>
Net increase (decrease) in cash and cash equivalents	<u>(272,847)</u>	<u>2,873,768</u>	<u>-</u>	<u>(362,431)</u>	<u>2,238,490</u>	<u>903,103</u>
Cash and cash equivalents, beginning of year	5,116,225	6,580,273	-	2,552,787	14,249,285	9,132,242
Cash and cash equivalents, end of year	<u>\$ 4,843,378</u>	<u>\$ 9,454,041</u>	<u>\$ -</u>	<u>\$ 2,190,356</u>	<u>\$ 16,487,775</u>	<u>\$ 10,035,345</u>
Classification on the statement of net position						
Cash and cash equivalents	\$ 4,842,678	\$ 9,454,041	\$ -	\$ 2,190,356	\$ 16,487,075	\$ 10,035,345
Noncurrent restricted cash and cash equivalents	700	-	-	-	700	-
	<u>\$ 4,843,378</u>	<u>\$ 9,454,041</u>	<u>\$ -</u>	<u>\$ 2,190,356</u>	<u>\$ 16,487,775</u>	<u>\$ 10,035,345</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Delinquent Tax Revolving	Local Government Public Works Financing	Nonmajor Fund - Tax Reversion	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (2,852,317)	\$ 1,862,493	\$ 138,375	\$ 388,088	\$ (463,361)	\$ (3,864,700)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	2,648,132	-	-	-	2,648,132	211,112
Change in:						
Accounts receivable	(565,733)	-	-	17,348	(548,385)	(616,342)
Taxes receivable	-	(248,706)	-	2,429	(246,277)	-
Due from other governments	334,032	-	-	-	334,032	-
Leases receivable	-	-	390,441	-	390,441	-
Accrued interest receivable	-	(25,560)	-	-	(25,560)	80,228
Inventories	(25,858)	-	-	-	(25,858)	9,872
Prepays	21,985	-	-	-	21,985	2,360,929
Net pension asset	(351,744)	-	-	-	(351,744)	-
Deferred outflows of resources - pension amounts	25,698	-	-	-	25,698	-
Deferred outflows of resources - other postemployment benefit amounts	10,917	-	-	-	10,917	-
Negative equity in cash and cash equivalents	-	-	-	-	-	(228,741)
Accounts payable	(10,493)	-	-	(3,514)	(14,007)	(145,443)
Accrued liabilities	826	-	-	-	826	(21,740)
Undistributed receipts	(81,786)	-	-	(766,782)	(848,568)	-
Deposits payable	344	-	-	-	344	17,626
Unearned revenue	(63,649)	-	-	-	(63,649)	-
Claims payable	-	-	-	-	-	972,345
Compensated absences	-	-	-	-	-	5,058
Net other postemployment benefit liability	(35,373)	-	-	-	(35,373)	-
Deferred inflows of resources - pension amounts	239,820	-	-	-	239,820	-
Deferred inflows of resources - other postemployment benefit amounts	(25,013)	-	-	-	(25,013)	-
Net cash provided by (used in) operating activities	<u>\$ (730,212)</u>	<u>\$ 1,588,227</u>	<u>\$ 528,816</u>	<u>\$ (362,431)</u>	<u>\$ 1,024,400</u>	<u>\$ (1,219,796)</u>

concluded

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Pension and Retiree Health Care Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 9,282,726	\$ 2,208,755
Investments, at fair value:		
U.S. government securities	28,583,314	-
U.S. agency securities	20,226,993	-
Corporate obligations	22,340,607	-
Municipal bonds	66,248	-
Foreign corporate obligations	2,640,461	-
Mortgage-backed funds	1,070,321	-
Domestic equity mutual funds/ collective trust funds	153,583,635	-
Emerging market mutual funds	29,587,413	-
International equity mutual funds	30,102,402	-
Real estate investment trust	8,679,000	-
Real estate pooled separate account	8,652,500	-
Receivables:		
Sale of investments	17,162,714	-
Interest and dividends	274,556	-
Employer contributions	109,383	-
Other	55,598	78,445
Other assets - prepaids	119,151	-
Total assets	<u>332,537,022</u>	<u>2,287,200</u>
Liabilities		
Accounts payable	81,040	-
Benefits payable	1,211,740	-
Purchase of investments	20,930,237	-
Undistributed collections	-	1,819,538
Total liabilities	<u>22,223,017</u>	<u>1,819,538</u>
Net position		
Restricted for:		
Employees' pension benefits	275,919,568	-
Other postemployment benefits	34,394,437	-
Individuals, organizations and other governments	-	467,662
Total net position	<u>\$ 310,314,005</u>	<u>\$ 467,662</u>

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

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2021

	Pension and Retiree Health Care Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer	\$ 7,314,386	\$ -
Investment earnings:		
Net appreciation in fair value of investments	41,913,362	-
Income on mutual funds	7,742,772	-
Interest and dividends	1,499,097	-
Income on real estate pooled separate account	90,345	-
Total investment earnings	51,245,576	-
Investment expense	(990,313)	-
Net investment earnings	50,255,263	-
Collections:		
Inmate trust collections	-	1,040,736
Library collections	-	291,001
Circuit court trial division collections	-	426,764
Circuit court family division collections	-	1,783
District court collections	-	1,713,251
Probate court collections	-	197,098
County clerk/register of deeds collections	-	13,155,726
Treasurer collections	-	139,042,575
Sheriff-administration/support collections	-	13,345
Other collections	-	245
Total additions	57,569,649	155,882,524
Deductions		
Benefit payments	15,722,425	-
Administrative expenses	633,572	-
Distributions:		
Inmate trust distributions	-	1,026,510
Library distributions	-	291,001
Circuit court trial division distributions	-	378,744
Circuit court family division distributions	-	1,738
District court distributions	-	1,713,251
Probate court distributions	-	197,098
County clerk/register of deeds distributions	-	13,153,203
Treasurer distributions	-	138,776,443
Sheriff-administration/support distributions	-	11,718
Total deductions	16,355,997	155,549,706
Change in net position	41,213,652	332,818
Net position, beginning of year	269,100,353	134,844
Net position, end of year	\$ 310,314,005	\$ 467,662

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

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Net Position Discretely Presented Component Units

	September 30, 2021		December 31, 2021	
	Kalamazoo County Transportation Authority	Central County Transportation Authority	Road Commission	Drainage Districts
Assets				
Cash and cash equivalents	\$ -	\$ 6,107,158	\$ 8,939,436	\$ 1,401,944
Restricted cash	-	-	-	-
Investments	-	-	-	-
Receivables	362,346	8,352,613	5,039,700	2,708,597
Other assets	-	796,662	1,499,798	-
Capital assets not being depreciated	-	2,068,767	27,698,457	-
Capital assets being depreciated, net	-	22,362,693	136,474,913	5,819,727
Net pension asset	-	6,853,782	3,957,924	-
Total assets	362,346	46,541,675	183,610,228	9,930,268
Deferred outflows of resources				
Deferred pension amounts	-	1,150,402	399,357	-
Deferred other postemployment benefit amounts	-	3,170,949	24,105	-
Total deferred outflows of resources	-	4,321,351	423,462	-
Liabilities				
Accounts payable and accrued liabilities	362,346	1,132,646	2,004,497	352,370
Advances from primary government	-	-	-	280,163
Unearned revenue	-	929,162	-	-
Long-term debt:				
Due within one year	-	390,751	196,225	719,293
Due in more than one year	-	3,800,901	-	981,215
Net other postemployment benefit liability (due in more than one year)	-	15,707,356	38,769	-
Total liabilities	362,346	21,960,816	2,239,491	2,333,041
Deferred inflows of resources				
Property taxes levied for subsequent period	-	-	-	-
Deferred pension amounts	-	1,784,079	2,039,574	-
Deferred other postemployment benefit amounts	-	704,342	405,120	-
Total deferred inflows of resources	-	2,488,421	2,444,694	-
Net position				
Net investment in capital assets	-	24,431,460	164,173,370	4,119,219
Restricted for:				
Pension	-	6,220,105	2,317,707	-
Donor specified purposes	-	-	-	-
Replacement and insurance escrow reserves	-	-	-	-
Assets held at Community Foundation	-	-	-	-
Millage service agreement	-	-	-	-
LGBTQ initiative	-	-	-	-
Unrestricted (deficit)	-	(4,237,776)	12,858,428	3,478,008
Total net position	\$ -	\$ 26,413,789	\$ 179,349,505	\$ 7,597,227

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

December 31, 2021				
Land Bank Authority	Lake Level Districts	Public Housing Commission	Brownfield Redevelopment Authority	Total
\$ 2,665,748	\$ 218,378	\$ 1,783,502	\$ 7,608,427	\$ 28,724,593
281,063	-	-	-	281,063
-	-	-	972,603	972,603
42,120	-	39,940	730,767	17,276,083
553,634	-	-	-	2,850,094
16,001	-	32,335	-	29,815,560
3,148,835	-	113,218	-	167,919,386
-	-	-	-	10,811,706
<u>6,707,401</u>	<u>218,378</u>	<u>1,968,995</u>	<u>9,311,797</u>	<u>258,651,088</u>
-	-	-	-	1,549,759
-	-	-	-	3,195,054
-	-	-	-	4,744,813
96,074	3,333	48,037	235,310	4,234,613
-	-	-	-	280,163
6,557	-	-	-	935,719
18,430	400,000	-	-	1,724,699
-	-	-	1,344,173	6,126,289
-	-	-	-	15,746,125
<u>121,061</u>	<u>403,333</u>	<u>48,037</u>	<u>1,579,483</u>	<u>29,047,608</u>
-	-	-	716,781	716,781
-	-	-	-	3,823,653
-	-	-	-	1,109,462
-	-	-	716,781	5,649,896
3,164,836	-	145,553	-	196,034,438
-	-	-	-	8,537,812
1,088,304	-	-	-	1,088,304
268,641	-	-	-	268,641
-	-	180,899	-	180,899
-	-	1,403,264	-	1,403,264
-	-	28,012	-	28,012
2,064,559	(184,955)	163,230	7,015,533	21,157,027
<u>\$ 6,586,340</u>	<u>\$ (184,955)</u>	<u>\$ 1,920,958</u>	<u>\$ 7,015,533</u>	<u>\$ 228,698,397</u>

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units

	Year Ended September 30, 2021		Year Ended December 31, 2021	
	Kalamazoo County Transportation Authority	Central County Transportation Authority	Road Commission	Drainage Districts
Expenses				
Kalamazoo County Transportation Authority	\$ 2,979,433	\$ -	\$ -	\$ -
Central County Transportation Authority	-	24,133,303	-	-
Road Commission	-	-	22,405,433	-
Drainage Districts	-	-	-	78,176
Land Bank Authority	-	-	-	-
Lake Level Districts	-	-	-	-
Public Housing Commission	-	-	-	-
Brownfield Redevelopment Authority	-	-	-	-
Total expenses	<u>2,979,433</u>	<u>24,133,303</u>	<u>22,405,433</u>	<u>78,176</u>
Program revenues				
Charges for services	-	580,438	208,592	-
Operating grants and contributions	123,368	15,646,720	31,586,319	-
Capital grants and contributions	-	1,243,148	-	-
Total program revenues	<u>123,368</u>	<u>17,470,306</u>	<u>31,794,911</u>	<u>-</u>
Net (expense) revenue	<u>(2,856,065)</u>	<u>(6,662,997)</u>	<u>9,389,478</u>	<u>(78,176)</u>
General revenues				
Property taxes	2,856,065	4,029,473	-	-
Unrestricted investment earnings	-	2,856	-	-
Gain on sale of capital assets	-	7,850	-	-
Other revenues	-	-	70,084	97,763
Total general revenues	<u>2,856,065</u>	<u>4,040,179</u>	<u>70,084</u>	<u>97,763</u>
Change in net position	-	(2,622,818)	9,459,562	19,587
Net position, beginning of year	-	29,036,607	169,889,943	7,577,640
Net position, end of year	<u>\$ -</u>	<u>\$ 26,413,789</u>	<u>\$ 179,349,505</u>	<u>\$ 7,597,227</u>

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

Year Ended December 31, 2021				
Land Bank Authority	Lake Level Districts	Public Housing Commission	Brownfield Redevelopment Authority	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,979,433
-	-	-	-	24,133,303
-	-	-	-	22,405,433
-	-	-	-	78,176
1,133,201	-	-	-	1,133,201
-	260,850	-	-	260,850
-	-	840,214	-	840,214
-	-	-	672,750	672,750
<u>1,133,201</u>	<u>260,850</u>	<u>840,214</u>	<u>672,750</u>	<u>52,503,360</u>
355,959	-	37,692	1,250	1,183,931
1,415,979	-	1,104,544	214,094	50,091,024
-	-	-	-	1,243,148
<u>1,771,938</u>	<u>-</u>	<u>1,142,236</u>	<u>215,344</u>	<u>52,518,103</u>
638,737	(260,850)	302,022	(457,406)	14,743
-	-	-	3,928,922	10,814,460
3,414	-	31,230	8,978	46,478
-	-	-	-	7,850
<u>13,215</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>181,073</u>
<u>16,629</u>	<u>11</u>	<u>31,230</u>	<u>3,937,900</u>	<u>11,049,861</u>
655,366	(260,839)	333,252	3,480,494	11,064,604
<u>5,930,974</u>	<u>75,884</u>	<u>1,587,706</u>	<u>3,535,039</u>	<u>217,633,793</u>
<u>\$ 6,586,340</u>	<u>\$ (184,955)</u>	<u>\$ 1,920,958</u>	<u>\$ 7,015,533</u>	<u>\$ 228,698,397</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *County of Kalamazoo, Michigan* (the "County" or the "government") was organized as a county by the territorial legislature on July 30, 1830. An eleven-member Board of Commissioners governs the County. The County provides the following services: general governmental administrative services, public safety, public works, health and welfare, cultural and recreation, judicial and community and economic development.

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

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and as such, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government. Fiduciary component units include certain pension and OPEB plans and other component units that are fiduciary in nature. Each blended, discretely presented, and fiduciary component unit has a December 31 year-end, except for the Kalamazoo County Transportation Authority and the Central County Transportation Authority, which have September 30 year-ends to be consistent with the fiscal period of their grantor agencies.

Blended Component Unit

Kalamazoo County Building Authority - The Kalamazoo County Building Authority is governed by a board which is appointed by the County Board of Commissioners. 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. A separate report is not prepared for the Building Authority.

Discretely Presented Component Units

Kalamazoo County Transportation Authority - The Kalamazoo County Transportation Authority (the "Authority"), established pursuant to the provisions of Act No. 196, of the Public Acts of 1986, as amended, is governed by a nine-member board of directors appointed by the County Board. The Authority may issue debt without the approval of the County Board and may levy a tax on all of the taxable property within the jurisdictional limits/boundaries of the Authority, for transportation purposes, with the approval of the registered electors residing in the jurisdictional limits/boundaries. The County is a direct beneficiary of the services provided. The Authority's fiscal year end is September 30. The component unit is audited individually and complete financial statements can be obtained from the Authority's administrative offices.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Central County Transportation Authority - The Central County Transportation Authority (the "Transportation Authority"), established pursuant to the provisions of Act No. 196, of the Public Acts of 1986, as amended, is governed by an eleven-member board of directors appointed by the County Board. The Transportation 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 Transportation Authority, for transportation purposes, with the approval of the registered electors residing in the jurisdictional limits/boundaries. The County is a direct beneficiary of the services provided. The Transportation Authority's fiscal year end is September 30. The component unit is audited individually and complete financial statements can be obtained from the Transportation Authority's administrative offices.

Kalamazoo County Road Commission - The Kalamazoo County Road Commission (the "Road Commission") is responsible for the maintenance and construction of the County road system. The County appoints the members of the Road Commission Board and is a direct beneficiary of the services provided. The Road Commission may not issue debt or levy a tax without the approval of the County Board. The component unit is audited individually and complete financial statements can be obtained from the Road Commission's administrative office.

Drainage Districts - The Drainage Districts consist of multiple individual districts created for alleviating drainage problems and is under the control of the County Drain Commissioner. Each drainage district accounts for the construction, maintenance, and financing costs associated with its drain program. Each individual district is a separate legal entity with power to assess the benefiting communities, including the County and the State of Michigan for road drainage. The County is a direct beneficiary of the service provided and its employees run the day-to-day operations. In addition, the County often pledges its full faith and credit for the long-term debt of the drainage districts. Based on the recommendations of the Michigan Department of Treasury, the County has determined that it would be misleading to exclude this entity from the County reporting entity. The financial activity of the Drainage Districts for the year ended December 31, 2021 is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit.

Kalamazoo County Land Bank Authority - The Kalamazoo County Land Bank Authority (the "Land Bank"), 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. Because members of the Land Bank are appointed by the County Board, the County exercises effective control over its activities. The County is a direct beneficiary of the services provided. The component unit is audited individually and complete financial statements can be obtained from the Land Bank's administrative office.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Lake Level - The County Drain Commissioner also administers the activity reported in the County's Lake Level Fund, as permitted by Act 451 PA 1994, as amended, (MCL 324.30701 et al.). Lake level projects establish the lake levels for inland lakes and perform construction and maintenance related to maintaining the established levels. Projects may be funded through the levying of special assessments or by issuing debt, and the County is a direct beneficiary of the services provided. The financial activity of the Lake Level Fund for the year ended December 31, 2021 is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit.

Kalamazoo County Public Housing Commission - The Kalamazoo County Public Housing Commission (the "Housing Commission") was created by ordinance adopted by the County Board in 2002. The Housing Commission is authorized to acquire and operate housing facilities for low income families within unincorporated areas of Kalamazoo County, and to contract for similar services with incorporated areas of the County. The County appoints the members of the Housing Commission Board and is a direct beneficiary of the services provided. The component unit is audited individually and complete financial statements can be obtained from the Housing Commission's administrative office.

Brownfield Redevelopment Authority - The Brownfield Redevelopment Authority (the "Brownfield") was established to review and approve plans for business development within designated areas of the County where property was once contaminated. Property tax revenues from the "captured" portion of these properties are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project. Funding is provided through tax increment financing, federal and state grants, and General Fund appropriations. The County Board appoints the governing body of the Brownfield. The financial activity of the Brownfield for the year ended December 31, 2021 is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit.

Kalamazoo County Economic Development Corporation - The Economic Development Corporation of Kalamazoo County (EDC) is a separate legal entity that was established pursuant to Michigan Public Act 338 of 1974, in order to stimulate business capital investment, contribute to the area's employment, increase tax base, and provide needed public services. In certain situations, members of the EDC Board of Directors may be removed by a majority decision of the County Board. Separate financial statements are not prepared for this entity. The EDC had no activity during the year, and has therefore not been included in the financial statements.

Administrative Offices

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

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

Central County Transportation Authority
530 N. Rose Street
Kalamazoo, Michigan 49007

Kalamazoo County Public Housing Commission
P.O. Box 101
Nazareth, Michigan 49074

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Complete financial statements for these discretely presented component units may be obtained at the entity's administrative offices listed above. Accordingly, the County has elected to omit substantially all note disclosures related to these component units in these financial statements.

Fiduciary Component Units

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

The *Retiree Health Care Trust* (the Plan) is a multiple-employer defined benefit postemployment healthcare plan established and administered by Kalamazoo County to provide medical and healthcare benefits for retirees and their beneficiaries. The Plan is administered through a qualified trust and reported in the Retiree Health Care Trust Fund. The County is financially accountable for the Plan, as it obligated to make employer contributions; accordingly, it is included as a fiduciary component unit in the County's financial statements. Plan provisions are established and may be amended by the Kalamazoo County Board of Commissioners, subject to the County's various collective bargaining agreements.

Government-wide and Fund Financial Statements

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

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

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

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

The *Law Enforcement Fund* accounts for specific revenue derived from a special vote approved millage, state and federal grants, and charges for services that are to be expended as dictated by legal, regulatory, or administrative requirements.

The *General Grants Fund* accounts for various federal, state and local grants not associated with a specific department or activity, including the Coronavirus State and Local Fiscal Recovery Funds received.

The *Capital Projects Fund* accounts for renovation/construction projects performed on the County facilities and for the purchase of capital improvement equipment. These projects are funded primarily by the General Fund.

The *Justice Facility Capital Projects Fund* accounts for the construction of the new justice facility.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

The County reports the following major enterprise funds:

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

The *Delinquent Tax Revolving 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.

The *Local Government Public Works Financing Fund* accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. The proceeds of such debt are used to fund construction projects, which the local governments agree to operate and lease over the life of the bonds. The lease agreement constitutes a capital lease and the lease payments to the County are generally equal to the debt service requirements of the County's bonds.

Additionally, the County reports the following fund types:

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

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

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds account for the employee benefits/programs, technology, document, and facility activities provided to other departments or funds on a cost reimbursement basis.

Pension and Retiree Health Care Trust Funds account for the activities of the Employees' Retirement System, a defined-benefit pension plan, and the Retiree Health Care Trust, which accumulates resources for other postemployment benefit payments to qualified employees.

Custodial funds are used to account for assets that the government holds for others in a custodial capacity (such as taxes collected for other governments).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to 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. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Deposits and Investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

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

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

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

Receivables and Payables

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

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

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

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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

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

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.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

The Airport Fund's restricted receivable is restricted for capital improvements related to passenger facility charges.

Other Assets

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. The costs of governmental fund type inventories are 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. Prepaids are accounted for in governmental funds using the consumption method whereby expenditures are recognized over the benefitting period.

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets having a useful life in excess of three years and whose costs exceed \$5,000. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their estimated acquisition value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

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

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

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, 2021.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Deferred Outflows of Resources

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

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. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

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

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Deferred Inflows of Resources

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

Property taxes (excluding those for the General Fund, which are subject to a different timeline) are levied and attach as an enforceable lien on property on December 1. Property taxes unpaid as of February 28 are considered to be delinquent. Although the County's 2021 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2021, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the County's operations. Therefore, the entire amount of the December 1, 2021 levies is reported as deferred inflows of resources at year-end.

Fund Equity

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

In connection with Michigan Public Act 30 of 1978, the County Board of Commissioners has formally established a budget stabilization arrangement, under which a portion of the balance may be utilized during the budget process to prevent a reduction in the level of public service provided, or prevent a reduction in the number of employees providing these services. It can also be used due to a natural disaster. The use of these funds requires a 2/3 majority vote of County Board members. Per budget policy, the release of these funds must accompany a pay-back plan. In addition, per the Public Act, the amount of money in the fund shall not exceed 20% of the most recent General Fund budget or the average of the last five adjusted budgets, whichever is less. As of December 31, 2021, the balance in the stabilization arrangement was \$2,500,000, which is reported in the General Fund within restricted fund balance.

The County Board of Commissioners has adopted a minimum fund balance policy in which the uncommitted fund balance of the General Fund will be 20 to 25% of general operating revenues. Any amounts over the 20% threshold shall be limited to non-operational expenditures.

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

Interfund Transactions

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

Capital Contributions

Certain expenses for airport capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration, with certain matching funds provided by the Aeronautics Department and the State of Michigan. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred and reimbursement has been requested. Grants for capital assets acquisition, facilities development and rehabilitation are reported in the statement of revenues, expenses and changes in fund net position, after nonoperating revenues and expenses as capital contributions.

Pension Plan

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Other Postemployment Benefit Plan

For purposes of measuring the net other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit plans, and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

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

Grants and Third Party Cost Reimbursement Settlements

The County receives grants from other governmental units to finance specific programs. The grant revenues are recorded based on qualifying program expenditures, as determined by the County, and are subject to audit by the responsible agencies. Adjustments required upon final settlements are recorded in the period of settlement. Third party cost reimbursements are recorded at prospective rates and provisions are made at the end of each year to adjust such revenues to the reimbursable cost expected to be received. Adjustments required upon final settlements are recorded in the period of settlement.

Budgets

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

2. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the department (activity) level for the General Fund and at the fund level basis for all other governmental funds, which is the legal level of control.

During the year ended December 31, 2021, the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Actual	Actual Over Final Budget
General fund:			
General government - Treasurer	\$ 928,100	\$ 977,484	\$ 49,384

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of December 31, 2021:

	Primary Government	Component Units	Fiduciary Funds	Totals
Statement of Net Position				
Cash and cash equivalents	\$ 91,130,044	\$ 28,724,593	\$ -	\$ 119,854,637
Restricted cash	967,339	281,063	-	1,248,402
Investments	120,585,947	972,603	-	121,558,550
Statement of Fiduciary Net Position				
Cash and cash equivalents	-	-	11,491,481	11,491,481
Investments	-	-	305,532,894	305,532,894
Total deposits and investments	<u>212,683,330</u>	<u>29,978,259</u>	<u>317,024,375</u>	<u>559,685,964</u>
Less component units separately audited and not held by the County Treasurer				
Central County Transportation Authority	-	(6,107,158)	-	(6,107,158)
Road Commission	-	(8,939,436)	-	(8,939,436)
Land Bank Authority	-	(2,946,811)	-	(2,946,811)
Public Housing Commission	-	(1,783,502)	-	(1,783,502)
Total	<u>\$ 212,683,330</u>	<u>\$ 10,201,352</u>	<u>\$ 317,024,375</u>	<u>\$ 539,909,057</u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Deposits and investments

Bank deposits:	
Checking and savings accounts	\$ 90,036,103
Certificates of deposit:	
Due within one year	25,184,234
Due in one to five years	5,500,105
Due in six to ten years	2,262,000
Investments:	
County	111,371,597
Retiree Health Care Trust Fund	31,849,596
Pension Trust Fund	273,683,298
Cash on hand	<u>22,124</u>
Total	<u>\$ 539,909,057</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. The County does not have a policy for mitigating custodial credit risk over deposits. As of year-end, \$120,488,311 of the County's bank balance of \$125,499,532 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although uninsured and unregistered, the County's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the County's name. Short-term investments in money market funds and equity mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form. As of December 31, 2021, the County had no investments exposed to custodial credit risk.

In addition, the Pension and Retiree Health Care Trust funds 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 the investment policy statement (as amended). The following criteria are 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.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

The County's investments are held in a number of portfolios administered by various investment managers. Following is a summary of the County's investments at fair value, as determined by quoted market price:

	County	Retiree Health Care Trust Fund	Pension Trust Fund
U.S. government securities	\$ 25,291,200	\$ 2,979,604	\$ 25,603,710
U.S. agency securities	8,761,561	2,108,518	18,118,475
Corporate obligations	-	2,328,847	20,011,760
Municipal bonds	1,012,135	6,906	59,342
Foreign corporate obligations	-	275,248	2,365,213
Mortgage-backed funds	3,389,788	111,573	958,748
Domestic equity mutual funds/collective trust funds	72,916,913	16,009,984	137,573,651
Emerging market mutual funds	-	3,084,274	26,503,139
International equity mutual funds	-	3,137,958	26,964,444
Real estate investment trust	-	904,723	7,774,277
Real estate pooled separate account	-	901,961	7,750,539
Total investments	\$ 111,371,597	\$ 31,849,596	\$ 273,683,298

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

For the Pension and Retiree Health Care Trust funds, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy limits commercial paper to be those at the time of purchase are within the two highest classifications established by not less than two national rating services as determined by the State Treasurer of Michigan. These also must mature no more than 270 days after date of issue. The investment policy requires the average fixed income portfolio quality rating to be an "A" or better. All bonds owned should be rated "BBB" or better by Standard & Poor's or an equivalent rating agency as determined by the State Treasurer of Michigan with the following exception: when bond ratings have dropped below "BBB" after purchase, and when the investment manager deems it economically beneficial, the manager may retain ownership.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

The County's investments were rated as follows:

	County	Retiree Health Care Trust Fund	Pension Trust Fund
Standard & Poor's AAA	\$ 1,990,908	\$ 5,227,045	\$ 44,915,953
Standard & Poor's AA+	35,451,641	76,521	657,547
Standard & Poor's AA	370,161	32,556	279,751
Standard & Poor's AA-	-	238,509	2,049,510
Standard & Poor's A+	-	89,042	765,137
Standard & Poor's A	-	124,329	1,068,361
Standard & Poor's A-	-	743,541	6,389,243
Standard & Poor's BBB+	-	893,626	7,678,917
Standard & Poor's BBB	-	283,042	2,432,174
Standard & Poor's BBB-	-	84,159	723,177
Moody's Aaa	-	18,327	157,480
Moody's AAAm	72,916,913	-	-
Moody's Aa1	641,974	-	-
Unrated	-	901,960	7,750,538
Not subject to credit risk	-	23,136,939	198,815,510
Total investments	\$ 111,371,597	\$ 31,849,596	\$ 273,683,298

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The County's policy provides for its fixed income portfolio to have a weighted-average duration within 0.05 years of the Lehman Brothers Government/Credit Intermediate Index and the Lehman Brothers Government/Credit Long Index. Maturities of the County's investments were as follows:

	County	Retiree Health Care Trust Fund	Pension Trust Fund
Less than 1 year	\$ 5,971,338	\$ 27,641	\$ 237,519
1 - 5 years	30,739,610	2,019,720	17,355,436
6 - 10 years	419,058	2,072,417	17,808,261
More than 10 years	1,324,678	3,679,891	31,621,270
No maturity	72,916,913	24,049,927	206,660,812
Total	\$ 111,371,597	\$ 31,849,596	\$ 273,683,298

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The State generally limits investments in a single issuer to no more than 5% of the total portfolio assets, with the exception of obligations issued, assumed, or guaranteed by the United States. To minimize concentration of credit risk and increase portfolio diversification, the County places the following additional limits to investments:

- 70% of the portfolio will be invested in common stock with the balance invested in notes, bonds, equity real estate, and short-term securities.
- No more than 5% of portfolio assets at market value will be invested in equity real estate.

The investment portfolio was concentrated as follows:

Investment Type	Issuer	Percentage of Portfolio	
		Retiree Health Care Trust Fund	Pension Trust Fund
Collective trust funds	Blackrock Fund	30.8%	30.8%
Emerging market mutual fund	Dimensional	9.7%	9.7%
International equity mutual funds	Dimensional	9.9%	9.9%
Domestic equity mutual fund - small cap	Dimensional	9.8%	9.8%
Domestic equity mutual fund - micro cap	Dimensional	4.8%	4.8%

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. 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 not exceed more than 20% of the County's holdings. It is the County's policy to not purchase foreign investments except those listed in the United States.

Investment (currency in U.S. dollars)	Retiree Health Care Trust Fund	Pension Trust Fund
Foreign corporate obligations	\$ 275,248	\$ 2,365,213
Emerging market mutual funds	3,084,274	26,503,139
International equity mutual funds	3,137,958	26,964,444
Total	\$ 6,497,480	\$ 55,832,796

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Fair Value Measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the investment advisors. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the County's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary. The County had the following recurring fair value measurements as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
U.S. government securities	\$ -	\$ 53,874,514	\$ -	\$ 53,874,514
U.S. agency securities	-	28,988,554	-	28,988,554
Corporate obligations	120,460	22,220,147	-	22,340,607
Municipal bonds	-	1,078,383	-	1,078,383
Foreign corporate obligations	-	2,640,461	-	2,640,461
Mortgage-backed funds	-	4,460,109	-	4,460,109
Domestic equity mutual funds/ collective trust funds	153,583,635	-	-	153,583,635
Emerging market mutual funds	29,587,413	-	-	29,587,413
International equity mutual funds	30,102,402	-	-	30,102,402
Real estate investment trust	8,679,000	-	-	8,679,000
Real estate pooled separate account	-	8,652,500	-	8,652,500
	<u>\$ 222,072,910</u>	<u>\$ 121,914,668</u>	<u>\$ -</u>	<u>343,987,578</u>
Investments at net asset value per share - Michigan CLASS				<u>72,916,913</u>
Total investments				<u><u>\$ 416,904,491</u></u>

The fair value of the County's Level 1 investments is based on quotes from publicly traded securities markets, where available. The fair value of the County's Level 2 investments is determined primarily by a matrix pricing technique, which is used to value securities based on their relationship to benchmark quoted prices. Due to the inherent uncertainty of determining the fair value of investments that are not publicly traded, the fair value reported for these investments may differ significantly from the values that would have been used had a publicly traded market existed for such investments.

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

At year end, the net asset value of the County's investment in Michigan CLASS government investment pool was \$72,916,913. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

4. RECEIVABLES

Receivables of the primary government are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts	\$ 2,914,720	\$ 822,672
Taxes (current)	29,672,645	-
Taxes (delinquent)	65,977	7,395,497
Due from other governments	4,354,354	1,442,893
Leases	-	4,575,744
Accrued interest	87,616	28,305
Total receivables	<u>\$ 37,095,312</u>	<u>\$ 14,265,111</u>

The Airport enterprise fund reported restricted receivables of \$26,370. The Airport Fund's restricted receivable is restricted for capital improvements related to passenger facility charges.

Of the amounts reported for receivables above, leases receivable of \$4,275,060 are not expected to be collected within one year.

Housing Rehabilitation Loan Receivable. The County has used grant funding provided through the Michigan Economic Development Corporation (MEDC) to finance housing rehabilitation projects for qualified homeowners. Such assistance was provided in the form of a deferred loan receivable, due and payable upon sale or foreclosure of the related property. Management has estimated the amount of such loans outstanding at year-end may approximate \$841,000, but has determined that the collectible portion (if any) would be immaterial, and would further be due to MEDC upon collection. Accordingly, the County has recorded an allowance for the entire receivable to reflect this determination.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the primary government are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 10,386,130	\$ 343,250
Accrued liabilities	2,828,957	62,860
Undistributed receipts	-	1,256,708
Claims payable	3,073,905	-
Due to other governments	219,314	-
Deposits payable	211,854	12,023
Accrued interest on long-term debt	501,249	34,185
Total	<u>\$ 17,221,409</u>	<u>\$ 1,709,026</u>

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

An internal balance existed between governmental activities and business-type activities in the amount of \$77,077. This resulted from the allocation of a portion of internal service fund net position of governmental-type internal service funds to business-type activities.

Advances to and from component units

	Advances to Component Units	Advances from Primary Government
General Fund	\$ 280,163	\$ -
Drainage Districts	-	280,163
Total	<u>\$ 280,163</u>	<u>\$ 280,163</u>

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

For the year ended December 31, 2021, interfund transfers consisted of the following:

Transfers Out	Transfers In					Totals
	General	Capital Projects	Nonmajor Governmental Funds	Local Government Public Works Financing	Internal Service Funds	
General	\$ -	\$ 8,211,750	\$ 10,547,587	\$ 719,394	\$ 455,530	\$ 19,934,261
Law Enforcement	-	272,396	220,000	-	-	492,396
Capital Projects	3,300	-	-	-	-	3,300
Nonmajor governmental funds	90,000	-	3,599,489	-	-	3,689,489
Delinquent Tax Revolving	1,500,000	-	-	-	-	1,500,000
Total	<u>\$ 1,593,300</u>	<u>\$ 8,484,146</u>	<u>\$ 14,367,076</u>	<u>\$ 719,394</u>	<u>\$ 455,530</u>	<u>\$ 25,619,446</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The current year transfer from the General fund to the Capital Projects fund is related to CIP projects, building & grounds maintenance costs, technology projects, and funding for future capital projects. The current year transfers from the General fund to nonmajor governmental funds related to County support for various grant programs, the law library, the FOC fund, the Health fund, and the Child Care fund.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,741,921	\$ 308,176	\$ -	\$ -	\$ 5,050,097
Construction in progress	7,574,209	17,262,746	-	(2,249,202)	22,587,753
Intangible easements	147,493	-	-	-	147,493
	<u>12,463,623</u>	<u>17,570,922</u>	<u>-</u>	<u>(2,249,202)</u>	<u>27,785,343</u>
Capital assets, being depreciated:					
Land improvements	14,976,119	3,984	-	1,288,006	16,268,109
Buildings and improvements	111,928,156	78,207	-	961,196	112,967,559
Furniture, machinery, and equipment	13,583,447	246,288	(301,072)	-	13,528,663
Vehicles	6,376,273	423,979	(859,595)	-	5,940,657
Law library books	410,688	-	-	-	410,688
	<u>147,274,683</u>	<u>752,458</u>	<u>(1,160,667)</u>	<u>2,249,202</u>	<u>149,115,676</u>
Less accumulated depreciation for:					
Land improvements	(9,333,509)	(633,959)	-	-	(9,967,468)
Buildings and improvements	(41,451,815)	(2,440,671)	-	-	(43,892,486)
Furniture, machinery, and equipment	(10,008,224)	(958,352)	251,976	-	(10,714,600)
Vehicles	(5,160,941)	(452,450)	747,342	-	(4,866,049)
Law library books	(408,041)	(1,059)	-	-	(409,100)
	<u>(66,362,530)</u>	<u>(4,486,491)</u>	<u>999,318</u>	<u>-</u>	<u>(69,849,703)</u>
Total capital assets being depreciated, net	<u>80,912,153</u>	<u>(3,734,033)</u>	<u>(161,349)</u>	<u>2,249,202</u>	<u>79,265,973</u>
Governmental activities capital assets, net	<u>\$ 93,375,776</u>	<u>\$ 13,836,889</u>	<u>\$ (161,349)</u>	<u>\$ -</u>	<u>\$ 107,051,316</u>

At December 31, 2021, the County's governmental activities had outstanding commitments through construction contracts of approximately \$3.1 million.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 5,323,562	\$ -	\$ -	\$ -	\$ 5,323,562
Construction in progress	9,696,043	522,794	-	(160,903)	10,057,934
	<u>15,019,605</u>	<u>522,794</u>	<u>-</u>	<u>(160,903)</u>	<u>15,381,496</u>
Capital assets, being depreciated:					
Land improvements	50,098,063	-	-	152,703	50,250,766
Buildings and improvements	35,063,236	-	-	-	35,063,236
Vehicles	3,939,050	-	-	8,200	3,947,250
Furniture, machinery, and equipment	7,107,087	-	-	-	7,107,087
	<u>96,207,436</u>	<u>-</u>	<u>-</u>	<u>160,903</u>	<u>96,368,339</u>
Less accumulated depreciation for:					
Land improvements	(39,144,839)	(1,456,045)	-	-	(40,600,884)
Buildings and improvements	(10,354,986)	(834,819)	-	-	(11,189,805)
Vehicles	(3,762,379)	(80,760)	-	-	(3,843,139)
Furniture, machinery, and equipment	(6,669,301)	(276,508)	-	-	(6,945,809)
	<u>(59,931,505)</u>	<u>(2,648,132)</u>	<u>-</u>	<u>-</u>	<u>(62,579,637)</u>
Total capital assets being depreciated, net	<u>36,275,931</u>	<u>(2,648,132)</u>	<u>-</u>	<u>160,903</u>	<u>33,788,702</u>
Business-type activities capital assets, net	<u>\$ 51,295,536</u>	<u>\$ (2,125,338)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,170,198</u>

At December 31, 2021, the County's business-type activities had outstanding commitments through construction contracts of approximately \$22,000.

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

Depreciation of governmental activities by function

General government	\$ 371,034
Public safety	1,523,816
Health and welfare	844,394
Cultural and recreation	714,276
Judicial	821,859
Internal service funds	211,112
	<u>4,486,491</u>

Total \$ 4,486,491

Depreciation of business-type activities by function

Airport	\$ 2,648,132
	<u>2,648,132</u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the Drainage District component unit for the year ended December 31, 2021, consists of the following:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit - Drainage District					
Capital assets, being depreciated:					
Infrastructure	\$ 10,844,771	\$ 355,450	\$ -	\$ -	\$ 11,200,221
Less accumulated depreciation for:					
Infrastructure	(5,210,490)	(170,004)	-	-	(5,380,494)
Drainage District capital assets, net	\$ 5,634,281	\$ 185,446	\$ -	\$ -	\$ 5,819,727

8. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 17,895,000	\$ 71,750,000	\$ (1,190,000)	\$ 88,455,000	\$ 1,290,000
Net bond premium/discount	2,289,827	2,841,568	(257,450)	4,873,945	297,026
Compensated absences	5,040,323	3,677,761	(3,815,357)	4,902,727	3,833,676
Total governmental activities	\$ 25,225,150	\$ 78,269,329	\$ (5,262,807)	\$ 98,231,672	\$ 5,420,702
Business-type activities					
General obligation bonds	\$ 7,555,000	\$ -	\$ (985,000)	\$ 6,570,000	\$ 870,000
Net bond premium/discount	317,539	-	(37,470)	280,069	36,896
Compensated absences	131,561	39,399	(67,786)	103,174	67,785
Total business-type activities	\$ 8,004,100	\$ 39,399	\$ (1,090,256)	\$ 6,953,243	\$ 974,681

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Discretely presented component units					
<i>Brownfield Redevelopment Authority</i>					
Direct borrowings/ placements - Loans payable	\$ 1,344,173	\$ -	\$ -	\$ 1,344,173	\$ -
<i>Drainage Districts</i>					
Direct borrowings/ placements - Notes payable	\$ 1,952,572	\$ 90,500	\$ (342,564)	\$ 1,700,508	\$ 719,293
<i>Lake Level Districts</i>					
Direct borrowings/ placements - Notes payable	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 400,000
<u>Governmental activities</u>					
\$19,390,000 2017 Juvenile Home Facilities Refunding Bonds, due in annual installments of \$850,000 to \$1,875,000 plus interest ranging from 4.00 to 5.00%, payable semi-annually, through April 1, 2032.					\$ 15,635,000
\$3,000,000 2011 Expo Center Improvement Bonds, due in annual installments of \$75,000 to \$125,000 plus interest of 3.20%, payable semi-annually, through April 1, 2026.					1,070,000
\$71,750,000 2021 Justice Facility Limited Tax General Obligation Bonds due in annual installments of \$1,645,000 to \$3,390,000 plus interest ranging from 2.00 to 3.00%, payable semi-annually, through April 1, 2051.					<u>71,750,000</u>
Total governmental activities					<u>\$ 88,455,000</u>
<u>Business-type activities</u>					
\$6,520,000 2012 Airport Refunding Bonds, due in annual installments of \$25,000 to \$640,000, plus interest ranging from 2.00 to 4.00%, payable semi-annually, through May 1, 2028.					\$ 2,115,000
\$750,000 2005 Village of Augusta Water Supply, due in annual installments of \$15,000 to \$45,000 plus interest at 2.125%, payable semi-annually, through April 1, 2025.					180,000

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Business-type activities (concluded)

\$5,000,000 2015 ISK Capital Improvement Bonds, due in annual installments of \$100,000 to \$400,000 plus interest ranging from 2.25 to 4.00%, payable semi-annually, through May 1, 2034. \$ 4,275,000

Total business-type activities \$ 6,570,000

Discretely presented component units

Brownfield Redevelopment Authority

\$150,000 2015 Eliza Street, Schoolcraft Project loan payable due in annual installments of \$14,015 to \$16,025 plus interest at 1.50%, payable annually beginning in 2023, through September 14, 2038. \$ 150,000

\$1,194,173 2018 Paper City Development loan payable due in annual installments of \$100,661 to \$116,822 plus interest at 1.50%, payable annually beginning in 2024, through December 5, 2034. 1,194,173

Total Brownfield Redevelopment Authority component unit \$ 1,344,173

Drainage Districts

\$825,000 2017 Lexington Green Drain note payable, due in annual installments of \$90,520 to \$113,527, plus interest of 2.71%, through July 1, 2025. \$ 436,315

\$380,000 2018 Townline-Galesburg Drain note payable, due in annual installments of \$33,021 to \$43,319, plus interest of 2.99%, through July 1, 2028. 278,179

\$70,000 2019 Reinbold Drain note payable, due in annual installments of \$17,137 to \$17,927, plus interest of 2.25%, through July 1, 2023. 35,496

\$150,000 2019 Texas Heights Drain note payable, due in annual installments of \$36,378 to \$38,683, plus interest of 2.12%, through July 1, 2023. 76,635

\$586,000 2020 East Corp Drain note payable, due in annual installments of \$69,290 to \$78,272, plus interest of 2.00%, through July 1, 2028. 516,681

\$300,000 2020 Vineyards Drain note payable, due in annual installments of \$33,298 to \$40,621, plus interest of 2.19%, through July 1, 2028. 266,702

\$90,500 2021 Eagle Lakes Drain note payable, due in annual installments of \$17,734 to \$18,496 plus interest of 1.10% through July 1, 2026 90,500

Total Drainage Districts component unit \$ 1,700,508

Lake Level Districts

\$400,000 2021 Crooked and Eagle Lakes note payable, due in annual installments of \$400,000 plus interest of 0.63%, through August 1, 2022. \$ 400,000

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,290,000	\$ 2,580,364	\$ 870,000	\$ 186,222
2023	2,985,000	2,493,932	895,000	154,765
2024	3,090,000	2,379,719	510,000	133,865
2025	3,200,000	2,261,246	530,000	120,441
2026	3,220,000	2,137,510	485,000	106,797
2027-2031	17,795,000	8,716,438	2,080,000	335,172
2032-2036	13,330,000	5,741,888	1,200,000	58,500
2037-2041	12,980,000	4,184,075	-	-
2042-2046	14,415,000	2,749,769	-	-
2047-2051	16,150,000	1,013,087	-	-
Totals	\$ 88,455,000	\$ 34,258,028	\$ 6,570,000	\$ 1,095,762

Year Ended December 31,	Discretely Presented Component Units			
	Direct Borrowings/Placements			
	Brownfield Redevelopment Authority		Drainage Districts	
	Principal	Interest	Principal	Interest
2022	\$ -	\$ -	\$ 319,293	\$ 39,845
2023	10,000	-	326,899	32,366
2024	126,472	350	276,609	24,681
2025	110,335	16,486	283,116	18,038
2026	111,869	14,952	173,437	11,248
2027-2031	583,167	50,941	321,154	11,220
2032-2036	389,680	10,788	-	-
2037-2038	12,650	38	-	-
Totals	\$ 1,344,173	\$ 93,555	\$ 1,700,508	\$ 137,398

The Lake Level District direct borrowing/placement is due in a single installment in 2021, with principal in the amount of \$400,000 and interest of \$2,313. As this borrowing is not capital in nature, the amount has not been included as part of the calculation for the net investment in capital assets.

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.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

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.

The local government public works financing bonds were issued by the County pursuant to contracts entered into with the Village of Climax, Village of Augusta, Indian/Pickerel Lakes and Cooper Township financing additional sewage collection and disposal and water supply systems for the contractees. Additionally, the County financed bonds for Integrated Services of Kalamazoo used for construction of facilities. Under the terms of the agreements, the contractees are to pay the County each year amounts sufficient to provide for debt service. For certain of the above debt issuances and as described in the individual agreements, the full faith and credit of the County and that of the respective participating municipalities are pledged for repayment of the bonds.

There are a number of limitations and restrictions contained in the various debt issues. At December 31, 2021, the County complied with all significant limitations and restrictions.

The compensated absence liability attributable to the governmental activities will be liquidated by the County's General, Law Enforcement, Alcott Facility, Parks, Friend of the Court, Health, Child Care, Public Safety Special Grants and HSD Pooled Costs funds.

9. BENEFIT PLANS

Kalamazoo County Employees' Retirement System ("System")

The System is a multiple-employer, defined benefit pension plan, which provides retirement and disability benefits to eligible plan members and beneficiaries. The System was established by the County of Kalamazoo Board of Commissioners and is administered by the Office of Finance of the County of Kalamazoo, Michigan. Accordingly, it is included as a fiduciary component unit in the County's annual comprehensive financial report. The County of Kalamazoo, Michigan (the "County"), Kalamazoo County Road Commission (the "Road Commission"), and Integrated Services of Kalamazoo ("ISK"), are participating employers of the System and are required to contribute to the System under state of Michigan statutes. Employees of participating employers holding regular positions, either full-time or part-time of 20 hours or more per week, are included by law in the System. Employees of the Sheriff's Deputy Association, Sheriff's Supervisory Association, certain District Court employees, and Judges elected or appointed after March 31, 1997, are excluded from the plan pursuant to past negotiations.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

The System is controlled by laws established by the State of Michigan. Any changes to the plan document must be approved by the County of Kalamazoo Board of Commissioners and subsequently implemented by the County of Kalamazoo Office of Finance. The System provides retirement, disability and death benefits to plan members and their beneficiaries. It is accounted for as a separate pension trust fund. Stand-alone financial reports are issued that include financial statements and required supplementary information for the System, which may be obtained from the Office of Finance, County of Kalamazoo, Michigan, 201 West Kalamazoo Avenue, Kalamazoo, Michigan, 49007.

Eligibility

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

As of December 31, 2021, the System's membership consisted of the following:

	County	Road Commission	ISK	Total
Retirees and beneficiaries currently receiving benefits	384	29	66	479
Terminated employees entitled to but not yet receiving benefits	140	6	68	214
Vested active participants	301	16	76	393
Nonvested participants	331	39	260	630
Total membership	1,156	90	470	1,716

Benefits Provided

Regular retirement benefits begin at age 60 with 8 years or more of service for ISK and the Road Commission employees, as well as the County employees hired before July 1, 2009. Regular retirement benefits begin at age 65 with 8 years or more of service for the County employees hired on or after July 1, 2009. Certain County employees are eligible for normal retirement at age 55 with 25 years of service. Members may retire at age 55 with 8 years of service for a reduced benefit.

Deferred members of the County hired before October 1, 2009, deferred members of ISK hired before February 5, 2013, and all deferred members of the Road Commission may elect to receive a lump sum benefit at any time before or after reaching the retirement age. All deferred members may receive annuity benefits at the normal or early retirement age.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Benefits are determined at the member's retirement date based on a formula of the member's service credit, final average compensation, and a percentage factor. Service credit is determined by the total number of full or part-time (at least 20 hours per week) years and months of employment. Additional service may be credited for any member with a military leave and for Road Commission employees with disability leave. The final average compensation is the average compensation received during the highest 5 consecutive years of the last 10 years of service or all years of service if the employee has less than 10 years of service. The percentage is determined by the participating employers of the System and ranged from 1.7% to 2.5% in 2021. Annual benefits are reduced for early retirement or beneficiary benefits. Employees may choose to receive benefits in monthly payments or as a lump sum payment. Lump sum payments for employees hired before October 1, 2009, are calculated using the annual benefit, expected future lifetime, and a discount rate. Lump sum payments are no longer an option available for County employees hired on or after October 1, 2009, and ISK employees hired on or after February 5, 2013. The discount rate shall be the investment return assumption as adopted by the Retirement Investment Committee to be used in the annual actuarial valuation of the System.

Contributions

Employer Contributions. The System's funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll, and are designed to accumulate sufficient assets to pay benefits when due. The contribution rate ranged from 0.00% to 10.96% of projected valuation payroll for the year ended December 31, 2021. The normal cost and amortization payment were determined using an entry-age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent-of-payroll over an open period of 10 years.

Employee Contributions. No employee contributions are required for participation in the System. The only contributions recognized are those relating to purchased years of service.

It is the System's policy to fund the actuarial determined pension liability in order for funds to be available when a member retires. The employers are required to contribute a percentage of payroll at an actuarially determined rate. The contribution rate is based on the actuarial assumptions and experiences. Once a group is full or overfunded, the employer no longer contributes for that group. The employers were required to contribute the following percentages of payroll for the year ended December 31, 2021:

Kalamazoo County:	
Airport	0.00%
AS&E/B&G/Parks	4.27%
Head start I	0.00%
Head start II	0.00%
Juvenile court	10.96%
Juvenile home	4.96%
Non-represented	5.89%
Sheriff command	0.00%
FOP	0.00%
Road Commission - all eligible employees	0.00%

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

ISK:	
Managerial	6.13%
Professional	3.98%
TOPS	3.95%

The sheriff command no longer has active members and therefore no contribution rate can be determined based on a percentage of payroll. The County contributed a fixed dollar amount for the sheriff command of \$44,756 for the year ended December 31, 2021.

The employers' actual contributions were as follows for the year ended December 31, 2021:

Employer	Actuarially Determined Contribution	Actual Contribution	Percent Contributed
County	\$ 2,130,345	\$ 2,130,345	100.00%
Road Commission	-	-	0.00%
ISK	705,354	705,354	100.00%
Total contributions	<u>\$ 2,835,699</u>	<u>\$ 2,835,699</u>	

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

The System maintains a member deposit fund, which is used to accumulate contributions made by plan members and related accrued interest. As detailed in the plan document, the fund is legally required to distribute individual employee contributions and related interest, upon request by a terminated plan member. The balance in the member deposit fund at December 31, 2021 is \$516,539.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Net Pension Asset. The components of the net pension asset of the System at December 31, 2021, were as follows:

	County	Road Commission	ISK	Total
Total pension liability	\$ 156,602,588	\$ 13,245,661	\$ 42,592,182	\$ 212,440,431
System fiduciary net position	203,396,869	17,203,585	55,319,114	275,919,568
Net pension asset	<u>\$ (46,794,281)</u>	<u>\$ (3,957,924)</u>	<u>\$ (12,726,932)</u>	<u>\$ (63,479,137)</u>
System fiduciary net position as percentage of total pension liability	129.88%	129.88%	129.88%	129.88%

Actuarial Assumptions. The System's net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement:

	County	Road Commission	ISK
Inflation	3.25%	3.25%	3.25%
Salary increases (includes inflation, as noted above)	3.25% to 7.25%	3.25% to 6.98%	3.75% to 5.25%
Investment rate of return	7.25%	7.25%	7.25%

Mortality rates for 2020 (measurement date of December 31, 2021) were based on the Pub-2010 amount weighted, general, employee, healthy retiree, disabled retiree, safety, male, and female tables, with future mortality improvements projected to 2025 using scale MP-2019.

The actuarial assumptions used in the December 31, 2020 valuation was based on the results of an actuarial experience study for the period January 1, 2014 to December 31, 2018.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation are summarized in the following table as of December 31, 2021:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
U.S. small cap (manager 1)	5.00%	4.12%	0.21%
U.S. small cap (manager 2)	10.00%	4.12%	0.41%
International developed equity	10.00%	3.42%	0.34%
U.S. large cap (manager 1)	30.00%	3.62%	1.09%
U.S. large cap (manager 2)	5.00%	3.62%	0.18%
Emerging markets	10.00%	5.22%	0.52%
Domestic fixed income	25.00%	-0.88%	-0.22%
Real estate (manager 1)	2.50%	1.82%	0.05%
Real estate (manager 2)	2.50%	1.82%	0.05%
	<u>100.00%</u>		
Inflation			3.25%
Diversified portfolio additional returns			<u>1.37%</u>
Investment rate of return			<u><u>7.25%</u></u>

Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns, as reflected above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that System contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

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

	Total System		
	Total Pension Liability	System Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2020	<u>\$ 206,212,745</u>	<u>\$ 241,793,038</u>	<u>\$ (35,580,293)</u>
Changes for the year:			
Service cost	4,026,293	-	4,026,293
Interest on the total pension liability	14,605,463	-	14,605,463
Difference between expected and actual experience	1,138,409	-	1,138,409
Benefit payments and refunds	(13,542,479)	(13,542,479)	-
Employer contributions	-	2,835,699	(2,835,699)
Net investment income	-	45,241,814	(45,241,814)
Administrative expenses	-	(408,504)	408,504
Net changes	<u>6,227,686</u>	<u>34,126,530</u>	<u>(27,898,844)</u>
Balance at December 31, 2021	<u><u>\$ 212,440,431</u></u>	<u><u>\$ 275,919,568</u></u>	<u><u>\$ (63,479,137)</u></u>
	County		
	Total Pension Liability	System Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2020	<u>\$ 153,492,394</u>	<u>\$ 179,976,230</u>	<u>\$ (26,483,836)</u>
Changes for the year:			
Service cost	2,968,023	-	2,968,023
Interest on the total pension liability	9,285,955	-	9,285,955
Difference between expected and actual experience	839,189	-	839,189
Benefit payments and refunds	(9,982,973)	(9,982,973)	-
Employer contributions	-	2,130,345	(2,130,345)
Net investment income	-	31,574,400	(31,574,400)
Administrative expenses	-	(301,133)	301,133
Net changes	<u>3,110,194</u>	<u>23,420,639</u>	<u>(20,310,445)</u>
Balance at December 31, 2021	<u><u>\$ 156,602,588</u></u>	<u><u>\$ 203,396,869</u></u>	<u><u>\$ (46,794,281)</u></u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

	Road Commission		
	Total Pension Liability	System Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2020	\$ 13,055,329	\$ 15,307,917	\$ (2,252,588)
Changes for the year:			
Service cost	251,039	-	251,039
Interest on the total pension liability	712,687	-	712,687
Difference between expected and actual experience	70,980	-	70,980
Benefit payments and refunds	(844,374)	(844,374)	-
Net investment income	-	2,765,512	(2,765,512)
Administrative expenses	-	(25,470)	25,470
Net changes	190,332	1,895,668	(1,705,336)
Balance at December 31, 2021	\$ 13,245,661	\$ 17,203,585	\$ (3,957,924)
	ISK		
	Total Pension Liability	System Fiduciary Net Position	Net Pension Asset
Balance at December 31, 2020	\$ 39,665,022	\$ 46,508,891	\$ (6,843,869)
Changes for the year:			
Service cost	807,231	-	807,231
Interest on the total pension liability	4,606,821	-	4,606,821
Difference between expected and actual experience	228,240	-	228,240
Benefit payments and refunds	(2,715,132)	(2,715,132)	-
Employer contributions	-	705,354	(705,354)
Net investment income	-	10,901,902	(10,901,902)
Administrative expenses	-	(81,901)	81,901
Net changes	2,927,160	8,810,223	(5,883,063)
Balance at December 31, 2021	\$ 42,592,182	\$ 55,319,114	\$ (12,726,932)

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following table presents the System's net pension asset, calculated using a single discount rate of 7.25%, as well as what the System's net pension asset would be if it were calculated using a single discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County	\$ (26,910,662)	\$ (46,794,281)	\$ (63,429,368)
Road Commission	(2,276,141)	(3,957,924)	(5,364,943)
ISK	(7,319,061)	(12,726,932)	(17,251,280)
County's net pension asset	<u>\$ (36,505,864)</u>	<u>\$ (63,479,137)</u>	<u>\$ (86,045,591)</u>

Pension Plan Fiduciary Net Position. Detailed information about the System's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds in Note 11.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2021, total pension expense amounted to \$(3,257,299), with \$(2,346,382) recognized by the County, \$(276,991) recognized by the Road Commission, and \$(633,926) recognized by ISK. At December 31, 2021, the employers reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

Total System	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 2,641,139	\$ 176,263	\$ 2,464,876
Changes of assumptions	1,646,666	-	1,646,666
Net difference between projected and actual investment earnings on pension plan investments	-	27,393,033	(27,393,033)
Changes in proportion and differences between employer contributions and share of contributions	768,801	768,801	-
Total	<u>\$ 5,056,606</u>	<u>\$ 28,338,097</u>	<u>\$ (23,281,491)</u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

County	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 1,946,942	\$ 129,934	\$ 1,817,008
Changes of assumptions	1,213,854	-	1,213,854
Net difference between projected and actual investment earnings on pension plan investments	-	20,193,048	(20,193,048)
Changes in proportion and differences between employer contributions and share of contributions	439,260	187,278	251,982
Total	\$ 3,600,056	\$ 20,510,260	\$ (16,910,204)

Road Commission	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 164,675	\$ 10,990	\$ 153,685
Changes of assumptions	102,670	-	102,670
Net difference between projected and actual investment earnings on pension plan investments	-	1,707,956	(1,707,956)
Changes in proportion and differences between employer contributions and share of contributions	132,012	320,628	(188,616)
Total	\$ 399,357	\$ 2,039,574	\$ (1,640,217)

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

ISK	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 529,522	\$ 35,339	\$ 494,183
Changes of assumptions	330,142	-	330,142
Net difference between projected and actual investment earnings on pension plan investments	-	5,492,029	(5,492,029)
Changes in proportion and differences between employer contributions and share of contributions	197,529	260,895	(63,366)
Total	<u>\$ 1,057,193</u>	<u>\$ 5,788,263</u>	<u>\$ (4,731,070)</u>

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

Year Ended December 31,	County	Road Commission	ISK	Total
2022	\$ (1,652,533)	\$ (205,237)	\$ (440,818)	\$ (2,298,588)
2023	(7,277,741)	(667,459)	(2,021,389)	(9,966,589)
2024	(4,012,218)	(405,400)	(1,155,314)	(5,572,932)
2025	(3,967,712)	(362,121)	(1,113,549)	(5,443,382)
	<u>\$ (16,910,204)</u>	<u>\$ (1,640,217)</u>	<u>\$ (4,731,070)</u>	<u>\$ (23,281,491)</u>

Payable to the Pension Plan. At December 31, 2021, the County reported a payable of \$109,383 to the pension plan.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Defined Contribution Plans

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 plan, plus investment earnings. Employees are eligible to participate from the date of employment. For employees hired before September 17, 2013, the County contributes an amount equal to 16.00% of the employee's salary each pay period. For employees hired after this date, the County contributes an amount equal to 10.00% 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 2021 contribution of \$1,941,486. The County is not a fiduciary with respect to this plan and, accordingly, assets and liabilities of the plan have been excluded from these financial statements. Contribution requirements are established or amended under the authority of the County Board and collective bargaining.

Other Defined Contribution Plan

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 plan.

The County has agreed to contribute, on behalf of the District Court employees, to defined contribution plans that are administered by unrelated third parties. The County made the required 2021 contributions on behalf of the District Court employees in the amount of \$3,960. 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.

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Kalamazoo County Retiree Medical Benefits Plan ("Plan")

The Plan is a multiple-employer, defined benefit OPEB plan, which provides retiree health care benefits to eligible Plan members and beneficiaries. The Plan was established by the County Board of Commissioners and is administered by the Office of Finance of the County of Kalamazoo, Michigan. Accordingly, it is included as a fiduciary component unit in the County's annual comprehensive financial report. The County, the Road Commission, and ISK are participating employers of the Plan.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Eligibility and Benefits Provided

County policy established that retiring employees, who terminate employment after becoming eligible for immediate commencement of retirement benefits from the County, shall be eligible for group health insurance. These benefits are established and can be amended by the County Board of Commissioners. Active participants of the Fraternal Order of Police ("FOP") defined contribution plan are eligible under the terms of their collective bargaining agreement. Changes are made through collective bargaining. All other retiring employees reach eligibility based on hire date, years of retirement plan, credited service and age at retirement. A retiree and his/her covered dependents must obtain Medicare Parts A & B at the earliest date eligible. Eligibility conditions for retiree health care benefits are as follows:

General County

Members hired on or before 12/31/2008 - Age 55 with 8 years of service; Members hired on or after 1/1/2009 - Age 60 with 8 years of service (until age 65 for members hired on or after 1/1/2010); Members hired on or after 1/1/2012 - not eligible for retiree health care benefits.

ISK

Members hired on or before 12/31/2009 - Age 55 with 8 years of service; Members hired on or after 1/1/2010 - Age 60 with 8 years of service, benefits are payable until 65; Members hired on or after 1/1/2012 - not eligible for retiree health care benefits.

Road Commission

Non-Union members hired on or before 12/31/2012 and Union members hired on or before 12/31/2016 - Age 55 with 25 years of service or age 60 with 8 years of service; Non-Union members hired on or after 1/1/2013 and Union members hired on or after 1/1/2017 - not eligible for retiree health care benefits.

The Plan's membership consisted of the following at December 31, 2019, the date of the most recent actuarial valuation:

	County	Road Commission	ISK	Total
Inactive employees or beneficiaries currently receiving benefit payments	458	39	47	544
Active employees	501	19	79	599
Total membership	959	58	126	1,143

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Contributions

The Retiree Health Trust currently funds the Plan under the authority defined by the Kalamazoo County Board of Commissioners. Plan members are charged contributions at a set rate per member depending on years of service over eight years and the type of optional coverage elected. The County is currently contributing 50% of the fixed rate determined in the most recent actuarial valuation adjusted for plan design changes made during the year. The Road Commission and ISK are contributing based on the percentage of payroll determined in the most recent actuarial valuation.

The contribution rates include amortization of the unfunded actuarial accrued liability over a closed period of 21 years for County and ISK. A closed period of 23 years for Road Commission, and a 26 year closed period for Sheriff (FOP).

Contributions were as follows at December 31, 2021, based on actuarially determined amounts from the December 31, 2019 actuarial valuation:

Employer	Actuarially Determined Contribution	Actual Contribution	Percent Contributed
County	\$ 2,975,221	\$ 4,185,172	140.67%
Road Commission	81,548	139,465	171.02%
ISK	154,050	154,050	100.00%
Total contributions	\$ 3,210,819	\$ 4,478,687	

Net OPEB Liability. The components of the net OPEB liability at December 31, 2021, were as follows:

	County	Road Commission	ISK	Total
Total OPEB liability	\$ 51,703,446	\$ 2,924,210	\$ 4,356,094	\$ 58,983,750
Plan fiduciary net position	27,888,807	2,885,441	3,620,189	34,394,437
Net OPEB liability	\$ 23,814,639	\$ 38,769	\$ 735,905	\$ 24,589,313
Plan fiduciary net position as a percentage of total OPEB liability	53.94%	98.67%	83.11%	58.31%

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The County's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement:

	County	Road Commission	ISK
Inflation	3.25%	3.25%	3.25%
Salary increases (includes inflation at 3.5%)	3.25% to 7.25%	3.25% to 6.98%	3.75% to 5.25%
Investment rate of return	7.25%	7.25%	7.25%
Healthcare cost trend rates	Initial trend of 8.25% gradually decreasing to 3.5%		

Mortality rates for 2021 were based on the Pub-2010 amount weighted, general, employee, healthy retiree, disabled retiree, safety, male, and female tables, with future mortality improvements projected to 2025 using scale MP-2019.

The actuarial assumptions used in the December 31, 2019 valuation (measurement date of December 31, 2021) was based on the results of an actuarial experience study for the period January 1, 2014 to December 31, 2018.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following tables as of December 31, 2021:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
U.S. small cap (manager 1)	5.00%	4.12%	0.21%
U.S. small cap (manager 2)	10.00%	4.12%	0.41%
International developed equity	10.00%	3.42%	0.34%
U.S. large cap (manager 1)	30.00%	3.62%	1.09%
U.S. large cap (manager 2)	5.00%	3.62%	0.18%
Emerging markets	10.00%	5.22%	0.52%
Domestic fixed income	25.00%	-0.88%	-0.22%
Real estate (manager 1)	2.50%	1.82%	0.05%
Real estate (manager 2)	2.50%	1.82%	0.05%
	<u>100.00%</u>		
Inflation			3.25%
Diversified portfolio additional returns			<u>1.37%</u>
Investment rate of return			<u><u>7.25%</u></u>

Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns, as reflected above.

Discount Rate. The discount rate used to measure the total OPEB liability at December 31, 2021 was 7.25%. The projection of cash flows used to determine the discount rate assumed that the County will contribute at a rate equal to the greater of the pay-as-you-go cost or 50% of the actuarially determined employer contribution, plus an additional \$300,000 per year. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

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

	Total Plan		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2020	<u>\$ 58,017,087</u>	<u>\$ 27,307,315</u>	<u>\$ 30,709,772</u>
Changes for the year:			
Service cost	450,582	-	450,582
Interest on the total OPEB liability	4,143,549	-	4,143,549
Difference between expected and actual experience	(1,447,522)	-	(1,447,522)
Benefit payments and refunds	(2,179,946)	(2,179,946)	-
Employer contributions	-	4,478,687	(4,478,687)
Net investment income	-	5,013,449	(5,013,449)
Administrative expenses	-	(225,068)	225,068
Net changes	<u>966,663</u>	<u>7,087,122</u>	<u>(6,120,459)</u>
Balance at December 31, 2021	<u>\$ 58,983,750</u>	<u>\$ 34,394,437</u>	<u>\$ 24,589,313</u>

	County		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2020	<u>\$ 50,869,947</u>	<u>\$ 21,648,896</u>	<u>\$ 29,221,051</u>
Changes for the year:			
Service cost	385,816	-	385,816
Interest on the total OPEB liability	3,635,969	-	3,635,969
Difference between expected and actual experience	(1,365,179)	-	(1,365,179)
Benefit payments and refunds	(1,823,107)	(1,823,107)	-
Employer contributions	-	4,185,172	(4,185,172)
Net investment income	-	4,065,167	(4,065,167)
Administrative expenses	-	(187,321)	187,321
Net changes	<u>833,499</u>	<u>6,239,911</u>	<u>(5,406,412)</u>
Balance at December 31, 2021	<u>\$ 51,703,446</u>	<u>\$ 27,888,807</u>	<u>\$ 23,814,639</u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

	Road Commission		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2020	\$ 2,925,131	\$ 2,464,309	\$ 460,822
Changes for the year:			
Service cost	21,441	-	21,441
Interest on the total OPEB liability	208,492	-	208,492
Difference between expected and actual experience	(110,654)	-	(110,654)
Benefit payments and refunds	(120,200)	(120,200)	-
Employer contributions	-	139,465	(139,465)
Net investment income	-	420,591	(420,591)
Administrative expenses	-	(18,724)	18,724
Net changes	(921)	421,132	(422,053)
Balance at December 31, 2021	\$ 2,924,210	\$ 2,885,441	\$ 38,769
	ISK		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2020	\$ 4,222,009	\$ 3,194,110	\$ 1,027,899
Changes for the year:			
Service cost	43,325	-	43,325
Interest on the total OPEB liability	299,088	-	299,088
Difference between expected and actual experience	28,311	-	28,311
Benefit payments and refunds	(236,639)	(236,639)	-
Employer contributions	-	154,050	(154,050)
Net investment income	-	527,691	(527,691)
Administrative expenses	-	(19,023)	19,023
Net changes	134,085	426,079	(291,994)
Balance at December 31, 2021	\$ 4,356,094	\$ 3,620,189	\$ 735,905

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the net OPEB liability, calculated using a single discount rate of 7.25%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County	\$ 29,268,358	\$ 23,814,639	\$ 19,189,051
Road Commission	312,992	38,769	(197,249)
ISK	1,225,633	735,905	322,258
County's net OPEB liability	\$ 30,806,983	\$ 24,589,313	\$ 19,314,060

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption. The following table presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.25% decreasing to 2.50%) or 1% higher (9.25% decreasing to 4.50%) than the current healthcare cost trend rates:

	1% Decrease (7.25% Decreasing to 2.50%)	Healthcare Cost Trend Rates (8.25% Decreasing to 3.50%)	1% Increase (9.25% Decreasing to 4.50%)
County	\$ 18,139,424	\$ 23,814,639	\$ 30,583,365
Road Commission	(252,998)	38,769	379,194
ISK	232,422	735,905	1,334,448
County's net OPEB liability	\$ 18,118,848	\$ 24,589,313	\$ 32,297,007

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in the combining statements for the pension and other postemployment benefit trust funds in Note 11.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2021, total OPEB expense amounted to \$(1,433,539) with \$(956,737) recognized by the County, \$(288,759) recognized by the Road Commission, and \$(188,043) recognized by ISK. At December 31, 2021, the County reported OPEB-related deferred outflows of resources and deferred inflows of resources from the following sources:

Total Plan	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 37,585	\$ 3,956,342	\$ (3,918,757)
Changes in assumptions	1,410,600	949,189	461,411
Net difference between projected and actual investment earnings on pension plan investments	-	2,856,795	(2,856,795)
Changes in proportion and differences between employer contributions and share of contributions	49,005	49,005	-
Total	\$ 1,497,190	\$ 7,811,331	\$ (6,314,141)

County	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 3,498,681	\$ (3,498,681)
Changes in assumptions	1,264,092	860,680	403,412
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,350,529	(2,350,529)
Changes in proportion and differences between employer contributions and share of contributions	49,005	49,005	-
Total	\$ 1,313,097	\$ 6,758,895	\$ (5,445,798)

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Road Commission	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 167,904	\$ (167,904)
Changes in assumptions	24,105	6,518	17,587
Net difference between projected and actual investment earnings on OPEB plan investments	-	230,698	(230,698)
Total	<u>\$ 24,105</u>	<u>\$ 405,120</u>	<u>\$ (381,015)</u>

ISK	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 37,585	\$ 289,757	\$ (252,172)
Changes in assumptions	122,403	81,991	40,412
Net difference between projected and actual investment earnings on OPEB plan investments	-	275,568	(275,568)
Total	<u>\$ 159,988</u>	<u>\$ 647,316</u>	<u>\$ (487,328)</u>

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

Year Ended December 31,	County	Road Commission	ISK	Total
2022	\$ (2,412,319)	\$ (164,292)	\$ (182,094)	\$ (2,758,705)
2023	(1,698,158)	(112,104)	(181,609)	(1,991,871)
2024	(851,965)	(56,238)	(63,664)	(971,867)
2025	(483,356)	(48,381)	(59,961)	(591,698)
	<u>\$ (5,445,798)</u>	<u>\$ (381,015)</u>	<u>\$ (487,328)</u>	<u>\$ (6,314,141)</u>

Payable to the OPEB Plan. At December 31, 2021, the County reported no amount payable to the OPEB plan.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

11. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

Financial statements for the individual pension and other postemployment benefits plans are as follows:

Combining Statement of Fiduciary Net Position

	Retiree Health Care Trust Fund	Pension Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 2,801,181	\$ 6,481,545	\$ 9,282,726
Investments, at fair value:			
U.S. government securities	2,979,604	25,603,710	28,583,314
U.S. agency securities	2,108,518	18,118,475	20,226,993
Corporate obligations	2,328,847	20,011,760	22,340,607
Municipal bonds	6,906	59,342	66,248
Foreign corporate obligations	275,248	2,365,213	2,640,461
Mortgage-backed funds	111,573	958,748	1,070,321
Domestic equity mutual funds/ collective trust funds	16,009,984	137,573,651	153,583,635
Emerging market mutual funds	3,084,274	26,503,139	29,587,413
International equity mutual funds	3,137,958	26,964,444	30,102,402
Real estate investment trust	904,723	7,774,277	8,679,000
Real estate pooled separate account	901,961	7,750,539	8,652,500
Receivables:			
Sale of investments	1,789,089	15,373,625	17,162,714
Interest and dividends	28,621	245,935	274,556
Employer contributions	-	109,383	109,383
Other	55,598	-	55,598
Other assets - prepaids	106,434	12,717	119,151
Total assets	36,630,519	295,906,503	332,537,022
Liabilities			
Accounts payable	4,145	76,895	81,040
Benefits payable	50,111	1,161,629	1,211,740
Purchase of investments	2,181,826	18,748,411	20,930,237
Total liabilities	2,236,082	19,986,935	22,223,017

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

	Retiree Health Care Trust Fund	Pension Trust Fund	Total
Net position			
Restricted for:			
Employees' pension benefits	\$ -	\$ 275,919,568	\$ 275,919,568
Other postemployment benefits	34,394,437	-	34,394,437
Total net position	<u>\$ 34,394,437</u>	<u>\$ 275,919,568</u>	<u>\$ 310,314,005</u>

Combining Statement of Changes in Fiduciary Net Position

	Retiree Health Care Trust Fund	Pension Trust Fund	Total
Additions			
Contributions:			
Employer	\$ 4,478,687	\$ 2,835,699	\$ 7,314,386
Investment earnings:			
Net appreciation in fair value of investments	4,132,361	37,781,001	41,913,362
Income on mutual funds	819,736	6,923,036	7,742,772
Interest and dividends	151,236	1,347,861	1,499,097
Income on real estate pooled separate account	9,324	81,021	90,345
Total investment earnings	<u>5,112,657</u>	<u>46,132,919</u>	<u>51,245,576</u>
Investment expense	<u>(99,208)</u>	<u>(891,105)</u>	<u>(990,313)</u>
Net investment earnings	<u>5,013,449</u>	<u>45,241,814</u>	<u>50,255,263</u>
Total additions	<u>9,492,136</u>	<u>48,077,513</u>	<u>57,569,649</u>
Deductions			
Benefit payments	2,179,946	13,542,479	15,722,425
Administrative expenses	225,068	408,504	633,572
Total deductions	<u>2,405,014</u>	<u>13,950,983</u>	<u>16,355,997</u>
Change in net position	7,087,122	34,126,530	41,213,652
Net position, beginning of year	<u>27,307,315</u>	<u>241,793,038</u>	<u>269,100,353</u>
Net position, end of year	<u>\$ 34,394,437</u>	<u>\$ 275,919,568</u>	<u>\$ 310,314,005</u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

12. RISK MANAGEMENT

The risks of loss arising from general liability, property, and crime 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 \$150,000 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.

The Employee Benefit Fund provides coverage for up to a maximum of \$550,000 for each workers' compensation claim (\$600,000 for Sheriff's Office employees). The County purchases commercial insurance for claims in excess of this coverage up to a maximum of \$1,000,000 for each claim and \$5,000,000 for aggregate claims. Workers' compensation claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss may be reasonably estimated.

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

The County manages its risk of loss arising from health and medical claims through a combination of purchased commercial insurance and a set aside of assets for claims settlements. For those claims (up to an annual maximum of \$225,000 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.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Changes in the balances of claim liabilities consists of the following:

	Estimated Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Estimated Liability End of Year
General liability and crime:				
2020	\$ 566,234	\$ (53,876)	\$ (267,496)	\$ 244,862
2021	244,862	424,893	(117,905)	551,850
Workers' compensation:				
2020	885,734	832,025	(505,060)	1,212,699
2021	1,212,699	1,223,015	(615,659)	1,820,055
Employee health and medical:				
2020	683,000	7,706,891	(7,779,891)	610,000
2021	610,000	9,436,084	(9,377,084)	669,000
Employee dental:				
2020	37,000	499,977	(502,978)	33,999
2021	33,999	613,148	(614,147)	33,000

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 assets repairs or replacements not associated with such causes are considered outside the measurement and reporting standards.

13. LEASES

Leases Receivable

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

Year Ended December 31,	Amount
2022	\$ 87,409
2023	72,477
2024	68,264
2025	65,892
2026	60,300
2027-2031	289,889
2032-2036	223,389
2037	166,288
	<u>\$ 1,033,908</u>

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

Lease Commitments

The County leases several facilities and equipment under non-cancelable agreements that have been classified as operating leases. Total cost for such leases were \$474,134 in 2021. The future minimum lease payments for these leases consist of the following:

Year Ended December 31,	Amount
2022	\$ 465,812
2023	402,948
2024	337,057
2025	318,779
2026	315,536
2027-2031	1,837,884
2032-2036	1,941,000
2037-2038	549,950
	<u>\$ 6,168,966</u>

Included with the facility leases is a building at 400 Bryant (Alcott Building - HCS) in Kalamazoo. On August 2, 2017, an amendment was entered into in which the County provided advance funding of \$5 million related to this lease agreement. This advance funding reduced each of the monthly lease payments through the termination of the lease (May 2038). Amounts exceeding the advance funding amount are included in the future minimum lease payments noted above. Additionally, a \$5 million letter of credit exists related to this advance funding.

14. PROPERTY TAXES

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

Tax Abatements

The County received reduced property tax revenues during 2021 as a result of industrial facilities tax exemptions (IFT's) entered into by cities, villages, townships, and authorities within the County.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Developments Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the county. The abatements amounted to \$458,263 in reduced county tax revenues for 2021.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

15. CONTINGENT LIABILITIES

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

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

16. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Law Enforcement	General Grants	Capital Projects	Justice Facility Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable							
Inventories	\$ 24,464	\$ -	\$ -	\$ -	\$ -	\$ 883	\$ 25,347
Prepays	79,290	150	-	9,923	-	19,150	108,513
Long-term advances	280,163	-	-	-	-	-	280,163
Total nonspendable	383,917	150	-	9,923	-	20,033	414,023
Restricted							
Budget stabilization	2,500,000	-	-	-	-	-	2,500,000
Law enforcement	-	2,831,754	-	-	-	-	2,831,754
Justice Facility	-	-	-	-	60,430,136	-	60,430,136
Senior millage	-	-	-	-	-	3,340,565	3,340,565
Register of deeds automation	-	-	-	-	-	300,932	300,932
Community development	-	-	-	-	-	34,651	34,651
Accommodation tax	-	-	-	-	-	621,978	621,978
Grant programs	-	-	3,821	-	-	822,781	826,602
911 millage	-	-	-	-	-	37,922	37,922
Concealed pistol license	-	-	-	-	-	412,874	412,874
Debt service	-	-	-	-	-	298,593	298,593
Total restricted	2,500,000	2,831,754	3,821	-	60,430,136	5,870,296	71,636,007
Committed							
Disaster recovery project	40,000	-	-	-	-	-	40,000
Circuit court drug court	360,696	-	-	-	-	-	360,696
Health & community service	250,000	-	-	-	-	-	250,000
Social welfare	5,350	-	-	-	-	-	5,350
Total committed	656,046	-	-	-	-	-	656,046
Assigned							
Capital projects	-	-	-	33,430,884	-	-	33,430,884
Grant programs	-	-	-	-	-	270,210	270,210
Total assigned	-	-	-	33,430,884	-	270,210	33,701,094
Unassigned							
	42,581,886	-	-	-	-	-	42,581,886
Total fund balances, governmental funds	\$ 46,121,849	\$ 2,831,904	\$ 3,821	\$ 33,440,807	\$ 60,430,136	\$ 6,160,539	\$ 148,989,056

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Financial Statements

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of December 31, 2021, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 27,785,343	\$ 15,381,496
Capital assets being depreciated, net	<u>79,265,973</u>	<u>33,788,702</u>
	<u>107,051,316</u>	<u>49,170,198</u>
Related debt:		
Total installment debt	88,455,000	6,570,000
Net bond premium/discount	4,873,945	280,069
Unexpended bond proceeds	(60,430,136)	-
Deferred charge on refunding	(143,779)	(210,814)
Bonds payable related to capital leases	-	(4,455,000)
Bond premiums related to capital leases	-	(98,247)
	<u>32,755,030</u>	<u>2,086,008</u>
Net investment in capital assets	<u><u>\$ 74,296,286</u></u>	<u><u>\$ 47,084,190</u></u>

18. CORONAVIRUS

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The pandemic has resulted in operational challenges for the County as it determines the impact on employees, vendors, and taxpayers, and the appropriate method for providing services. At this time, management does not believe that any ongoing negative financial impact related to the pandemic, if any, would be material to the County.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Employees' Retirement System

Total System

Schedule of Changes in the Net Pension Asset and Related Ratios

	Year Ended December 31,				
	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 3,629,274	\$ 3,339,511	\$ 3,449,662	\$ 3,502,608	\$ 3,584,907
Interest on total pension liability	11,540,803	11,895,347	12,251,457	12,514,402	13,019,964
Difference between expected and actual experience	-	(2,986,458)	(949,324)	1,388,645	1,248,982
Assumption changes	-	2,164,854	-	-	5,298,105
Benefit payments	(11,408,049)	(9,187,843)	(10,252,492)	(12,292,215)	(9,119,760)
Net change in total pension liability	<u>3,762,028</u>	<u>5,225,411</u>	<u>4,499,303</u>	<u>5,113,440</u>	<u>14,032,198</u>
Total pension liability, beginning of year	<u>157,766,754</u>	<u>161,528,782</u>	<u>166,754,193</u>	<u>171,253,496</u>	<u>176,366,936</u>
Total pension liability, end of year	<u>161,528,782</u>	<u>166,754,193</u>	<u>171,253,496</u>	<u>176,366,936</u>	<u>190,399,134</u>
Plan fiduciary net position					
Employer contributions	1,985,340	1,320,723	1,464,540	1,212,943	782,613
Employee contributions	-	4,500	-	47,754	7,991
Net investment income (loss)	13,528,275	(3,399,365)	23,448,619	32,317,005	(15,868,059)
Benefit payments	(11,408,049)	(9,187,843)	(10,252,492)	(12,292,215)	(9,119,760)
Administrative expense	(252,272)	(345,891)	(303,990)	(313,277)	(316,553)
Net change in plan fiduciary net position	<u>3,853,294</u>	<u>(11,607,876)</u>	<u>14,356,677</u>	<u>20,972,210</u>	<u>(24,513,768)</u>
Plan fiduciary net position, beginning of year	<u>200,655,600</u>	<u>204,508,894</u>	<u>192,901,018</u>	<u>207,257,695</u>	<u>228,229,905</u>
Plan fiduciary net position, end of year	<u>204,508,894</u>	<u>192,901,018</u>	<u>207,257,695</u>	<u>228,229,905</u>	<u>203,716,137</u>
Net pension asset	<u>\$ (42,980,112)</u>	<u>\$ (26,146,825)</u>	<u>\$ (36,004,199)</u>	<u>\$ (51,862,969)</u>	<u>\$ (13,317,003)</u>
Plan fiduciary net position as a percentage of total pension liability	126.61%	115.68%	121.02%	129.41%	106.99%
Covered payroll	<u>\$ 41,180,449</u>	<u>\$ 41,152,336</u>	<u>\$ 43,438,087</u>	<u>\$ 45,624,833</u>	<u>\$ 47,753,851</u>
Net pension asset as a percentage of covered payroll	-104.37%	-63.54%	-82.89%	-113.67%	-27.89%

See notes to required supplementary information.

Year Ended December 31,		
2019	2020	2021
\$ 3,937,210	\$ 4,014,288	\$ 4,026,293
13,498,601	14,019,812	14,605,463
(484,306)	2,662,521	1,138,409
2,232,668	-	-
<u>(12,360,287)</u>	<u>(11,706,896)</u>	<u>(13,542,479)</u>
6,823,886	8,989,725	6,227,686
<u>190,399,134</u>	<u>197,223,020</u>	<u>206,212,745</u>
<u>197,223,020</u>	<u>206,212,745</u>	<u>212,440,431</u>
1,998,068	3,011,633	2,835,699
102,683	-	-
38,326,229	19,538,760	45,241,814
<u>(12,360,287)</u>	<u>(11,706,896)</u>	<u>(13,542,479)</u>
<u>(386,748)</u>	<u>(446,541)</u>	<u>(408,504)</u>
27,679,945	10,396,956	34,126,530
<u>203,716,137</u>	<u>231,396,082</u>	<u>241,793,038</u>
<u>231,396,082</u>	<u>241,793,038</u>	<u>275,919,568</u>
<u>\$ (34,173,062)</u>	<u>\$ (35,580,293)</u>	<u>\$ (63,479,137)</u>
117.33%	117.25%	129.88%
<u>\$ 51,080,853</u>	<u>\$ 52,863,931</u>	<u>\$ 56,112,391</u>
-66.90%	-67.31%	-113.13%

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Employees' Retirement System

County

Schedule of Changes in the Net Pension Asset and Related Ratios

	Year Ended December 31,		
	2019	2020	2021
Total pension liability			
Service cost	\$ 2,937,198	\$ 2,987,995	\$ 2,968,023
Interest on total pension liability	10,070,091	10,106,144	9,285,955
Difference between expected and actual experience	(361,297)	1,981,821	839,189
Assumption changes	1,665,593	-	-
Benefit payments	<u>(9,220,898)</u>	<u>(8,713,911)</u>	<u>(9,982,973)</u>
Net change in total pension liability	5,090,687	6,362,049	3,110,194
Total pension liability, beginning of year	<u>142,039,658</u>	<u>147,130,345</u>	<u>153,492,394</u>
Total pension liability, end of year	<u>147,130,345</u>	<u>153,492,394</u>	<u>156,602,588</u>
Plan fiduciary net position			
Employer contributions	1,603,818	2,412,288	2,130,345
Employee contributions	76,602	-	-
Net investment income	28,478,512	13,986,440	31,574,400
Benefit payments	(9,220,898)	(8,713,911)	(9,982,973)
Administrative expense	<u>(288,518)</u>	<u>(332,378)</u>	<u>(301,133)</u>
Net change in plan fiduciary net position	20,649,516	7,352,439	23,420,639
Plan fiduciary net position, beginning of year	<u>151,974,275</u>	<u>172,623,791</u>	<u>179,976,230</u>
Plan fiduciary net position, end of year	<u>172,623,791</u>	<u>179,976,230</u>	<u>203,396,869</u>
Net pension asset	<u>\$ (25,493,446)</u>	<u>\$ (26,483,836)</u>	<u>\$ (46,794,281)</u>
Plan fiduciary net position as a percentage of total pension liability	117.33%	117.25%	129.88%
Covered payroll	<u>\$ 33,819,547</u>	<u>\$ 34,916,793</u>	<u>\$ 35,426,516</u>
Net pension asset as a percentage of covered payroll	-75.38%	-75.85%	-132.09%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Employees' Retirement System
 Road Commission
 Schedule of Changes in the Net Pension Asset and Related Ratios

	Year Ended December 31,		
	2019	2020	2021
Total pension liability			
Service cost	\$ 251,706	\$ 254,145	\$ 251,039
Interest on total pension liability	862,966	765,316	712,687
Difference between expected and actual experience	(30,962)	168,564	70,980
Assumption changes	142,734	-	-
Benefit payments	(790,193)	(741,164)	(844,374)
Net change in total pension liability	<u>436,251</u>	<u>446,861</u>	<u>190,332</u>
Total pension liability, beginning of year	<u>12,172,217</u>	<u>12,608,468</u>	<u>13,055,329</u>
Total pension liability, end of year	<u>12,608,468</u>	<u>13,055,329</u>	<u>13,245,661</u>
Plan fiduciary net position			
Employee contributions	6,565	-	-
Net investment income	2,577,932	1,284,200	2,765,512
Benefit payments	(790,193)	(741,164)	(844,374)
Administrative expense	(24,725)	(28,271)	(25,470)
Net change in plan fiduciary net position	<u>1,769,579</u>	<u>514,765</u>	<u>1,895,668</u>
Plan fiduciary net position, beginning of year	<u>13,023,573</u>	<u>14,793,152</u>	<u>15,307,917</u>
Plan fiduciary net position, end of year	<u>14,793,152</u>	<u>15,307,917</u>	<u>17,203,585</u>
Net pension asset	<u>\$ (2,184,684)</u>	<u>\$ (2,252,588)</u>	<u>\$ (3,957,924)</u>
Plan fiduciary net position as a percentage of total pension liability	117.33%	117.25%	129.88%
Covered payroll	<u>\$ 3,299,694</u>	<u>\$ 3,534,841</u>	<u>\$ 3,904,965</u>
Net pension asset as a percentage of covered payroll	-66.21%	-63.73%	-101.36%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

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

	Year Ended December 31,		
	2019	2020	2021
Total pension liability			
Service cost	\$ 748,306	\$ 772,148	\$ 807,231
Interest on total pension liability	2,565,544	3,148,352	4,606,821
Difference between expected and actual experience	(92,047)	512,136	228,240
Assumption changes	424,341	-	-
Benefit payments	<u>(2,349,196)</u>	<u>(2,251,821)</u>	<u>(2,715,132)</u>
Net change in total pension liability	<u>1,296,948</u>	<u>2,180,815</u>	<u>2,927,160</u>
Total pension liability, beginning of year	<u>36,187,259</u>	<u>37,484,207</u>	<u>39,665,022</u>
Total pension liability, end of year	<u>37,484,207</u>	<u>39,665,022</u>	<u>42,592,182</u>
Plan fiduciary net position			
Employer contributions	394,250	599,345	705,354
Employee contributions	19,516	-	-
Net investment income	7,269,785	4,268,120	10,901,902
Benefit payments	(2,349,196)	(2,251,821)	(2,715,132)
Administrative expense	<u>(73,505)</u>	<u>(85,892)</u>	<u>(81,901)</u>
Net change in plan fiduciary net position	<u>5,260,850</u>	<u>2,529,752</u>	<u>8,810,223</u>
Plan fiduciary net position, beginning of year	<u>38,718,289</u>	<u>43,979,139</u>	<u>46,508,891</u>
Plan fiduciary net position, end of year	<u>43,979,139</u>	<u>46,508,891</u>	<u>55,319,114</u>
Net pension asset	<u>\$ (6,494,932)</u>	<u>\$ (6,843,869)</u>	<u>\$ (12,726,932)</u>
Plan fiduciary net position as a percentage of total pension liability	117.33%	117.25%	129.88%
Covered payroll	<u>\$ 13,961,612</u>	<u>\$ 14,412,297</u>	<u>\$ 16,780,910</u>
Net pension asset as a percentage of covered payroll	-46.52%	-47.49%	-75.84%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information
 Employees' Retirement System
 Schedule of the Net Pension Asset

Total System						
Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Fiduciary Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Covered Payroll
2014	\$ 161,528,782	\$ 204,508,894	\$ (42,980,112)	126.61%	\$ 41,180,449	-104.37%
2015	166,754,193	192,901,018	(26,146,825)	115.68%	41,152,336	-63.54%
2016	171,253,496	207,257,695	(36,004,199)	121.02%	43,438,087	-82.89%
2017	176,366,936	228,229,905	(51,862,969)	129.41%	45,624,833	-113.67%
2018	190,399,134	203,716,137	(13,317,003)	106.99%	47,753,851	-27.89%
2019	197,223,020	231,396,082	(34,173,062)	117.33%	51,080,853	-66.90%
2020	206,212,745	241,793,038	(35,580,293)	117.25%	52,863,931	-67.31%
2021	212,440,431	275,919,568	(63,479,137)	129.88%	56,112,391	-113.13%

County						
Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Fiduciary Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Covered Payroll
2014	\$ 105,940,267	\$ 134,129,203	\$ (28,188,936)	126.61%	\$ 28,124,717	-100.23%
2015	125,235,731	144,872,519	(19,636,788)	115.68%	29,100,398	-67.48%
2016	127,779,083	154,643,257	(26,864,174)	121.02%	30,382,053	-88.42%
2017	130,049,452	168,292,168	(38,242,716)	129.41%	31,090,984	-123.00%
2018	140,055,699	149,851,553	(9,795,854)	106.99%	32,319,766	-30.31%
2019	147,130,345	172,623,791	(25,493,446)	117.33%	33,819,547	-75.38%
2020	153,492,394	179,976,230	(26,483,836)	117.25%	34,916,793	-75.85%
2021	156,602,588	203,396,869	(46,794,281)	129.88%	35,426,516	-132.09%

Road Commission						
Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Fiduciary Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Covered Payroll
2014	\$ -	\$ -	\$ -	0.00%	\$ 2,222,722	0.00%
2015	11,962,951	13,838,725	(1,875,774)	115.68%	2,042,092	-91.86%
2016	12,093,922	14,636,538	(2,542,616)	121.02%	2,403,555	-105.79%
2017	12,186,955	15,770,686	(3,583,731)	129.41%	2,700,098	-132.73%
2018	13,607,826	14,559,592	(951,766)	106.99%	2,897,844	-32.84%
2019	12,608,468	14,793,152	(2,184,684)	117.33%	3,299,694	-66.21%
2020	13,055,329	15,307,917	(2,252,588)	117.25%	3,534,841	-63.73%
2021	13,245,661	17,203,585	(3,957,924)	129.88%	3,904,965	-101.36%

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COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information
 Employees' Retirement System
 Schedule of the Net Pension Asset

Integrated Services of Kalamazoo						
Year Ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset	Plan Fiduciary Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Asset as Percentage of Covered Payroll
2014	\$ 55,588,515	\$ 70,379,691	\$ (14,791,176)	126.61%	\$ 10,833,010	-136.54%
2015	29,555,511	34,189,774	(4,634,263)	115.68%	10,009,846	-46.30%
2016	31,380,491	37,977,900	(6,597,409)	121.02%	10,652,479	-61.93%
2017	34,130,529	44,167,051	(10,036,522)	129.41%	11,833,751	-84.81%
2018	36,735,609	39,304,992	(2,569,383)	106.99%	12,536,241	-20.50%
2019	37,484,207	43,979,139	(6,494,932)	117.33%	13,961,612	-46.52%
2020	39,665,022	46,508,891	(6,843,869)	117.25%	14,412,297	-47.49%
2021	42,592,182	55,319,114	(12,726,932)	129.88%	16,780,910	-75.84%
						concluded

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information
 Employees' Retirement System
 Schedule of Contributions

Total System					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2014	\$ 1,985,340	\$ 1,985,340	\$ -	\$ 41,180,449	4.82%
2015	1,320,723	1,320,723	-	41,152,336	3.21%
2016	1,464,540	1,464,540	-	43,438,087	3.37%
2017	1,212,943	1,212,943	-	45,624,833	2.66%
2018	782,613	782,613	-	47,753,851	1.64%
2019	2,388,579	1,998,068	390,511	51,080,853	3.91%
2020	3,011,633	3,011,633	-	52,863,931	5.70%
2021	2,835,699	2,835,699	-	56,112,391	5.05%

County					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2014	\$ 1,302,099	\$ 1,302,099	\$ -	\$ 28,124,717	4.63%
2015	843,226	843,226	-	29,100,398	2.90%
2016	949,476	949,476	-	30,382,053	3.13%
2017	662,427	662,427	-	31,090,984	2.13%
2018	424,057	424,057	-	32,319,766	1.31%
2019	1,603,818	1,603,818	-	33,819,547	4.74%
2020	2,412,288	2,412,288	-	34,916,793	6.91%
2021	2,130,345	2,130,345	-	35,426,516	6.01%

Road Commission					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2014	\$ -	\$ -	\$ -	\$ 2,222,722	0.00%
2015	-	-	-	2,042,092	0.00%
2016	-	-	-	2,403,555	0.00%
2017	-	-	-	2,700,098	0.00%
2018	-	-	-	2,897,844	0.00%
2019	-	-	-	3,299,694	0.00%
2020	-	-	-	3,534,841	0.00%
2021	-	-	-	3,904,965	0.00%

Integrated Services of Kalamazoo					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2014	\$ 683,241	\$ 683,241	\$ -	\$ 10,833,010	6.31%
2015	477,497	477,497	-	10,009,846	4.77%
2016	515,064	515,064	-	10,652,479	4.84%
2017	550,516	550,516	-	11,833,751	4.65%
2018	358,556	358,556	-	12,536,241	2.86%
2019	784,761	394,250	390,511	13,961,612	2.82%
2020	599,345	599,345	-	14,412,297	4.16%
2021	705,354	705,354	-	16,780,910	4.20%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information
Employees' Retirement System
Schedule of Investment Returns

Year Ended December 31,	Annual ⁽¹⁾ Return
2014	6.87%
2015	-1.71%
2016	13.21%
2017	17.02%
2018	-7.08%
2019	19.53%
2020	8.52%
2021	19.13%

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

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust

Total Plan

Schedule of Changes in the Net OPEB Liability and Related Ratios

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 560,834	\$ 530,375	\$ 557,369	\$ 469,445	\$ 450,582
Interest on total OPEB liability	4,485,283	4,675,342	4,320,696	4,160,394	4,143,549
Changes in benefits	1,003,146	-	-	-	-
Difference between expected and actual experience	(471,099)	(10,978,729)	(950,252)	(5,314,898)	(1,447,522)
Assumptions changes	-	5,884,457	(3,551,527)	2,785,914	-
Benefit payments	(2,942,769)	(3,114,845)	(2,619,198)	(2,467,589)	(2,179,946)
Net change in total OPEB liability	2,635,395	(3,003,400)	(2,242,912)	(366,734)	966,663
Total OPEB liability, beginning of year	60,994,738	63,630,133	60,626,733	58,383,821	58,017,087
Total OPEB liability, end of year	63,630,133	60,626,733	58,383,821	58,017,087	58,983,750
Plan fiduciary net position					
Employer contributions	5,769,169	6,094,446	3,754,962	4,654,193	4,478,687
Net investment income (loss)	2,053,018	(1,330,486)	3,227,422	2,272,800	5,013,449
Benefit payments	(2,942,769)	(3,114,845)	(2,619,198)	(2,467,589)	(2,179,946)
Administrative expense	(148,818)	(229,694)	(226,515)	(325,944)	(225,068)
Other	-	-	4,475	-	-
Net change in plan fiduciary net position	4,730,600	1,419,421	4,141,146	4,133,460	7,087,122
Plan fiduciary net position, beginning of year	12,882,688	17,613,288	19,032,709	23,173,855	27,307,315
Plan fiduciary net position, end of year	17,613,288	19,032,709	23,173,855	27,307,315	34,394,437
Net OPEB liability	\$ 46,016,845	\$ 41,594,024	\$ 35,209,966	\$ 30,709,772	\$ 24,589,313
Plan fiduciary net position as a percentage of total OPEB liability	27.68%	31.39%	39.69%	47.07%	58.31%
Covered payroll	\$ 41,683,200	\$ 40,653,266	\$ 39,286,023	\$ 37,275,400	\$ 33,653,208
Net OPEB liability as a percentage of covered payroll	110.40%	102.31%	89.62%	82.39%	73.07%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust
 County
 Schedule of Changes in the Net OPEB Liability and Related Ratios

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 430,095	\$ 429,901	\$ 454,431	\$ 399,652	\$ 385,816
Interest on total OPEB liability	3,883,245	4,045,398	3,779,078	3,625,925	3,635,969
Changes in benefits	1,003,146	-	-	-	-
Difference between expected and actual experience	(779,859)	(9,073,498)	(930,445)	(4,344,888)	(1,365,179)
Assumptions changes	-	5,148,593	(3,228,433)	2,442,670	-
Benefit payments	(2,183,504)	(2,565,480)	(2,186,688)	(2,132,701)	(1,823,107)
Net change in total OPEB liability	2,353,123	(2,015,086)	(2,112,057)	(9,342)	833,499
Total OPEB liability, beginning of year	52,653,309	55,006,432	52,991,346	50,879,289	50,869,947
Total OPEB liability, end of year	55,006,432	52,991,346	50,879,289	50,869,947	51,703,446
Plan fiduciary net position					
Employer contributions	5,261,320	5,707,497	3,409,685	4,377,173	4,185,172
Net investment income (loss)	1,333,253	(1,001,897)	2,487,936	1,801,848	4,065,167
Benefit payments	(2,183,504)	(2,565,480)	(2,186,688)	(2,132,701)	(1,823,107)
Administrative expense	(122,895)	(182,286)	(182,473)	(261,550)	(187,321)
Other	-	-	3,449	-	-
Net change in plan fiduciary net position	4,288,174	1,957,834	3,531,909	3,784,770	6,239,911
Plan fiduciary net position, beginning of year	8,086,209	12,374,383	14,332,217	17,864,126	21,648,896
Plan fiduciary net position, end of year	12,374,383	14,332,217	17,864,126	21,648,896	27,888,807
Net OPEB liability	\$ 42,632,049	\$ 38,659,129	\$ 33,015,163	\$ 29,221,051	\$ 23,814,639
Plan fiduciary net position as a percentage of total OPEB liability	22.50%	27.05%	35.11%	42.56%	53.94%
Covered payroll	\$ 33,982,319	\$ 33,626,921	\$ 32,567,422	\$ 31,060,472	\$ 27,784,720
Net OPEB liability as a percentage of covered payroll	125.45%	114.96%	101.37%	94.08%	85.71%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust
Road Commission
Schedule of Changes in the Net OPEB Liability and Related Ratios

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 48,263	\$ 33,294	\$ 36,609	\$ 21,998	\$ 21,441
Interest on total OPEB liability	245,204	253,077	225,642	225,578	208,492
Difference between expected and actual experience	(67,989)	(723,172)	(78,036)	(484,958)	(110,654)
Assumptions changes	-	291,860	(34,352)	133,201	-
Benefit payments	(133,161)	(92,870)	(144,671)	(142,217)	(120,200)
Net change in total OPEB liability	<u>92,317</u>	<u>(237,811)</u>	<u>5,192</u>	<u>(246,398)</u>	<u>(921)</u>
Total OPEB liability, beginning of year	<u>3,311,831</u>	<u>3,404,148</u>	<u>3,166,337</u>	<u>3,171,529</u>	<u>2,925,131</u>
Total OPEB liability, end of year	<u>3,404,148</u>	<u>3,166,337</u>	<u>3,171,529</u>	<u>2,925,131</u>	<u>2,924,210</u>
Plan fiduciary net position					
Employer contributions	297,957	211,297	199,525	115,341	139,465
Net investment income (loss)	211,945	(136,921)	322,464	205,105	420,591
Benefit payments	(133,161)	(92,870)	(144,671)	(142,217)	(120,200)
Administrative expense	(9,581)	(20,280)	(21,050)	(29,304)	(18,724)
Other	-	-	448	-	-
Net change in plan fiduciary net position	<u>367,160</u>	<u>(38,774)</u>	<u>356,716</u>	<u>148,925</u>	<u>421,132</u>
Plan fiduciary net position, beginning of year	<u>1,630,282</u>	<u>1,997,442</u>	<u>1,958,668</u>	<u>2,315,384</u>	<u>2,464,309</u>
Plan fiduciary net position, end of year	<u>1,997,442</u>	<u>1,958,668</u>	<u>2,315,384</u>	<u>2,464,309</u>	<u>2,885,441</u>
Net OPEB liability	<u>\$ 1,406,706</u>	<u>\$ 1,207,669</u>	<u>\$ 856,145</u>	<u>\$ 460,822</u>	<u>\$ 38,769</u>
Plan fiduciary net position as a percentage of total OPEB liability	58.68%	61.86%	73.01%	84.25%	98.67%
Covered payroll	<u>\$ 1,921,362</u>	<u>\$ 1,663,500</u>	<u>\$ 1,577,971</u>	<u>\$ 1,415,348</u>	<u>\$ 1,431,613</u>
Net OPEB liability as a percentage of covered payroll	73.21%	72.60%	54.26%	32.56%	2.71%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust
 Integrated Services of Kalamazoo
 Schedule of Changes in the Net OPEB Liability and Related Ratios

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 82,476	\$ 67,180	\$ 66,329	\$ 47,795	\$ 43,325
Interest on total OPEB liability	356,834	376,867	315,976	308,891	299,088
Difference between expected and actual experience	376,749	(1,182,059)	58,229	(485,052)	28,311
Assumptions changes	-	444,004	(288,742)	210,043	-
Benefit payments	(626,104)	(456,495)	(287,839)	(192,671)	(236,639)
Net change in total OPEB liability	<u>189,955</u>	<u>(750,503)</u>	<u>(136,047)</u>	<u>(110,994)</u>	<u>134,085</u>
Total OPEB liability, beginning of year	5,029,598	5,219,553	4,469,050	4,333,003	4,222,009
Total OPEB liability, end of year	<u>5,219,553</u>	<u>4,469,050</u>	<u>4,333,003</u>	<u>4,222,009</u>	<u>4,356,094</u>
Plan fiduciary net position					
Employer contributions	209,892	175,652	145,752	161,679	154,050
Net investment income (loss)	507,820	(191,668)	417,022	265,847	527,691
Benefit payments	(626,104)	(456,495)	(287,839)	(192,671)	(236,639)
Administrative expense	(16,342)	(27,128)	(22,992)	(35,090)	(19,023)
Other	-	-	578	-	-
Net change in plan fiduciary net position	<u>75,266</u>	<u>(499,639)</u>	<u>252,521</u>	<u>199,765</u>	<u>426,079</u>
Plan fiduciary net position, beginning of year	3,166,197	3,241,463	2,741,824	2,994,345	3,194,110
Plan fiduciary net position, end of year	<u>3,241,463</u>	<u>2,741,824</u>	<u>2,994,345</u>	<u>3,194,110</u>	<u>3,620,189</u>
Net OPEB liability	<u>\$ 1,978,090</u>	<u>\$ 1,727,226</u>	<u>\$ 1,338,658</u>	<u>\$ 1,027,899</u>	<u>\$ 735,905</u>
Plan fiduciary net position as a percentage of total OPEB liability	62.10%	61.35%	69.11%	75.65%	83.11%
Covered payroll	<u>\$ 5,779,519</u>	<u>\$ 5,362,845</u>	<u>\$ 5,140,630</u>	<u>\$ 4,799,580</u>	<u>\$ 4,436,875</u>
Net OPEB liability as a percentage of covered payroll	34.23%	32.21%	26.04%	21.42%	16.59%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust
Schedule of the Net OPEB Liability

Total Plan						
Year Ended December 31,	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2017	\$ 63,630,133	\$ 17,613,288	\$ 46,016,845	27.68%	\$ 41,683,200	110.40%
2018	60,626,733	19,032,709	41,594,024	31.39%	40,653,266	102.31%
2019	58,383,821	23,173,855	35,209,966	39.69%	39,286,023	89.62%
2020	58,017,087	27,307,315	30,709,772	47.07%	37,275,400	82.39%
2021	58,983,750	34,394,437	24,589,313	58.31%	33,653,208	73.07%

County						
Year Ended December 31,	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2017	\$ 55,006,432	\$ 12,374,383	\$ 42,632,049	22.50%	\$ 33,982,319	125.45%
2018	52,991,346	14,332,217	38,659,129	27.05%	33,626,921	114.96%
2019	50,879,289	17,864,126	33,015,163	35.11%	32,567,422	101.37%
2020	50,869,947	21,648,896	29,221,051	42.56%	31,060,472	94.08%
2021	51,703,446	27,888,807	23,814,639	53.94%	27,784,720	85.71%

Road Commission						
Year Ended December 31,	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2017	\$ 3,404,148	\$ 1,997,442	\$ 1,406,706	58.68%	\$ 1,921,362	73.21%
2018	3,166,337	1,958,668	1,207,669	61.86%	1,663,500	72.60%
2019	3,171,529	2,315,384	856,145	73.01%	1,577,971	54.26%
2020	2,925,131	2,464,309	460,822	84.25%	1,415,348	32.56%
2021	2,924,210	2,885,441	38,769	98.67%	1,431,613	2.71%

Integrated Services of Kalamazoo						
Year Ended December 31,	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total OPEB Liability	Covered Payroll	Net OPEB Liability as Percentage of Covered Payroll
2017	\$ 5,219,553	\$ 3,241,463	\$ 1,978,090	62.10%	\$ 5,779,519	34.23%
2018	4,469,050	2,741,824	1,727,226	61.35%	5,362,845	32.21%
2019	4,333,003	2,994,345	1,338,658	69.11%	5,140,630	26.04%
2020	4,222,009	3,194,110	1,027,899	75.65%	4,799,580	21.42%
2021	4,356,094	3,620,189	735,905	83.11%	4,436,875	16.59%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust
Schedule of Contributions

Total Plan					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2017	\$ 5,131,036	\$ 5,769,169	\$ (638,133)	\$ 41,683,200	13.84%
2018	3,573,709	6,094,446	(2,520,737)	40,653,266	14.99%
2019	3,573,703	3,754,962	(181,259)	39,286,023	9.56%
2020	3,210,955	4,654,193	(1,443,238)	37,275,400	12.49%
2021	3,210,819	4,478,687	(1,267,868)	33,653,208	13.31%

County					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2017	\$ 4,722,640	\$ 5,261,320	\$ (538,680)	\$ 33,982,319	15.48%
2018	3,292,072	5,707,497	(2,415,425)	33,626,921	16.97%
2019	3,304,770	3,409,685	(104,915)	32,567,422	10.47%
2020	2,965,720	4,377,173	(1,411,453)	31,060,472	14.09%
2021	2,975,221	4,185,172	(1,209,951)	27,784,720	15.06%

Road Commission					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2017	\$ 179,423	\$ 297,957	\$ (118,534)	\$ 1,921,362	15.51%
2018	125,066	211,297	(86,231)	1,663,500	12.70%
2019	123,181	199,525	(76,344)	1,577,971	12.64%
2020	83,556	115,341	(31,785)	1,415,348	8.15%
2021	81,548	139,465	(57,917)	1,431,613	9.74%

Integrated Services of Kalamazoo					
Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2017	\$ 228,973	\$ 209,892	\$ 19,081	\$ 5,779,519	3.63%
2018	156,571	175,652	(19,081)	5,362,845	3.28%
2019	145,752	145,752	-	5,140,630	2.84%
2020	161,679	161,679	-	4,799,580	3.37%
2021	154,050	154,050	-	4,436,875	3.47%

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Required Supplementary Information

Retiree Health Care Trust
Schedule of Investment Returns

Year Ended December 31,	Annual ⁽¹⁾ Return
2017	15.58%
2018	-11.91%
2019	15.10%
2020	8.98%
2021	18.04%

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

See notes to required supplementary information.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Required Supplementary Information

Employees' Retirement System

Schedule of Changes in the Net Pension Asset and Related Ratios

GASB 67 was implemented in 2014. The separate amounts associated with the primary government and its discretely presented component units was not available prior to 2019. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Covered payroll represents the valuation payroll as of the previous year ended December 31.

The 2019 assumption changes resulted from the following:

- Wage inflation decreased from 3.50% to 3.25%
- The spread between investment return and wage inflation increased from 3.75% to 4.00%
- Mortality rates for 2019 were based on the Pub-2010 amount weighted, general, employee, healthy retiree, disabled retiree, safety, male, and female tables, with future mortality improvements projected to 2025 using scale MP-2019. Mortality rates for 2018 were based on the RP-2000 Mortality Combined Healthy Tables, projected 20 years with U.S. Projection Scale BB.

The 2018 assumption changes resulted from a change in the discount rate from 7.50% to 7.25%.

The 2015 assumption changes resulted from the following:

- 1994 Group Annuity Mortality Table used in 2014 and RP-2000 Mortality Combined Healthily Tables used in 2015
- Salary increases for the County ranged from 3.5% to 9.5% in 2014 and 3.5% to 7.5% in 2015
- Salary increases for the Road Commission ranged from 3.5% to 8.2% in 2014 and 3.5% to 7.2% in 2015

Schedule of the Net Pension Asset

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

Covered payroll represents the valuation payroll as of the previous year ended December 31.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Required Supplementary Information

Employees' Retirement System

Schedule of Contributions

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

Covered payroll represents the valuation payroll as of the previous year ended December 31.

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

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, open period
Remaining amortization period	10 years
Asset valuation method	Market value with 5-year smoothing
Inflation	3.25% (which includes price inflation of 2.50%)
Salary increases (including inflation):	
County	3.25% to 7.25%
Road commission	3.25% to 6.98%
ISK	3.25% to 5.25%
Investment rate of return	7.25% net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	The Pub-2010 Amount-Weighted, General and Safety, Employee, Healthy Retiree, and Disabled retiree, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019

Schedule of Investment Returns

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Required Supplementary Information

Retiree Health Care Trust

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

The 2020 assumption changes resulted from a change inflation rate, healthcare cost trend rates, mortality tables, and salary increase percentages.

The 2019 assumption changes resulted from a change in aging factors. In 2018, aging factors were based on an internal GRS study using several pricing manuals from National Health Care Consultant Groups and incorporating analysis and data from a SOA survey regarding aging practices used in health care valuations. In 2019, aging factors were based on the 2013 SOA Study "Health Care Costs - From Birth to Death".

The 2018 assumption changes resulted from a change in the discount rate from 7.50% to 7.25%.

The 2017 change in benefit terms resulted from the following:

- The Kalamazoo County Road Commission eligibility requirements in 2016 included members hired on or before 12/31/2012. In 2017, eligibility included non-union members hired on or before 12/31/2012 and union members hired on or before 12/31/2016.
- In 2016, Sheriff employees age 55 with a least 25 years of service or age 60 with at least 10 years of service were eligible. In 2017, Sheriff employees age 55 or older with at least 8 years of County service were eligible.

Schedule of the Net OPEB Liability

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

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Required Supplementary Information

Retiree Health Care Trust

Schedule of Contributions

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

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, which is 24 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry-age normal
Amortization method:	
County	Level dollar for General, closed period; Level percentage for FOP, closed period
Road commission	Level dollar, closed period
ISK	Level dollar, closed period
Remaining amortization period:	
County	21 years for General; 26 years for FOP
Road commission	23 years
ISK	21 years
Asset valuation method	Market value assets
Inflation	3.25% (which includes price inflation of 2.50%)
Salary increases (including inflation):	
County	3.25% to 7.25%
Road commission	3.25% to 6.98%
ISK	3.25% to 5.25%
Investment rate of return	7.25% net of investment expenses
Retirement age	Age-based or service-based table of rates that are specific to the type of eligibility conditions.
Mortality	Healthy Pre-Retirement: The Pub-2010 Amount-Weighted, General, Employee, Male and Female tables. Healthy Post-Retirement: The Pub-2010 Amount-Weighted, General, Healthy Retiree, Male and Female tables. Disability Retirement: The Pub-2010 Amount-Weighted, General, Disabled Retiree, Male and Female tables. All tables use future mortality improvements projected to 2025 using Scale MP-2019.
Healthcare cost trend rates	Initial trend of 8.25% gradually decreasing to 3.50%
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Required Supplementary Information

Retiree Health Care Trust

Schedule of Investment Returns

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

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

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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 and reported in another fund. Revenues are derived primarily from property taxes, intergovernmental revenues, and charges for services.

COUNTY OF KALAMAZOO, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property	\$ 43,063,900	\$ 43,116,100	\$ 43,568,060	\$ 451,960
Treasurer	95,000	95,000	100,953	5,953
Trailer	24,000	24,000	23,565	(435)
Total taxes	43,182,900	43,235,100	43,692,578	457,478
Licenses and permits:				
County clerk / register of deeds	9,000	9,000	8,400	(600)
Animal services and enforcement	712,700	712,700	560,324	(152,376)
Treasurer	14,500	14,500	14,589	89
Soil erosion & sedimentation control	55,000	55,000	53,255	(1,745)
Medical examiner	95,000	113,000	123,200	10,200
Total licenses and permits	886,200	904,200	759,768	(144,432)
Intergovernmental:				
Federal grants:				
Prosecuting attorney	2,200	2,200	-	(2,200)
State grants:				
State revenue sharing	5,462,600	5,462,600	5,457,862	(4,738)
State stabilization sharing	2,530,000	2,530,000	2,978,194	448,194
State court fund distribution	1,200,000	1,200,000	1,151,088	(48,912)
Convention and tourism	1,355,700	1,355,700	1,353,299	(2,401)
Elections	1,000	1,000	-	(1,000)
Friend of the court	249,000	254,800	254,816	16
Circuit court trial division	183,000	182,800	182,896	96
Circuit court family division	358,000	356,900	380,286	23,386
District court	327,000	327,000	280,606	(46,394)
Prosecuting attorney	245,000	245,000	196,063	(48,937)
Probate court	150,000	144,200	167,281	23,081
County clerk / register of deeds	2,500	2,500	2,874	374
Marijuana	-	-	1,072,615	1,072,615
Local unit contributions:				
Sheriff	1,828,000	1,619,200	1,684,392	65,192
Total intergovernmental	13,894,000	13,683,900	15,162,272	1,478,372

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (continued)				
Charges for services:				
Circuit court administration	\$ 564,300	\$ 426,300	\$ 513,214	\$ 86,914
District court	1,429,400	1,329,400	1,181,666	(147,734)
Friend of the court	181,000	218,800	215,380	(3,420)
Probate court	82,300	88,100	99,612	11,512
Elections	225,900	663,500	654,070	(9,430)
Deposits	860,000	860,000	596,928	(263,072)
Identification program	10,000	10,000	13,532	3,532
Animal services and enforcement	157,000	109,800	78,788	(31,012)
County clerk / register of deeds	2,485,900	3,127,800	3,526,164	398,364
Equalization	-	-	2,500	2,500
Human resources	100	200	415	215
Prosecuting attorney	16,800	26,500	49,710	23,210
Treasurer	41,500	41,500	44,166	2,666
Buildings & grounds	-	300	507	207
Drain commissioner	1,600	1,600	750	(850)
Sheriff	1,341,800	941,800	906,052	(35,748)
HCS administration	3,500	3,500	3,500	-
Planning	2,000	2,000	913	(1,087)
Total charges for services	7,403,100	7,851,100	7,887,867	36,767
Fines and forfeitures:				
Circuit court administration	25,000	8,200	38,239	30,039
District court	775,000	775,000	893,388	118,388
Treasurer	100	100	-	(100)
Soil erosion & sedimentation control	500	500	-	(500)
Total fines and forfeitures	800,600	783,800	931,627	147,827
Investment earnings	905,000	435,000	77,104	(357,896)
Contributions and reimbursements:				
Non department revenue	-	1,517,800	1,514,025	(3,775)
Identification program	-	-	51	51
Total contributions and reimbursements	-	1,517,800	1,514,076	(3,724)

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
Other:				
Non department revenue	\$ -	\$ 2,800	\$ 2,793	\$ (7)
Circuit court administration	-	300	485	185
District court	-	-	(48)	(48)
Probate court	-	-	36	36
Family counseling services	21,700	21,700	22,725	1,025
County clerk / register of deeds	1,000	1,000	17,758	16,758
Finance	259,100	259,100	243,018	(16,082)
Central service cost recovery	4,060,600	5,052,900	4,942,937	(109,963)
Prosecuting attorney	1,800	1,800	1,560	(240)
Treasurer	500	500	20	(480)
Sheriff	241,800	391,800	361,767	(30,033)
Animal services and enforcement	-	-	180	180
Planning	18,000	18,000	978	(17,022)
Emergency management	-	-	100	100
Legal services	-	700	988	288
Friend of Court	-	-	200	200
Total other	<u>4,604,500</u>	<u>5,750,600</u>	<u>5,595,497</u>	<u>(155,103)</u>
Total revenues	<u>71,676,300</u>	<u>74,161,500</u>	<u>75,620,789</u>	<u>1,459,289</u>
Expenditures				
Current:				
General government:				
Board of commissioners	223,800	278,100	263,078	(15,022)
County administration	842,600	1,166,800	1,138,533	(28,267)
Communications	85,300	92,400	89,241	(3,159)
Legal services	406,300	635,300	605,811	(29,489)
Elections	370,300	849,200	721,153	(128,047)
County identification program	46,200	59,100	46,444	(12,656)
County clerk / register of deeds	831,500	922,000	908,842	(13,158)
Finance	1,461,800	1,694,100	1,645,793	(48,307)
Equalization	539,900	465,900	452,303	(13,597)
Fringe benefits, temporary	921,200	1,085,600	1,035,972	(49,628)
Information systems	1,310,900	1,289,600	1,268,429	(21,171)
Treasurer	1,011,000	928,100	977,484	49,384
Buildings & grounds	2,962,400	2,883,400	2,877,743	(5,657)
Utilities	1,422,700	1,422,700	1,299,089	(123,611)
Security	375,100	433,300	364,012	(69,288)
Deposits	860,000	860,000	673,134	(186,866)
Diversity, equity & inclusion	-	22,300	-	(22,300)
Total general government	<u>13,671,000</u>	<u>15,087,900</u>	<u>14,367,061</u>	<u>(720,839)</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Current (continued):				
Public safety:				
Sheriff	\$ 16,781,800	\$ 16,257,100	\$ 15,554,595	\$ (702,505)
Animal services and enforcement	949,500	944,600	815,425	(129,175)
Emergency management	285,100	319,100	300,795	(18,305)
Adult probation	48,200	50,700	19,653	(31,047)
Total public safety	<u>18,064,600</u>	<u>17,571,500</u>	<u>16,690,468</u>	<u>(881,032)</u>
Public works:				
Contractual services	352,100	371,300	361,241	(10,059)
Contractual temp employees	100,500	91,600	89,692	(1,908)
Total public works	<u>452,600</u>	<u>462,900</u>	<u>450,933</u>	<u>(11,967)</u>
Health and welfare:				
HCS administration	801,100	719,200	661,868	(57,332)
Public housing	34,500	168,800	131,000	(37,800)
Circuit court family division	938,100	964,000	952,946	(11,054)
Veterans affairs	224,800	226,900	219,184	(7,716)
Advertising	778,400	778,400	744,063	(34,337)
Veterans burial	15,000	15,000	2,700	(12,300)
Soldiers & sailors relief	50,000	50,000	44,300	(5,700)
Appropriations to:				
Community mental health	2,295,900	2,295,900	2,294,650	(1,250)
Social services	-	8,000	4,500	(3,500)
Public housing	125,000	125,000	125,000	-
Total health and welfare	<u>5,262,800</u>	<u>5,351,200</u>	<u>5,180,211</u>	<u>(170,989)</u>
Judicial:				
Circuit court administration	4,604,400	4,664,200	4,509,665	(154,535)
Circuit court trial division	474,500	471,300	461,229	(10,071)
District court	4,419,600	4,523,300	4,451,443	(71,857)
Prosecuting attorney	2,786,600	2,930,100	2,891,987	(38,113)
Jury board	3,300	3,300	2,944	(356)
Probate court	875,100	896,300	882,153	(14,147)
Total judicial	<u>13,163,500</u>	<u>13,488,500</u>	<u>13,199,421</u>	<u>(289,079)</u>
Community and economic development:				
Planning	340,400	305,800	288,210	(17,590)
MSU extension	293,400	311,900	293,521	(18,379)
Appropriation to SW Michigan First	75,000	31,100	31,027	(73)
Total community and economic development	<u>708,800</u>	<u>648,800</u>	<u>612,758</u>	<u>(36,042)</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Detailed Schedule of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Other:				
Contingency	\$ 100,500	\$ 34,900	\$ -	\$ (34,900)
Restricted reserve	2,378,000	52,700	-	(52,700)
At-large drains	104,300	104,300	89,927	(14,373)
Insurance	20,000	20,000	(7,685)	(27,685)
Strategic issues	80,000	111,500	79,600	(31,900)
Total other	<u>2,682,800</u>	<u>323,400</u>	<u>161,842</u>	<u>(161,558)</u>
Total expenditures	<u>54,006,100</u>	<u>52,934,200</u>	<u>50,662,694</u>	<u>(2,271,506)</u>
Revenues over expenditures	<u>17,670,200</u>	<u>21,227,300</u>	<u>24,958,095</u>	<u>3,730,795</u>
Other financing sources (uses)				
Transfers in	1,690,000	1,593,300	1,593,300	-
Transfers out	(19,375,200)	(23,031,500)	(19,934,261)	(3,097,239)
Proceeds from sale of capital assets	15,000	15,000	8,470	(6,530)
Total other financing sources (uses)	<u>(17,670,200)</u>	<u>(21,423,200)</u>	<u>(18,332,491)</u>	<u>3,090,709</u>
Net change in fund balance	-	(195,900)	6,625,604	6,821,504
Fund balance, beginning of year	<u>39,496,245</u>	<u>39,496,245</u>	<u>39,496,245</u>	-
Fund balance, end of year	<u>\$ 39,496,245</u>	<u>\$ 39,300,345</u>	<u>\$ 46,121,849</u>	<u>\$ 6,821,504</u>

concluded

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 Fund – accounts for the maintenance and operation of the County owned parks and fairgrounds. Funding is provided from charges for services, grants, and interfund transfers.

Health Fund – accounts 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.

Capital Outlay Special Grants Fund – accounts 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.

Friend of the Court Fund – accounts for operations of the Friend of the Court, including costs incurred in the collection and subsequent disbursement of child support payments. Fund 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.

Justice Special Grants Fund – accounts for various judicial function activities financed by federal and/or state grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

Public Works Special Grants Fund – accounts 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.

Clerk Special Grants Fund – accounts for clerk activities financed by federal and/or state grants or local grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

Community Economic Development Special Grants Fund – accounts for the tax collections received and distributed to the Public Housing Commission.

Accommodation Tax Fund – accounts 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.

Public Safety Special Grants Fund – accounts for various public safety function activities financed by charges for services and federal and/or state grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

COUNTY OF KALAMAZOO, MICHIGAN

Nonmajor Governmental Funds

Concealed Pistol Licensing Fund – accounts for the fees collected and expenditures related to the County Clerk issuing licenses to carry a concealed pistol and administering Public Act 3 of 2015.

Law Library Fund – accounts for funds provided for the maintenance of a law library. Funding is provided from penal fees and interfund transfers.

Area Agency on Aging Fund – accounts for operation and administration of services programs to senior citizens. Funding is provided through federal and state grants.

Child Care Fund – accounts for the County court-administered health and welfare of minor children. Funding is provided through federal and state grants and interfund transfers.

Housing Grant Fund – accounts for housing activities financed by federal and/or state grants or local grants restricted for such activities. None are considered individually significant to require presentation in a separate fund.

Community Corrections Fund – accounts 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.

Indigent Defense Fund – accounts for state grant revenue and local share contributions to provide indigent defendants in criminal cases with effective assistance of counsel.

Health and Community Services Grants Fund – accounts 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.

911 Millage Fund – accounts for activity related to the collection of the special voter approved millage to support emergency services.

Senior Millage Fund – accounts for activity related to the collection of the special voter approved millage to support the programs for Kalamazoo County residents age 60 and older.

Debt Service Funds

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

2007 Juvenile Home Bond Fund – accounts 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.

2011 Expo Center Improvements Fund – accounts 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.

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COUNTY OF KALAMAZOO, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2021

	Special Revenue Funds				
	Parks	Health	Capital Outlay Special Grants	Friend of the Court	Justice Special Grants
Assets					
Cash and cash equivalents	\$ -	\$ 514,818	\$ 304,250	\$ -	\$ -
Investments	-	-	-	-	-
Receivables:					
Accounts	106,230	45,885	8,294	-	223,619
Taxes	-	-	-	-	-
Due from other governments	-	24,065	-	456,166	471,856
Accrued interest	-	-	-	-	-
Inventories	477	-	-	406	-
Prepays	2,288	200	85	-	-
Total assets	<u>\$ 108,995</u>	<u>\$ 584,968</u>	<u>\$ 312,629</u>	<u>\$ 456,572</u>	<u>\$ 695,475</u>
Liabilities					
Negative equity in pooled cash and cash equivalents	\$ 28,429	\$ -	\$ -	\$ 340,549	\$ 105,727
Accounts payable	43,110	47,741	9,271	13,190	80,128
Accrued liabilities	29,222	140,455	2,341	102,427	63,289
Due to other governments	-	121,250	-	-	-
Deposits payable	5,469	2,166	-	-	-
Unearned revenue	-	2,946	-	-	446,331
Total liabilities	<u>106,230</u>	<u>314,558</u>	<u>11,612</u>	<u>456,166</u>	<u>695,475</u>
Deferred inflows of resources					
Property taxes levied for subsequent period	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	2,765	200	85	406	-
Restricted	-	-	300,932	-	-
Assigned	-	270,210	-	-	-
Total fund balances	<u>2,765</u>	<u>270,410</u>	<u>301,017</u>	<u>406</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 108,995</u>	<u>\$ 584,968</u>	<u>\$ 312,629</u>	<u>\$ 456,572</u>	<u>\$ 695,475</u>



Special Revenue Funds						
Public Works Special Grants	Clerk Special Grants	Community Economic Development Special Grants	Accommodation Tax	Public Safety Special Grants	Concealed Pistol Licensing	Law Library
\$ 6,809	\$ 30,216	\$ 782,621	\$ 733,369	\$ 918,135	\$ 415,584	\$ 37,130
-	-	-	-	-	-	-
-	-	-	183,817	384,230	-	-
-	-	6,262,245	-	-	-	-
42,675	-	-	-	137,022	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	350	-	-
<u>\$ 49,484</u>	<u>\$ 30,216</u>	<u>\$ 7,044,866</u>	<u>\$ 917,186</u>	<u>\$ 1,439,737</u>	<u>\$ 415,584</u>	<u>\$ 37,130</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49,484	-	-	295,208	438,413	1,271	37,130
-	657	-	-	5,635	1,439	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	29,559	-	-	184,448	-	-
<u>49,484</u>	<u>30,216</u>	<u>-</u>	<u>295,208</u>	<u>628,496</u>	<u>2,710</u>	<u>37,130</u>
-	-	7,009,026	-	-	-	-
-	-	1,189	-	-	-	-
-	-	<u>7,010,215</u>	-	-	-	-
-	-	-	-	350	-	-
-	-	34,651	621,978	810,891	412,874	-
-	-	-	-	-	-	-
-	-	<u>34,651</u>	<u>621,978</u>	<u>811,241</u>	<u>412,874</u>	<u>-</u>
<u>\$ 49,484</u>	<u>\$ 30,216</u>	<u>\$ 7,044,866</u>	<u>\$ 917,186</u>	<u>\$ 1,439,737</u>	<u>\$ 415,584</u>	<u>\$ 37,130</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				
	Area Agency on Aging	Child Care	Housing Grant	Community Corrections	Indigent Defense
Assets					
Cash and cash equivalents	\$ 252,158	\$ -	\$ 37,500	\$ -	\$ 3,077,904
Investments	-	-	-	-	96
Receivables:					
Accounts	34,964	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	363,693	1,013,256	-	237,315	-
Accrued interest	-	-	-	-	3
Inventories	-	-	-	-	-
Prepays	-	375	-	-	-
Total assets	<u>\$ 650,815</u>	<u>\$ 1,013,631</u>	<u>\$ 37,500</u>	<u>\$ 237,315</u>	<u>\$ 3,078,003</u>
Liabilities					
Negative equity in pooled cash and cash equivalents	\$ -	\$ 621,525	\$ -	\$ 168,246	\$ -
Accounts payable	591,267	182,036	20,000	15,792	1,062,394
Accrued liabilities	52,108	209,695	-	41,387	4,825
Due to other governments	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	7,440	-	17,500	-	2,010,784
Total liabilities	<u>650,815</u>	<u>1,013,256</u>	<u>37,500</u>	<u>225,425</u>	<u>3,078,003</u>
Deferred inflows of resources					
Property taxes levied for subsequent period	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	-	375	-	-	-
Restricted	-	-	-	11,890	-
Assigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>375</u>	<u>-</u>	<u>11,890</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 650,815</u>	<u>\$ 1,013,631</u>	<u>\$ 37,500</u>	<u>\$ 237,315</u>	<u>\$ 3,078,003</u>

Special Revenue Fund			Debt Service Funds		Total
Health and Community Services Grants	911 Millage	Senior Millage	2007 Juvenile Home Bond	2011 Expo Center Improvements	
\$ 916,193	\$ 681,014	\$ 3,685,169	\$ 198,697	\$ -	\$ 12,591,567
-	-	-	268,787	-	268,883
6,940	-	-	-	-	993,979
-	5,433,310	2,915,191	1,411,634	-	16,022,380
213,405	-	-	-	-	2,959,453
-	-	-	-	-	3
-	-	-	-	-	883
15,852	-	-	-	-	19,150
<u>\$ 1,152,390</u>	<u>\$ 6,114,324</u>	<u>\$ 6,600,360</u>	<u>\$ 1,879,118</u>	<u>\$ -</u>	<u>\$ 32,856,298</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,264,476
62,919	-	-	-	-	2,949,354
153,011	-	-	-	-	806,491
98,064	-	-	-	-	219,314
-	-	-	-	-	7,635
822,544	-	-	-	-	3,521,552
<u>1,136,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,768,822</u>
-	6,074,489	3,255,896	1,577,851	-	17,917,262
-	1,913	3,899	2,674	-	9,675
<u>-</u>	<u>6,076,402</u>	<u>3,259,795</u>	<u>1,580,525</u>	<u>-</u>	<u>17,926,937</u>
15,852	-	-	-	-	20,033
-	37,922	3,340,565	298,593	-	5,870,296
-	-	-	-	-	270,210
<u>15,852</u>	<u>37,922</u>	<u>3,340,565</u>	<u>298,593</u>	<u>-</u>	<u>6,160,539</u>
<u>\$ 1,152,390</u>	<u>\$ 6,114,324</u>	<u>\$ 6,600,360</u>	<u>\$ 1,879,118</u>	<u>\$ -</u>	<u>\$ 32,856,298</u>

concluded

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2021

	Special Revenue Funds				
	Parks	Health	Capital Outlay Special Grants	Friend of the Court	Justice Special Grants
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	790,290	-	-	-
Intergovernmental	-	1,860,200	-	2,077,107	2,308,952
Charges for services	1,082,374	781,428	256,990	74,858	49,083
Investment earnings	4,425	-	-	-	-
Contributions, grants and reimbursements	31,658	1,444	7,257	-	23,701
Other	2,473	-	-	-	-
Total revenues	1,120,930	3,433,362	264,247	2,151,965	2,381,736
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	6,517,651	-	-	-
Cultural and recreation	1,306,689	-	-	-	-
Judicial	-	-	-	3,084,681	2,742,418
Community and economic development	-	-	194,515	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	580,998	-	-
Total expenditures	1,306,689	6,517,651	775,513	3,084,681	2,742,418
Revenues over (under) expenditures	(185,759)	(3,084,289)	(511,266)	(932,716)	(360,682)
Other financing sources (uses)					
Transfers in	184,686	3,084,288	571,018	932,827	360,682
Transfers out	-	-	-	-	-
Total other financing sources (uses)	184,686	3,084,288	571,018	932,827	360,682
Net change in fund balances	(1,073)	(1)	59,752	111	-
Fund balances, beginning of year	3,838	270,411	241,265	295	-
Fund balances, end of year	\$ 2,765	\$ 270,410	\$ 301,017	\$ 406	\$ -

Special Revenue Funds						
Public Works Special Grants	Clerk Special Grants	Community Economic Development Special Grants	Accommodation Tax	Public Safety Special Grants	Concealed Pistol Licensing	Law Library
\$ -	\$ -	\$ 902,218	\$ 2,741,031	\$ -	\$ -	\$ -
-	-	-	-	-	188,670	-
75,385	-	90,654	-	743,749	-	-
-	-	-	-	1,195,106	4,425	-
-	20,566	-	-	57,810	-	-
-	-	-	-	24,215	900	6,500
75,385	20,566	992,872	2,741,031	2,020,880	193,995	6,500
-	19,502	-	-	-	-	-
-	-	-	-	1,934,172	62,384	-
75,626	-	-	-	-	-	-
-	-	-	2,016,719	-	-	-
-	-	-	-	-	-	74,259
-	-	979,465	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,064	-	-	65,386	7,490	-
75,626	20,566	979,465	2,016,719	1,999,558	69,874	74,259
(241)	-	13,407	724,312	21,322	124,121	(67,759)
-	-	-	-	871	-	67,759
-	-	-	(1,100,659)	-	-	-
-	-	-	(1,100,659)	871	-	67,759
(241)	-	13,407	(376,347)	22,193	124,121	-
241	-	21,244	998,325	789,048	288,753	-
\$ -	\$ -	\$ 34,651	\$ 621,978	\$ 811,241	\$ 412,874	\$ -

continued...

COUNTY OF KALAMAZOO, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Change in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2021**

	Special Revenue Funds				
	Area Agency on Aging	Child Care	Housing Grant	Community Corrections	Indigent Defense
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,897,893	4,095,327	-	749,471	1,996,076
Charges for services	21,700	73,652	-	368,621	65,625
Investment earnings	-	-	-	-	2
Contributions, grants and reimbursements	597	(167)	20,000	-	-
Other	-	-	-	-	-
Total revenues	1,920,190	4,168,812	20,000	1,118,092	2,061,703
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	1,390,954	-
Public works	-	-	-	-	-
Health and welfare	4,703,617	8,368,985	20,000	-	-
Cultural and recreation	-	-	-	-	-
Judicial	-	-	-	-	3,465,718
Community and economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	4,693	-
Total expenditures	4,703,617	8,368,985	20,000	1,395,647	3,465,718
Revenues over (under) expenditures	(2,783,427)	(4,200,173)	-	(277,555)	(1,404,015)
Other financing sources (uses)					
Transfers in	2,783,127	4,200,548	-	106,931	1,404,015
Transfers out	-	-	-	-	-
Total other financing sources (uses)	2,783,127	4,200,548	-	106,931	1,404,015
Net change in fund balances	(300)	375	-	(170,624)	-
Fund balances, beginning of year	300	-	-	182,514	-
Fund balances, end of year	\$ -	\$ 375	\$ -	\$ 11,890	\$ -

Special Revenue Fund			Debt Service Funds		Total
Health and Community Services Grants	911 Millage	Senior Millage	2007 Juvenile Home Bond	2011 Expo Center Improvements	
\$ -	\$ 5,939,022	\$ 3,163,106	\$ 1,505,059	\$ -	\$ 14,250,436
-	-	-	-	-	978,960
5,932,856	-	317,866	185,264	-	22,330,800
260	-	-	-	-	3,974,122
-	-	-	157	-	4,584
147,970	-	-	-	-	310,836
-	-	-	-	-	34,088
<u>6,081,086</u>	<u>5,939,022</u>	<u>3,480,972</u>	<u>1,690,480</u>	<u>-</u>	<u>41,883,826</u>
-	-	-	-	-	19,502
-	5,901,100	-	-	-	9,288,610
-	-	-	-	-	75,626
6,250,230	-	-	-	-	25,860,483
-	-	-	-	-	3,323,408
-	-	-	-	-	9,367,076
-	-	-	-	-	1,173,980
-	-	-	975,000	215,000	1,190,000
-	-	-	783,001	39,955	822,956
233,428	-	-	-	-	893,059
<u>6,483,658</u>	<u>5,901,100</u>	<u>-</u>	<u>1,758,001</u>	<u>254,955</u>	<u>52,014,700</u>
<u>(402,572)</u>	<u>37,922</u>	<u>3,480,972</u>	<u>(67,521)</u>	<u>(254,955)</u>	<u>(10,130,874)</u>
415,369	-	-	-	254,955	14,367,076
-	-	(2,588,830)	-	-	(3,689,489)
<u>415,369</u>	<u>-</u>	<u>(2,588,830)</u>	<u>-</u>	<u>254,955</u>	<u>10,677,587</u>
12,797	37,922	892,142	(67,521)	-	546,713
3,055	-	2,448,423	366,114	-	5,613,826
<u>\$ 15,852</u>	<u>\$ 37,922</u>	<u>\$ 3,340,565</u>	<u>\$ 298,593</u>	<u>\$ -</u>	<u>\$ 6,160,539</u>

concluded

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2021

	Parks			Health		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	758,000	790,290	32,290
Intergovernmental	-	-	-	1,773,800	1,860,200	86,400
Charges for services	1,153,600	1,082,374	(71,226)	966,300	781,428	(184,872)
Investment earnings	5,500	4,425	(1,075)	-	-	-
Contributions, grants and reimbursements	100,500	31,658	(68,842)	17,000	1,444	(15,556)
Other	6,300	2,473	(3,827)	-	-	-
Total revenues	1,265,900	1,120,930	(144,970)	3,515,100	3,433,362	(81,738)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	7,033,300	6,517,651	(515,649)
Cultural and recreation	1,652,100	1,306,689	(345,411)	-	-	-
Judicial	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,652,100	1,306,689	(345,411)	7,033,300	6,517,651	(515,649)
Revenues over (under) expenditures	(386,200)	(185,759)	200,441	(3,518,200)	(3,084,289)	433,911
Other financing sources (uses)						
Transfers in	386,200	184,686	(201,514)	3,518,200	3,084,288	(433,912)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	386,200	184,686	(201,514)	3,518,200	3,084,288	(433,912)
Net change in fund balances	-	(1,073)	(1,073)	-	(1)	(1)
Fund balances, beginning of year	3,838	3,838	-	270,411	270,411	-
Fund balances, end of year	\$ 3,838	\$ 2,765	\$ (1,073)	\$ 270,411	\$ 270,410	\$ (1)

Capital Outlay Special Grants			Friend of the Court			Justice Special Grants		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
200,000	256,990	56,990	2,086,000	2,077,107	(8,893)	2,904,300	2,308,952	(595,348)
-	-	-	69,000	74,858	5,858	57,500	49,083	(8,417)
7,200	7,257	57	-	-	-	-	-	-
-	-	-	-	-	-	69,000	23,701	(45,299)
-	-	-	-	-	-	30,600	-	(30,600)
<u>207,200</u>	<u>264,247</u>	<u>57,047</u>	<u>2,155,000</u>	<u>2,151,965</u>	<u>(3,035)</u>	<u>3,061,400</u>	<u>2,381,736</u>	<u>(679,664)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	3,131,800	3,084,681	(47,119)	3,605,600	2,742,418	(863,182)
311,000	194,515	(116,485)	-	-	-	-	-	-
<u>630,800</u>	<u>580,998</u>	<u>(49,802)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>941,800</u>	<u>775,513</u>	<u>(166,287)</u>	<u>3,131,800</u>	<u>3,084,681</u>	<u>(47,119)</u>	<u>3,605,600</u>	<u>2,742,418</u>	<u>(863,182)</u>
<u>(734,600)</u>	<u>(511,266)</u>	<u>223,334</u>	<u>(976,800)</u>	<u>(932,716)</u>	<u>44,084</u>	<u>(544,200)</u>	<u>(360,682)</u>	<u>183,518</u>
573,600	571,018	(2,582)	976,800	932,827	(43,973)	544,200	360,682	(183,518)
-	-	-	-	-	-	-	-	-
<u>573,600</u>	<u>571,018</u>	<u>(2,582)</u>	<u>976,800</u>	<u>932,827</u>	<u>(43,973)</u>	<u>544,200</u>	<u>360,682</u>	<u>(183,518)</u>
(161,000)	59,752	220,752	-	111	111	-	-	-
<u>241,265</u>	<u>241,265</u>	<u>-</u>	<u>295</u>	<u>295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 80,265</u>	<u>\$ 301,017</u>	<u>\$ 220,752</u>	<u>\$ 295</u>	<u>\$ 406</u>	<u>\$ 111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2021

	Public Works Special Grants			Clerk Special Grants		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	81,800	75,385	(6,415)	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Contributions, grants and reimbursements	-	-	-	50,000	20,566	(29,434)
Other	-	-	-	-	-	-
Total revenues	81,800	75,385	(6,415)	50,000	20,566	(29,434)
Expenditures						
Current:						
General government	-	-	-	45,000	19,502	(25,498)
Public safety	-	-	-	-	-	-
Public works	82,100	75,626	(6,474)	-	-	-
Health and welfare	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay	-	-	-	5,000	1,064	(3,936)
Total expenditures	82,100	75,626	(6,474)	50,000	20,566	(29,434)
Revenues over (under) expenditures	(300)	(241)	59	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(300)	(241)	59	-	-	-
Fund balances, beginning of year	241	241	-	-	-	-
Fund balances, end of year	\$ (59)	\$ -	\$ 59	\$ -	\$ -	\$ -

Community Economic Development Special Grants			Accommodation Tax			Public Safety Special Grants		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ 908,200	\$ 902,218	\$ (5,982)	\$ 2,555,000	\$ 2,741,031	\$ 186,031	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
50,000	90,654	40,654	-	-	-	771,500	743,749	(27,751)
-	-	-	-	-	-	1,239,900	1,195,106	(44,794)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	60,300	57,810	(2,490)
-	-	-	-	-	-	20,900	24,215	3,315
958,200	992,872	34,672	2,555,000	2,741,031	186,031	2,092,600	2,020,880	(71,720)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,084,400	1,934,172	(150,228)
-	-	-	-	-	-	-	-	-
-	-	-	1,823,800	2,016,719	192,919	-	-	-
-	-	-	-	-	-	-	-	-
979,500	979,465	(35)	-	-	-	-	-	-
-	-	-	-	-	-	133,200	65,386	(67,814)
979,500	979,465	(35)	1,823,800	2,016,719	192,919	2,217,600	1,999,558	(218,042)
(21,300)	13,407	34,707	731,200	724,312	(6,888)	(125,000)	21,322	146,322
-	-	-	-	-	-	-	871	871
-	-	-	(1,304,800)	(1,100,659)	(204,141)	-	-	-
-	-	-	(1,304,800)	(1,100,659)	204,141	-	871	871
(21,300)	13,407	34,707	(573,600)	(376,347)	197,253	(125,000)	22,193	147,193
21,244	21,244	-	998,325	998,325	-	789,048	789,048	-
\$ (56)	\$ 34,651	\$ 34,707	\$ 424,725	\$ 621,978	\$ 197,253	\$ 664,048	\$ 811,241	\$ 147,193

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2021

	Concealed Pistol Licensing			Law Library		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	147,600	188,670	41,070	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	4,425	4,425	-	-	-
Investment earnings	-	-	-	-	-	-
Contributions, grants and reimbursements	-	-	-	-	-	-
Other	-	900	900	6,500	6,500	-
Total revenues	147,600	193,995	46,395	6,500	6,500	-
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	122,600	62,384	(60,216)	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Judicial	-	-	-	74,300	74,259	(41)
Community and economic development	-	-	-	-	-	-
Capital outlay	25,000	7,490	(17,510)	-	-	-
Total expenditures	147,600	69,874	(77,726)	74,300	74,259	(41)
Revenues over (under) expenditures	-	124,121	124,121	(67,800)	(67,759)	41
Other financing sources (uses)						
Transfers in	-	-	-	67,800	67,759	(41)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	67,800	67,759	(41)
Net change in fund balances	-	124,121	124,121	-	-	-
Fund balances, beginning of year	288,753	288,753	-	-	-	-
Fund balances, end of year	\$ 288,753	\$ 412,874	\$ 124,121	\$ -	\$ -	\$ -

Area Agency on Aging			Child Care			Housing Grant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
2,425,800	1,897,893	(527,907)	3,823,800	4,095,327	271,527	-	-	-
18,400	21,700	3,300	73,500	73,652	152	-	-	-
-	-	-	-	-	-	-	-	-
600	597	(3)	-	(167)	(167)	37,500	20,000	(17,500)
648,300	-	(648,300)	-	-	-	-	-	-
<u>3,093,100</u>	<u>1,920,190</u>	<u>(1,172,910)</u>	<u>3,897,300</u>	<u>4,168,812</u>	<u>271,512</u>	<u>37,500</u>	<u>20,000</u>	<u>(17,500)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,403,500	4,703,617	(1,699,883)	9,150,400	8,368,985	(781,415)	37,500	20,000	(17,500)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>6,403,500</u>	<u>4,703,617</u>	<u>(1,699,883)</u>	<u>9,150,400</u>	<u>8,368,985</u>	<u>(781,415)</u>	<u>37,500</u>	<u>20,000</u>	<u>(17,500)</u>
<u>(3,310,400)</u>	<u>(2,783,427)</u>	<u>526,973</u>	<u>(5,253,100)</u>	<u>(4,200,173)</u>	<u>1,052,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,310,400	2,783,127	(527,273)	5,253,100	4,200,548	(1,052,552)	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,310,400</u>	<u>2,783,127</u>	<u>(527,273)</u>	<u>5,253,100</u>	<u>4,200,548</u>	<u>(1,052,552)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(300)	(300)	-	375	375	-	-	-
300	300	-	-	-	-	-	-	-
<u>\$ 300</u>	<u>\$ -</u>	<u>\$ (300)</u>	<u>\$ -</u>	<u>\$ 375</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances

Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2021

	Community Corrections			Indigent Defense		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	725,000	749,471	24,471	3,137,700	1,996,076	(1,141,624)
Charges for services	604,600	368,621	(235,979)	-	65,625	65,625
Investment earnings	-	-	-	-	2	2
Contributions, grants and reimbursements	-	-	-	-	-	-
Other	189,100	-	(189,100)	508,900	-	(508,900)
Total revenues	1,518,700	1,118,092	(400,608)	3,646,600	2,061,703	(1,584,897)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	1,659,500	1,390,954	(268,546)	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Judicial	-	-	-	4,821,600	3,465,718	(1,355,882)
Community and economic development	-	-	-	-	-	-
Capital outlay	3,600	4,693	1,093	-	-	-
Total expenditures	1,663,100	1,395,647	(267,453)	4,821,600	3,465,718	(1,355,882)
Revenues over (under) expenditures	(144,400)	(277,555)	(133,155)	(1,175,000)	(1,404,015)	(229,015)
Other financing sources (uses)						
Transfers in	90,000	106,931	16,931	1,175,000	1,404,015	229,015
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	90,000	106,931	16,931	1,175,000	1,404,015	229,015
Net change in fund balances	(54,400)	(170,624)	(116,224)	-	-	-
Fund balances, beginning of year	182,514	182,514	-	-	-	-
Fund balances, end of year	\$ 128,114	\$ 11,890	\$ (116,224)	\$ -	\$ -	\$ -



Health and Community Services Grants			911 Millage			Senior Millage		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 5,901,100	\$ 5,939,022	\$ 37,922	\$ 3,185,900	\$ 3,163,106	\$ (22,794)
-	-	-	-	-	-	-	-	-
7,187,800	5,932,856	(1,254,944)	-	-	-	-	317,866	317,866
1,000	260	(740)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
150,000	147,970	(2,030)	-	-	-	-	-	-
731,200	-	(731,200)	-	-	-	-	-	-
<u>8,070,000</u>	<u>6,081,086</u>	<u>(1,988,914)</u>	<u>5,901,100</u>	<u>5,939,022</u>	<u>37,922</u>	<u>3,185,900</u>	<u>3,480,972</u>	<u>295,072</u>
-	-	-	-	-	-	-	-	-
-	-	-	5,901,100	5,901,100	-	-	-	-
-	-	-	-	-	-	-	-	-
8,259,400	6,250,230	(2,009,170)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
403,200	233,428	(169,772)	-	-	-	-	-	-
<u>8,662,600</u>	<u>6,483,658</u>	<u>(2,178,942)</u>	<u>5,901,100</u>	<u>5,901,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(592,600)</u>	<u>(402,572)</u>	<u>190,028</u>	<u>-</u>	<u>37,922</u>	<u>37,922</u>	<u>3,185,900</u>	<u>3,480,972</u>	<u>295,072</u>
592,600	415,369	(177,231)	-	-	-	-	-	-
-	-	-	-	-	-	(3,185,900)	(2,588,830)	(597,070)
<u>592,600</u>	<u>415,369</u>	<u>(177,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,185,900)</u>	<u>(2,588,830)</u>	<u>597,070</u>
-	12,797	12,797	-	37,922	37,922	-	892,142	892,142
3,055	3,055	-	-	-	-	2,448,423	2,448,423	-
<u>\$ 3,055</u>	<u>\$ 15,852</u>	<u>\$ 12,797</u>	<u>\$ -</u>	<u>\$ 37,922</u>	<u>\$ 37,922</u>	<u>\$ 2,448,423</u>	<u>\$ 3,340,565</u>	<u>\$ 892,142</u>

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COUNTY OF KALAMAZOO, MICHIGAN

Internal Service Funds

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

Employee Benefits Fund – 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 – 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.

Alcott Facility 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 – 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 – was established to accumulate and allocate the costs of a personnel pool utilized by many of the health and welfare departments of the primary government. Funding is provided through charges for services to benefited departments.

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

Insurance Fund – was established to account for insurance costs associated with the Michigan Municipal Risk Management Authority and other purchased commercial insurance as well as proceeds related to insurance claims. Funding is provided by the General Fund.

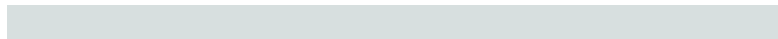
COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2021

	Employee Benefits	Technology	Alcott Facility	Central Stores
Assets				
Current assets:				
Cash and cash equivalents	\$ 8,524,723	\$ 706,626	\$ -	\$ 75,174
Receivables:				
Accounts	94,807	-	-	-
Accrued interest	3,772	-	-	-
Inventories	-	6,475	2,788	93,531
Prepays	67,055	249,352	4,104,167	4,917
Total current assets	8,690,357	962,453	4,106,955	173,622
Noncurrent assets:				
Capital assets not being depreciated	-	335,364	-	-
Capital assets being depreciated, net	-	301,006	735,017	20,207
Total noncurrent assets	-	636,370	735,017	20,207
Total assets	8,690,357	1,598,823	4,841,972	193,829
Liabilities				
Current liabilities:				
Negative equity in cash and cash equivalents	-	-	-	-
Accounts payable	420,576	90,980	16,942	85,507
Accrued liabilities	240,779	12,301	15,291	4,872
Deposits payable	76,967	-	-	5,303
Current portion of long-term debt	5,943	31,472	30,203	6,040
Total current liabilities	744,265	134,753	62,436	101,722
Noncurrent liabilities, net of current portion:				
Claims payable	2,522,055	-	-	-
Total liabilities	3,266,320	134,753	62,436	101,722
Net position				
Investment in capital assets	-	636,370	735,017	20,207
Unrestricted	5,424,037	827,700	4,044,519	71,900
Total net position	\$ 5,424,037	\$ 1,464,070	\$ 4,779,536	\$ 92,107



HSD Personnel Pool	Local Site Remediation Revolving Fund	Insurance	Total
\$ -	\$ 728,822	\$ -	\$ 10,035,345
-	-	611,058	705,865
-	-	-	3,772
-	-	-	102,794
-	-	744,692	5,170,183
-	728,822	1,355,750	16,017,959
-	-	-	335,364
-	-	-	1,056,230
-	-	-	1,391,594
-	728,822	1,355,750	17,409,553
-	-	792,394	792,394
-	1,103	11,506	626,614
-	-	-	273,243
-	-	-	82,270
-	-	-	73,658
-	1,103	803,900	1,848,179
-	-	551,850	3,073,905
-	1,103	1,355,750	4,922,084
-	-	-	1,391,594
-	727,719	-	11,095,875
\$ -	\$ 727,719	\$ -	\$ 12,487,469

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Revenues, Expenditures and

Change in Fund Net Position

Internal Service Funds

For the Year Ended December 31, 2021

	Employee Benefits	Technology	Alcott Facility	Central Stores
Operating revenues				
Charges for services	\$ 23,371,058	\$ 1,365,263	\$ 889,726	\$ 601,477
Operating expenses				
Salaries and fringes	-	309,206	375,187	118,874
Supplies and other operating expenses	116,120	640,691	870,222	490,595
Depreciation	-	127,443	80,560	3,109
Insurance benefits and claims	25,645,912	-	-	-
Total operating expenses	25,762,032	1,077,340	1,325,969	612,578
Operating income (loss)	(2,390,974)	287,923	(436,243)	(11,101)
Nonoperating revenues				
Investment earnings	30,673	-	-	-
Income (loss) before transfers	(2,360,301)	287,923	(436,243)	(11,101)
Transfers in	-	-	112,193	-
Change in net position	(2,360,301)	287,923	(324,050)	(11,101)
Net position, beginning of year	7,784,338	1,176,147	5,103,586	103,208
Net position, end of year	\$ 5,424,037	\$ 1,464,070	\$ 4,779,536	\$ 92,107



HSD Personnel Pool	Local Site Remediation Revolving Fund	Insurance	Total
\$ -	\$ 256,990	\$ 56,440	\$ 26,540,954
-	-	-	803,267
-	12,916	-	2,130,544
-	-	-	211,112
-	-	1,614,819	27,260,731
-	12,916	1,614,819	30,405,654
-	244,074	(1,558,379)	(3,864,700)
-	-	18,291	48,964
-	244,074	(1,540,088)	(3,815,736)
-	-	343,337	455,530
-	244,074	(1,196,751)	(3,360,206)
-	483,645	1,196,751	15,847,675
<u>\$ -</u>	<u>\$ 727,719</u>	<u>\$ -</u>	<u>\$ 12,487,469</u>

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2021

	Employee Benefits	Technology	Alcott Facility	Central Stores
Cash flows from operating activities				
Receipts from customers and users	\$ 23,445,775	\$ 1,365,263	\$ 889,726	\$ 601,704
Payments to vendors	(116,120)	(704,462)	(628,899)	(457,563)
Payments for personnel services	(3,803)	(297,071)	(373,020)	(114,007)
Benefit payments	(24,670,683)	-	-	-
Net cash provided by (used in) operating activities	(1,344,831)	363,730	(112,193)	30,134
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	112,193	-
Cash flows from capital and related financing activities				
Purchase of capital assets	-	(381,595)	-	-
Cash flows from investing activities				
Sale of investments	2,000,000	-	-	-
Interest received on investments	30,673	-	-	-
Net cash provided by investing activities	2,030,673	-	-	-
Net increase (decrease) in cash and cash equivalents	685,842	(17,865)	-	30,134
Cash and cash equivalents, beginning of year	7,838,881	724,491	-	45,040
Cash and cash equivalents, end of year	\$ 8,524,723	\$ 706,626	\$ -	\$ 75,174



HSD Personnel Pool	Local Site Remediation Revolving Fund	Insurance	Total
\$ -	\$ 256,990	\$ 56,440	\$ 26,615,898
-	(19,950)	-	(1,926,994)
(32,048)	-	-	(819,949)
-	-	(418,068)	(25,088,751)
<u>(32,048)</u>	<u>237,040</u>	<u>(361,628)</u>	<u>(1,219,796)</u>
-	-	343,337	455,530
-	-	-	(381,595)
-	-	-	2,000,000
-	-	18,291	48,964
<u>-</u>	<u>-</u>	<u>18,291</u>	<u>2,048,964</u>
(32,048)	237,040	-	903,103
<u>32,048</u>	<u>491,782</u>	<u>-</u>	<u>9,132,242</u>
<u>\$ -</u>	<u>\$ 728,822</u>	<u>\$ -</u>	<u>\$ 10,035,345</u>

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COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2021

	Employee Benefits	Technology	Alcott Facility	Central Stores
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (2,390,974)	\$ 287,923	\$ (436,243)	\$ (11,101)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	127,443	80,560	3,109
Change in:				
Accounts receivable	(5,511)	-	-	227
Accrued interest receivable	80,228	-	-	-
Inventories	-	(5,423)	(1,731)	17,026
Prepays	416,210	(18,419)	250,000	(4,918)
Negative equity in cash and cash equivalents	-	-	-	-
Accounts payable	(124,653)	(39,929)	(6,946)	21,613
Accrued liabilities	-	4,102	3,246	2,960
Deposits payable	18,315	-	-	(689)
Claims payable	665,357	-	-	-
Compensated absences	(3,803)	8,033	(1,079)	1,907
Net cash provided by (used in) operating activities	\$ (1,344,831)	\$ 363,730	\$ (112,193)	\$ 30,134



HSD Personnel Pool	Local Site Remediation Revolving Fund	Insurance	Total
\$ -	\$ 244,074	\$ (1,558,379)	\$ (3,864,700)
-	-	-	211,112
-	-	(611,058)	(616,342)
-	-	-	80,228
-	-	-	9,872
-	-	1,718,056	2,360,929
-	-	(228,741)	(228,741)
-	(7,034)	11,506	(145,443)
(32,048)	-	-	(21,740)
-	-	-	17,626
-	-	306,988	972,345
-	-	-	5,058
<u>\$ (32,048)</u>	<u>\$ 237,040</u>	<u>\$ (361,628)</u>	<u>\$ (1,219,796)</u>

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COUNTY OF KALAMAZOO, MICHIGAN

Custodial Funds

Trust and Agency Fund – accounts 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 – accounts for monies collected by circuit and district courts, which are disbursed at the request of the State of Michigan Library Service to local libraries.

Inmates' Trust Fund – accounts for the receipt and distribution of monies belonging to individuals residing in the County's corrections facility.

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2021

	Trust and Agency	Library Trust	Inmate's Trust	Total
Assets				
Cash and cash equivalents	\$ 2,028,951	\$ 142,243	\$ 37,561	\$ 2,208,755
Receivables	78,445	-	-	78,445
Total assets	2,107,396	142,243	37,561	2,287,200
Liabilities				
Undistributed collections	1,677,295	142,243	-	1,819,538
Net position				
Restricted for -				
Individuals, organizations and other governments	\$ 430,101	\$ -	\$ 37,561	\$ 467,662

COUNTY OF KALAMAZOO, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended December 31, 2021

	Trust and Agency	Library Trust	Inmate's Trust	Total
Additions				
Inmate trust collections	\$ -	\$ -	\$ 1,040,736	\$ 1,040,736
Library collections	-	291,001	-	291,001
Circuit court trial division collections	426,764	-	-	426,764
Circuit court family division collections	1,783	-	-	1,783
District court collections	1,713,251	-	-	1,713,251
Probate court collections	197,098	-	-	197,098
County clerk/register of deeds collections	13,155,726	-	-	13,155,726
Treasurer collections	139,042,575	-	-	139,042,575
Sheriff-administration/support collections	13,345	-	-	13,345
Other collections	-	-	245	245
Total additions	154,550,542	291,001	1,040,981	155,882,524
Deductions				
Inmate trust distributions	-	-	1,026,510	1,026,510
Library distributions	-	291,001	-	291,001
Circuit court trial division distributions	378,744	-	-	378,744
Circuit court family division distributions	1,738	-	-	1,738
District court distributions	1,713,251	-	-	1,713,251
Probate court distributions	197,098	-	-	197,098
County clerk/register of deeds distributions	13,153,203	-	-	13,153,203
Treasurer distributions	138,776,443	-	-	138,776,443
Sheriff-administration/support distributions	11,718	-	-	11,718
Total deductions	154,232,195	291,001	1,026,510	155,549,706
Change in net position	318,347	-	14,471	332,818
Net position, beginning of year	111,754	-	23,090	134,844
Net position, end of year	\$ 430,101	\$ -	\$ 37,561	\$ 467,662

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COUNTY OF KALAMAZOO, MICHIGAN

Component Unit

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

Lake Level – The County Drain Commissioner also administers the activity reported in the County's Lake Level Fund, as permitted by Act 451 PA 1994, as amended, (MCL 324.30701 et al.). Lake level projects establish the lake levels for inland lakes and perform construction and maintenance related to maintaining the established levels. Projects may be funded through the levying of special assessments or by issuing debt, and the County is a direct beneficiary of the services provided.

Brownfield Redevelopment Authority – The Brownfield Redevelopment Authority (the "Brownfield") was established to review and approve plans for business development within designated areas of the County where property was once contaminated. Property tax revenues from the "captured" portion of these properties are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project. Funding is provided through tax increment financial, federal and state grants, and General Fund appropriations. The County Board appoints the governing body of the Brownfield.

COUNTY OF KALAMAZOO, MICHIGAN

Balance Sheet

Drainage Districts Component Unit

December 31, 2021

Assets

Cash and cash equivalents	\$ 1,401,944
Accounts receivable	567,471
Special assessments receivable	<u>2,141,126</u>

Total assets

\$ 4,110,541

Liabilities

Accounts payable	\$ 330,610
Accrued liabilities	1,022
Advance from primary government	<u>280,163</u>

Total liabilities

611,795

Deferred inflows of resources

Unavailable revenue - special assessment receivable	1,994,773
---	-----------

Fund balance

Unassigned	<u>1,503,973</u>
------------	------------------

Total liabilities, deferred inflows of resources and fund balance

\$ 4,110,541

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund
to Net Position of Component Unit
Drainage Districts Component Unit
December 31, 2021

Fund balance - governmental fund \$ 1,503,973

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

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

Capital assets being depreciated, net 5,819,727

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

Deferred special assessments receivable 1,994,773

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

Notes payable (1,700,508)

Accrued interest on long-term debt (20,738)

Net position of component unit \$ 7,597,227

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures

and Change in Fund Balance

Drainage Districts Component Unit

For the Year Ended December 31, 2021

Revenues

Other	\$ 435,810
-------	------------

Expenditures

Current:

Public works	219,077
--------------	---------

Debt service:

Principal	342,564
-----------	---------

Interest expense	47,980
------------------	--------

Total expenditures

609,621

Revenues under expenditures

(173,811)

Other financing sources

Issuance of long-term debt	90,500
----------------------------	--------

Change in fund balance

(83,311)

Fund balance, beginning of year

1,587,284

Fund balance, end of year

\$ 1,503,973

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Component Unit
Drainage Districts Component Unit
For the Year Ended December 31, 2021

Net change in fund balance - governmental fund \$ (83,311)

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

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

Capital assets purchased/constructed	355,450
Depreciation expense	(170,004)

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

Net change in deferred special assessments receivable	(338,047)
---	-----------

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

Principal payments on long-term debt	342,564
Issuance of long-term debt	(90,500)

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

Change in accrued interest payable on long-term debt	<u>3,435</u>
--	--------------

Change in net position of governmental activities \$ 19,587

COUNTY OF KALAMAZOO, MICHIGAN

Balance Sheet

Lake Level Districts Component Unit

December 31, 2021

Assets

Cash and cash equivalents	<u>\$ 218,378</u>
---------------------------	-------------------

Liabilities

Accounts payable	\$ 3,333
------------------	----------

Fund balance

Unassigned	<u>215,045</u>
------------	----------------

Total liabilities and fund balance

	<u>\$ 218,378</u>
--	-------------------

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund
to Net Position of Component Unit
Drainage Districts Component Unit
December 31, 2021

Fund balance - governmental fund	\$ 215,045
---	------------

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

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

Notes payable	<u>(400,000)</u>
---------------	------------------

Net position of component unit	<u><u>\$ (184,955)</u></u>
---------------------------------------	----------------------------

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures

and Change in Fund Balance

Lake Level Districts Component Unit

For the Year Ended December 31, 2021

Revenues

Other	\$ 11
-------	-------

Expenditures

Capital outlay	<u>260,850</u>
----------------	----------------

Revenues under expenditures	(260,839)
-----------------------------	-----------

Other financing sources

Issuance of long-term debt	<u>400,000</u>
----------------------------	----------------

Change in fund balance

	139,161
--	---------

Fund balance, beginning of year	<u>75,884</u>
---------------------------------	---------------

Fund balance, end of year

	<u><u>\$ 215,045</u></u>
--	--------------------------

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Component Unit
Drainage Districts Component Unit
For the Year Ended December 31, 2021

Net change in fund balance - governmental fund \$ 139,161

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

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

Issuance of long-term debt (400,000)

Change in net position of governmental activities \$ (260,839)

COUNTY OF KALAMAZOO, MICHIGAN

Balance Sheet

Brownfield Redevelopment Authority Component Unit

December 31, 2021

Assets

Cash and cash equivalents	\$ 7,608,427
Investments	972,603
Accounts receivable	729,832
Accrued interest	816
Due from other governments	119
	<hr/>
Total assets	<u><u>\$ 9,311,797</u></u>

Liabilities

Accounts payable	\$ 235,310
Deferred inflows of resources	
Property taxes levied for subsequent period	716,781
Fund balance	
Unassigned	<hr/>
	8,359,706
	<hr/>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 9,311,797</u></u>

COUNTY OF KALAMAZOO, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund
to Net Position of Component Unit
Brownfield Redevelopment Authority Component Unit
December 31, 2021

Fund balance - governmental fund	\$ 8,359,706
---	--------------

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

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

Direct borrowings/placements - Loans payable	<u>(1,344,173)</u>
--	--------------------

Net position of component unit	<u><u>\$ 7,015,533</u></u>
---------------------------------------	----------------------------

COUNTY OF KALAMAZOO, MICHIGAN

Statement of Revenues, Expenditures

and Change in Fund Balance

Brownfield Redevelopment Authority Component Unit

For the Year Ended December 31, 2021

Revenues

Taxes	\$ 3,928,922
Charges for services	1,250
Intergovernmental	214,094
Investment earnings	<u>8,978</u>
Total revenues	4,153,244
Expenditures	
Current -	
Community and economic development	<u>672,750</u>
Change in fund balance	3,480,494
Fund balance, beginning of year	<u>4,879,212</u>
Fund balance, end of year	<u><u>\$ 8,359,706</u></u>

STATISTICAL SECTION

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COUNTY OF KALAMAZOO, MICHIGAN

Statistical Section Table of Contents

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

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COUNTY OF KALAMAZOO, MICHIGAN

Net Position By Component

Last Ten Fiscal Years

	2021	2020	2019	2018
Governmental activities				
Net investment in capital assets	\$ 74,296,286	\$ 73,348,642	\$ 70,585,884	\$ 67,501,240
Restricted	40,368,492	34,364,467	32,267,283	31,190,162
Unrestricted	55,356,653	42,186,601	28,678,958	22,064,271
Total governmental activities	<u>\$ 170,021,431</u>	<u>\$ 149,899,710</u>	<u>\$ 131,532,125</u>	<u>\$ 120,755,673</u>
Business-type activities				
Net investment in capital assets	\$ 47,084,190	\$ 48,609,105	\$ 50,239,227	\$ 47,143,684
Restricted	496,020	406,349	442,752	430,619
Unrestricted	24,680,661	23,748,794	23,414,065	22,523,158
Total business-type activities	<u>\$ 72,260,871</u>	<u>\$ 72,764,248</u>	<u>\$ 74,096,044</u>	<u>\$ 70,097,461</u>
Primary government				
Net investment in capital assets	\$ 121,380,476	\$ 121,957,747	\$ 120,825,111	\$ 114,644,924
Restricted	40,864,512	34,770,816	32,710,035	31,620,781
Unrestricted	80,037,314	65,935,395	52,093,023	44,587,429
Total primary government	<u>\$ 242,282,302</u>	<u>\$ 222,663,958</u>	<u>\$ 205,628,169</u>	<u>\$ 190,853,134</u>

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

Note: GASB Statement No. 68 was implemented for the year ended December 31, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

Certain restatements and reclassifications were made in 2016. Prior years were not restated.

GASB Statement No. 75 was implemented for the year ended December 31, 2017. This resulted in presentation of the County's net OPEB liability on the statement of net position. Prior years were not restated.

GASB Statement No. 84 was implemented for the year ended December 31, 2019. This resulted in certain activity previously reported in agency funds being included in governmental activities. Prior years were not restated.

Table 1 - Unaudited

2017	2016	2015	2014	2013	2012
\$ 66,358,000	\$ 67,512,686	\$ 60,182,534	\$ 54,014,762	\$ 43,130,177	\$ 39,987,637
34,422,473	32,393,370	22,862,531	36,523,766	7,707,379	8,005,017
18,886,165	34,649,904	41,640,330	38,866,094	51,652,911	53,804,428
<u>\$ 119,666,638</u>	<u>\$ 134,555,960</u>	<u>\$ 124,685,395</u>	<u>\$ 129,404,622</u>	<u>\$ 102,490,467</u>	<u>\$ 101,797,082</u>
\$ 48,141,803	\$ 47,755,499	\$ 48,993,268	\$ 49,480,694	\$ 50,504,667	\$ 52,076,706
432,165	366,757	459,843	247,565	-	-
22,567,806	27,412,103	27,650,978	28,891,477	32,634,972	31,125,230
<u>\$ 71,141,774</u>	<u>\$ 75,534,359</u>	<u>\$ 77,104,089</u>	<u>\$ 78,619,736</u>	<u>\$ 83,139,639</u>	<u>\$ 83,201,936</u>
\$ 114,499,803	\$ 115,268,185	\$ 109,175,802	\$ 103,495,456	\$ 93,634,844	\$ 92,064,343
34,854,638	32,760,127	23,322,374	36,771,331	7,707,379	8,005,017
41,453,971	62,062,007	69,291,308	67,757,571	84,287,883	84,929,658
<u>\$ 190,808,412</u>	<u>\$ 210,090,319</u>	<u>\$ 201,789,484</u>	<u>\$ 208,024,358</u>	<u>\$ 185,630,106</u>	<u>\$ 184,999,018</u>

COUNTY OF KALAMAZOO, MICHIGAN

Change in Net Position

Last Ten Fiscal Years

	2021	2020	2019	2018
Expenses				
Governmental activities:				
General government	\$ 8,899,301	\$ 12,923,845	\$ 18,399,236	\$ 13,146,316
Public safety	33,872,354	31,581,494	28,291,340	33,251,992
Public works	552,800	550,334	465,388	440,731
Health and welfare	30,909,234	30,072,723	30,875,354	32,503,422
Cultural and recreation	4,390,610	2,844,492	4,549,433	4,566,708
Legislative	-	-	-	-
Judicial	25,476,207	26,235,706	30,175,753	24,545,359
Community and economic development	1,473,348	2,339,133	588,647	868,624
Interest and fiscal charges	1,578,623	668,516	715,789	755,701
	<u>107,152,477</u>	<u>107,216,243</u>	<u>114,060,940</u>	<u>110,078,853</u>
Business-type activities:				
Airport operations	6,468,754	6,805,031	7,516,636	7,177,992
Local government public works financing	857,769	147,766	156,643	164,390
Other enterprise funds	286,217	350,722	-	357,654
	<u>7,612,740</u>	<u>7,303,519</u>	<u>7,673,279</u>	<u>7,700,036</u>
Total primary government expenses	<u>114,765,217</u>	<u>114,519,762</u>	<u>121,734,219</u>	<u>117,778,889</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	5,733,465	4,521,633	4,429,880	3,657,793
Public safety	2,553,407	2,850,195	3,502,946	3,335,737
Public works	54,005	46,365	42,911	46,450
Health and welfare	1,670,830	1,742,937	1,869,719	1,822,398
Cultural and recreation	1,082,374	571,523	1,212,077	1,226,658
Judicial	3,187,275	3,075,590	3,600,923	3,648,823
Community and economic development	257,903	233,988	205,258	210,050
Operating grants and contributions:				
General government	6,652,214	7,770,676	5,376,480	4,371,800
Public safety	5,450,135	6,270,022	4,819,175	4,672,491
Public works	75,385	92,829	-	-
Health and welfare	14,273,986	14,170,234	14,305,227	15,896,804
Cultural and recreation	38,915	62,265	101,554	204,220
Judicial	7,937,784	8,221,140	10,742,701	5,369,723
Community economic development	90,654	77,834	-	5,000
Capital grants and contributions	-	-	-	-
	<u>49,058,332</u>	<u>49,707,231</u>	<u>50,208,851</u>	<u>44,467,947</u>

Table 2 - Unaudited

2017	2016	2015	2014	2013	2012
\$ 12,005,684	\$ 18,745,016	\$ 21,807,060	\$ 17,791,407	\$ 18,178,504	\$ 16,560,972
29,226,541	30,068,549	26,082,119	25,452,319	26,770,373	25,317,944
458,479	223,444	493,776	843,526	118,527	79,790
28,358,828	25,352,602	30,666,561	28,763,908	33,943,631	36,491,664
4,294,714	4,614,096	5,029,523	4,690,557	4,746,386	4,241,319
-	932,316	789,219	1,032,729	915,035	973,686
23,306,159	20,181,383	19,884,101	20,157,134	19,913,091	19,273,929
803,110	637,206	331,984	178,482	162,897	61,191
1,020,546	1,082,933	1,329,290	1,268,294	1,334,369	1,396,053
99,474,061	101,837,545	106,413,633	100,178,356	106,082,813	104,396,548
6,865,096	6,811,127	8,119,278	7,144,340	7,231,919	7,437,568
182,021	201,631	-	-	-	-
1,135,113	1,546,620	816,195	630,876	812,633	666,526
8,182,230	8,559,378	8,935,473	7,775,216	8,044,552	8,104,094
107,656,291	110,396,923	115,349,106	107,953,572	114,127,365	112,500,642
3,480,241	3,432,129	4,839,529	4,953,679	5,264,150	5,530,702
3,034,532	3,597,799	2,556,031	2,029,458	2,189,115	2,094,447
50,545	-	371,576	108,770	112,768	103,093
1,851,619	2,225,346	1,825,814	1,685,714	1,699,642	1,710,269
1,231,210	1,199,359	3,763,599	3,524,463	3,331,511	3,073,186
3,548,605	3,826,966	4,121,357	4,066,792	4,523,285	4,796,952
230,077	-	-	-	-	-
5,145,180	4,966,044	5,638,554	5,019,816	4,210,224	4,239,285
4,243,117	3,085,903	1,302,264	1,390,921	1,573,156	1,877,706
84,124	198,805	186,508	79,247	118,350	79,749
13,669,745	12,435,279	13,019,722	17,251,266	21,826,508	24,679,271
168,242	106,217	2,640,112	2,562,781	2,551,873	2,159,040
5,442,305	5,979,336	8,342,056	7,584,795	7,179,923	7,149,876
5,000	-	-	-	80,115	60,036
-	689,000	-	-	-	-
42,184,542	41,742,183	48,607,122	50,257,702	54,660,620	57,553,612

COUNTY OF KALAMAZOO, MICHIGAN

Change in Net Position

Last Ten Fiscal Years

	2021	2020	2019	2018
Business-type activities:				
Charges for services:				
Airport operations	\$ 3,482,701	\$ 1,728,077	\$ 5,545,334	\$ 4,523,803
Delinquent tax collection and administration	1,862,493	1,783,118	1,777,053	1,677,671
Local government public works financing	138,375	147,682	156,448	164,367
Other enterprise funds	674,305	231,215	-	918,589
Operating grants and contributions:				
Airport operations	784,715	3,072,704	260,671	39,694
Delinquent tax collection and administration	36,074	39,640	81,017	90,272
Local government public works financing	-	23	160	96
Other enterprise funds	-	-	-	-
Capital grants and contributions:				
Airport operations	911,306	805,864	5,678,979	1,091,831
	<u>7,889,969</u>	<u>7,808,323</u>	<u>13,499,662</u>	<u>8,506,323</u>
Total primary government program revenues	<u>56,948,301</u>	<u>57,515,554</u>	<u>63,708,513</u>	<u>52,974,270</u>
Net (expense) revenue				
Governmental activities	(58,094,145)	(57,509,012)	(63,852,089)	(65,610,906)
Business-type activities	<u>277,229</u>	<u>504,804</u>	<u>5,826,383</u>	<u>806,287</u>
Total primary government net expense	<u>(57,816,916)</u>	<u>(57,004,208)</u>	<u>(58,025,706)</u>	<u>(64,804,619)</u>
General revenues and other changes in net position				
Governmental activities:				
Property taxes	68,241,673	60,826,553	58,788,815	54,047,666
Lodging excise taxes	2,741,031	1,605,240	3,127,316	3,068,301
State revenue sharing	5,457,862	4,155,631	5,332,503	5,292,086
Unrestricted investment earnings	91,534	1,971,051	2,398,950	852,631
Gain on sale of capital assets	-	319,735	-	-
Other revenues	903,160	5,161,787	2,901,343	1,588,657
Transfers in	780,606	1,836,600	1,827,800	1,850,600
Total governmental activities	<u>78,215,866</u>	<u>75,876,597</u>	<u>74,376,727</u>	<u>66,699,941</u>
Business-type activities:				
Unrestricted investment earnings	-	-	-	-
Other	-	-	-	-
Transfers - internal activities	<u>(780,606)</u>	<u>(1,836,600)</u>	<u>(1,827,800)</u>	<u>(1,850,600)</u>
Total business-type activities	<u>(780,606)</u>	<u>(1,836,600)</u>	<u>(1,827,800)</u>	<u>(1,850,600)</u>
Total primary government	<u>77,435,260</u>	<u>74,039,997</u>	<u>72,548,927</u>	<u>64,849,341</u>
Changes in net position				
Governmental activities	20,121,721	18,367,585	10,524,638	1,089,035
Business-type activities	<u>(503,377)</u>	<u>(1,331,796)</u>	<u>3,998,583</u>	<u>(1,044,313)</u>
Total primary government changes in net position	<u>\$ 19,618,344</u>	<u>\$ 17,035,789</u>	<u>\$ 14,523,221</u>	<u>\$ 44,722</u>

Source: County of Kalamazoo, Michigan, Finance Office.

Note: Certain restatements and reclassifications were made in 2016. Prior years were not restated.

Table 2 - Unaudited

	2017	2016	2015	2014	2013	2012
\$	4,393,811	\$ 4,295,639	\$ 4,336,589	\$ 4,616,801	\$ 4,578,069	\$ 4,309,619
	1,866,637	1,772,140	1,832,230	1,987,138	2,586,938	2,663,575
	117,267	201,631	-	-	-	-
	1,100,003	875,502	1,128,377	1,243,266	1,856,636	1,040,019
	75,057	6,381	-	1,212,558	127,989	528,096
	56,302	15,098	-	-	-	-
	135	35	-	-	-	-
	-	-	249,649	-	-	-
	3,401,193	1,881,974	1,440,882	1,538,535	640,768	1,066,540
	<u>11,010,405</u>	<u>9,048,400</u>	<u>8,987,727</u>	<u>10,598,298</u>	<u>9,790,400</u>	<u>9,607,849</u>
	53,194,947	50,790,583	57,594,849	60,856,000	64,451,020	67,161,461
	(57,289,519)	(60,095,362)	(57,806,511)	(49,920,654)	(51,422,193)	(46,842,936)
	<u>2,828,175</u>	<u>489,022</u>	<u>52,254</u>	<u>2,823,082</u>	<u>1,745,848</u>	<u>1,503,755</u>
	<u>(54,461,344)</u>	<u>(59,606,340)</u>	<u>(57,754,257)</u>	<u>(47,097,572)</u>	<u>(49,676,345)</u>	<u>(45,339,181)</u>
	52,375,761	51,866,549	49,166,240	51,140,600	49,321,723	47,231,113
	2,851,544	2,920,184	-	-	-	-
	5,255,201	5,204,061	-	-	-	-
	876,523	595,652	503,800	1,784,898	311,871	1,131,111
	270,213	-	-	-	-	-
	1,698,019	1,664,583	1,537,244	1,647,760	651,375	384,078
	<u>6,892,300</u>	<u>1,883,400</u>	<u>1,880,000</u>	<u>7,614,391</u>	<u>1,830,609</u>	<u>1,625,000</u>
	<u>70,219,561</u>	<u>64,134,429</u>	<u>53,087,284</u>	<u>62,187,649</u>	<u>52,115,578</u>	<u>50,371,302</u>
	-	-	41,636	12,932	22,464	22,247
	-	-	37,500	-	-	-
	<u>(6,892,300)</u>	<u>(1,883,400)</u>	<u>(1,880,000)</u>	<u>(7,614,391)</u>	<u>(1,830,609)</u>	<u>(1,625,000)</u>
	<u>(6,892,300)</u>	<u>(1,883,400)</u>	<u>(1,800,864)</u>	<u>(7,601,459)</u>	<u>(1,808,145)</u>	<u>(1,602,753)</u>
	63,327,261	62,251,029	51,286,420	54,586,190	50,307,433	48,768,549
	12,930,042	4,039,067	(4,719,227)	12,266,995	693,385	3,528,366
	<u>(4,064,125)</u>	<u>(1,394,378)</u>	<u>(1,748,610)</u>	<u>(4,778,377)</u>	<u>(62,297)</u>	<u>(98,998)</u>
\$	<u>8,865,917</u>	<u>\$ 2,644,689</u>	<u>\$ (6,467,837)</u>	<u>\$ 7,488,618</u>	<u>\$ 631,088</u>	<u>\$ 3,429,368</u>

COUNTY OF KALAMAZOO, MICHIGAN

Fund Balances, Governmental Funds Last Ten Fiscal Years

	2021	2020	2019	2018
General fund				
Nonspendable	\$ 383,917	\$ 601,626	\$ 572,641	\$ 1,149,741
Restricted	2,500,000	2,500,000	2,500,000	2,500,000
Committed	656,046	651,914	4,048,723	2,532,014
Assigned	-	-	-	-
Unassigned	42,581,886	35,742,705	31,324,324	27,203,921
Total general fund	46,121,849	39,496,245	38,445,688	33,385,676
All other governmental funds				
Nonspendable	30,106	16,238	14,515	36,506
Restricted	69,136,007	7,018,073	7,003,174	4,479,432
Committed	-	-	78,050	-
Assigned	33,701,094	28,666,903	19,309,141	21,279,104
Unassigned (deficit)	-	-	-	-
Total all other governmental funds	102,867,207	35,701,214	26,404,880	25,795,042
Total fund balance for governmental funds	<u>\$ 148,989,056</u>	<u>\$ 75,197,459</u>	<u>\$ 64,850,568</u>	<u>\$ 59,180,718</u>

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

Certain restatements and reclassifications were made in 2016. Prior years were not restated.

GASB Statement No. 84 was implemented in 2019. This resulted in certain activity previously reported in agency funds being included in governmental activities. Prior years were not restated.

Table 3 - Unaudited

	2017	2016	2015	2014	2013	2012
\$	379,290	\$ 488,478	\$ 303,118	\$ 145,027	\$ 157,879	\$ 167,995
	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
	2,664,077	2,715,700	7,894,020	3,475,421	3,859,384	4,293,928
	-	-	290,500	2,600,000	329,500	583,200
	<u>27,217,070</u>	<u>27,816,125</u>	<u>23,634,426</u>	<u>23,371,325</u>	<u>21,838,815</u>	<u>20,320,881</u>
	<u>32,760,437</u>	<u>33,520,303</u>	<u>34,622,064</u>	<u>32,091,773</u>	<u>28,685,578</u>	<u>27,866,004</u>
	10,469	133,368	262,488	46,853	206,773	53,516
	3,973,926	3,885,784	1,023,454	533,873	5,166,830	5,464,798
	-	-	9,246,358	19,158,599	16,496,564	18,387,782
	21,112,748	12,435,363	-	-	-	15,246
	-	-	(58,582)	-	(169,288)	(13,297)
	<u>16,454,515</u>	<u>10,473,718</u>	<u>19,739,325</u>	<u>21,700,879</u>	<u>23,908,045</u>	<u>32,586,367</u>
\$	<u>49,974,818</u>	<u>45,095,782</u>	<u>51,831,098</u>	<u>50,386,457</u>	<u>51,774,049</u>	<u>64,748,450</u>

COUNTY OF KALAMAZOO, MICHIGAN

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2021	2020	2019	2018
Revenues				
Taxes	\$ 71,025,351	\$ 62,262,526	\$ 61,985,133	\$ 56,880,817
Licenses and permits	1,738,728	1,541,745	1,643,723	1,473,617
Intergovernmental	38,135,155	40,223,675	39,986,269	34,981,053
Charges for service	11,861,989	10,589,601	12,110,945	11,329,314
Fines and forfeitures	931,627	898,737	1,076,875	1,116,455
Investment earnings	91,534	1,971,051	2,398,950	852,631
Contributions, grants and reimbursements	1,841,780	596,956	691,371	831,071
Other	5,629,585	5,173,935	2,933,514	1,617,180
Total revenues	131,255,749	123,258,226	122,826,780	109,082,138
Expenditures				
General government	14,410,996	13,229,357	13,705,116	14,006,428
Public safety	33,485,202	29,826,601	29,865,105	30,020,726
Public works	526,559	493,133	381,619	366,015
Health and welfare	31,595,333	31,236,379	30,152,368	29,566,561
Cultural and recreation	3,323,408	2,239,382	3,833,161	3,837,456
Legislative	-	-	-	-
Judicial	26,469,312	26,171,000	28,468,018	21,292,995
Community economic development	1,786,738	2,565,341	790,096	865,198
Other	161,842	1,115,572	1,740,948	2,402,022
Debt service:				
Principal	1,190,000	1,195,000	1,145,000	1,045,000
Interest and fiscal charges	822,956	869,074	914,106	953,907
Bond issuance costs	708,848	-	-	-
Capital outlay	17,908,072	5,912,091	6,748,526	3,924,409
Total expenditures	132,389,266	114,852,930	117,744,063	108,280,717
Excess of revenues over (under) expenditures	(1,133,517)	8,405,296	5,082,717	801,421
Other financing sources (uses)				
Transfers in	24,444,522	29,910,223	16,134,418	14,660,709
Transfers out	(24,119,446)	(28,548,604)	(15,827,618)	(14,205,980)
Proceeds from sale of capital assets	8,470	579,976	28,519	66,988
Issuance of notes	-	-	-	-
Issuance of bonds	71,750,000	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on bond	2,841,568	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	74,925,114	1,941,595	335,319	521,717
Net change in fund balances	\$ 73,791,597	\$ 10,346,891	\$ 5,418,036	\$ 1,323,138
Debt service as a percentage of noncapital expenditures	1.8%	1.9%	1.8%	1.9%

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

Table 4 - Unaudited

	2017	2016	2015	2014	2013	2012
	\$ 55,239,703	\$ 54,891,462	\$ 52,101,773	\$ 50,607,197	\$ 51,733,873	\$ 51,281,971
	1,249,929	1,258,556	1,218,025	1,119,636	1,050,273	959,212
	33,190,373	31,158,359	32,043,570	35,028,706	37,284,230	42,049,516
	11,184,560	11,843,020	10,410,652	9,657,487	9,943,390	9,815,816
	965,614	1,076,752	1,316,244	1,357,351	1,584,425	1,707,874
	876,523	595,652	731,250	1,784,898	311,871	1,131,111
	822,541	817,286	683,063	521,043	921,577	1,110,360
	1,724,745	1,767,854	1,939,829	2,268,477	1,321,630	1,403,064
	<u>105,253,988</u>	<u>103,408,941</u>	<u>100,444,406</u>	<u>102,344,795</u>	<u>104,151,269</u>	<u>109,458,924</u>
	12,896,809	14,767,659	14,506,746	13,565,337	13,276,576	13,324,605
	28,044,049	28,274,715	25,199,083	24,427,363	25,342,943	25,265,647
	430,249	211,382	493,772	843,528	118,528	79,794
	28,068,429	25,191,336	30,710,052	28,877,376	33,470,275	36,712,421
	3,530,468	3,959,008	4,189,750	3,783,331	3,930,816	3,422,079
	-	935,399	797,279	1,032,729	915,035	973,686
	20,837,174	19,548,291	19,154,467	19,375,297	18,440,279	18,446,360
	775,210	650,000	331,984	178,482	162,897	61,191
	67,192	945,646	-	923,111	1,399,324	364,963
	1,140,000	1,080,000	1,605,000	1,490,000	1,755,000	2,120,000
	928,271	1,130,518	1,341,322	1,307,725	1,367,857	1,462,091
	250,885	-	-	-	-	26,039
	2,526,916	3,300,479	15,960,665	12,702,849	7,190,933	21,828,949
	<u>99,495,652</u>	<u>99,994,433</u>	<u>114,290,120</u>	<u>108,507,128</u>	<u>107,370,463</u>	<u>124,087,825</u>
	<u>5,758,336</u>	<u>3,414,508</u>	<u>(13,845,714)</u>	<u>(6,162,333)</u>	<u>(3,219,194)</u>	<u>(14,628,901)</u>
	24,857,342	17,511,053	15,695,110	21,998,555	12,952,105	19,659,931
	(23,183,587)	(15,676,367)	(13,890,269)	(14,391,581)	(11,120,503)	(18,034,931)
	538,730	17,688	-	-	-	-
	-	-	150,000	-	-	-
	-	-	5,000,000	-	-	-
	19,390,000	-	-	-	-	1,195,000
	3,030,652	-	155,557	-	-	(15,500)
	(22,508,711)	-	-	-	-	(1,150,000)
	<u>2,124,426</u>	<u>1,852,374</u>	<u>7,110,398</u>	<u>7,606,974</u>	<u>1,831,602</u>	<u>1,654,500</u>
	<u>\$ 7,882,762</u>	<u>\$ 5,266,882</u>	<u>\$ (6,735,316)</u>	<u>\$ 1,444,641</u>	<u>\$ (1,387,592)</u>	<u>\$ (12,974,401)</u>
	<u>2.1%</u>	<u>2.3%</u>	<u>3.1%</u>	<u>2.6%</u>	<u>3.1%</u>	<u>3.5%</u>

Assessed and Estimated Actual Value of Taxable Property^(a)

Last Ten Fiscal Years

Fiscal Year	State Equalized Real Property Value (a)						(b) Total Direct Tax Rate
	Agricultural	Commercial	Industrial	Residential	Personal	Total	
2012	\$ 239,120,450	\$ 1,553,005,640	\$ 360,467,101	\$ 5,408,906,981	\$ 926,075,139	\$ 8,487,575,311	6.3600
2013	246,429,582	1,494,605,525	363,764,345	5,419,836,318	901,028,023	8,425,663,793	6.3695
2014	260,740,862	1,536,258,273	376,652,416	5,583,276,707	874,725,038	8,631,653,296	6.3601
2015	278,782,491	1,569,670,300	381,032,065	5,857,974,999	915,603,263	9,003,063,118	6.4890
2016	298,493,875	1,617,143,141	399,137,804	6,147,579,563	670,976,890	9,133,331,273	6.4663
2017	314,205,704	1,791,444,752	441,009,523	6,446,770,891	656,559,953	9,649,990,823	6.4420
2018	333,502,116	1,912,116,583	434,847,395	6,636,198,436	640,101,811	9,956,766,341	6.7653
2019	328,446,799	2,079,513,788	434,818,350	7,079,917,979	655,834,791	10,578,531,707	6.7631
2020	330,606,231	2,326,235,900	465,439,650	7,586,881,125	665,952,503	11,375,115,409	7.3614
2021	331,597,775	2,340,501,150	490,927,550	8,065,825,737	641,999,275	11,870,851,487	8.0028

Fiscal Year	Taxable Real Property Value (a)						(b) Total Direct Tax Rate
	Agricultural	Commercial	Industrial	Residential	Personal	Total	
2012	\$ 121,793,776	\$ 1,430,960,912	\$ 340,297,980	\$ 5,084,110,088	\$ 925,131,893	\$ 7,902,294,649	6.3600
2013	125,192,900	1,389,983,754	345,318,005	5,108,027,139	899,131,746	7,867,653,544	6.3695
2014	129,398,410	1,403,033,284	356,358,958	5,197,236,563	873,525,166	7,959,552,381	6.3601
2015	131,035,680	1,444,832,170	358,203,022	5,323,405,225	913,393,709	8,170,869,806	6.4890
2016	132,631,977	1,430,404,974	372,677,644	5,420,542,336	670,550,960	8,026,807,891	6.4663
2017	133,787,037	1,471,168,974	405,890,405	5,576,598,604	656,293,152	8,243,738,172	6.4420
2018	136,926,976	1,543,182,165	391,590,521	5,795,151,687	639,889,884	8,506,741,233	6.7653
2019	140,721,483	1,624,267,839	391,532,797	6,041,928,253	655,672,342	8,854,122,714	6.7631
2020	145,807,349	1,706,485,656	409,528,356	6,283,873,425	665,805,811	9,211,500,597	7.3614
2021	150,084,351	1,744,131,167	433,236,647	6,518,075,380	641,890,584	9,487,418,129	8.0028

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

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

Source: County of Kalamazoo, Michigan, Equalization Department.

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

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COUNTY OF KALAMAZOO, MICHIGAN

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

	Year Taxes Are Payable			
	2021	2020	2019	2018
County direct rates:				
Operating	4.6514	4.6608	4.6810	4.6810
Law enforcement	1.4380	1.4409	1.4472	1.4472
Juvenile home debt	0.1685	0.1620	0.1851	0.1873
Housing assistance fund	0.7485	0.0993	0.0998	0.0998
Senior millage	0.3477	0.3484	0.3500	0.0000
9-1-1	0.6487	0.6500	0.0000	0.0000
Total county direct rate	8.0028	7.3614	6.7631	6.7653
Kalamazoo County				
Transportation Authority	0.3124	0.3131	0.3145	0.3145
Central County Transportation	0.7500	0.7470	0.7500	0.7500
City rates:				
Galesburg	12.0000	12.0000	9.8118	9.8118
Kalamazoo	13.8000	13.8000	13.8000	13.8000
Parchment	16.6854	16.7239	16.7239	16.7239
Portage	10.6400	10.6400	10.6400	10.8205
Township rates	0.7692-11.2928	0.7739-11.4912	0.7782-11.5912	0.7835-11.5912
Village rates	9.5000-15.7939	9.5000-15.8178	9.5000-15.8527	9.0000-15.8257
Intermediate school rates	3.9649-7.0129	3.9783-7.2893	3.9783-6.4028	2.9783-5.9469
Local school rates	21.0000-28.5500	22.1400-28.5500	22.0000-27.6000	22.0000-27.1000
Library rates	0.4878-3.9117	0.4929-3.9213	0.4955-3.9487	0.5000-3.9487
Community college rates:				
Glen Oaks	2.7186	2.7249	2.7249	2.7249
Kalamazoo Valley	2.7918	2.7970	2.8089	2.8089
Kellogg	3.6136	3.6136	3.6136	3.6136
State education tax rates	6.0000	6.0000	6.0000	6.0000

Source: County of Kalamazoo, Michigan, Equalization Department.

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

Table 6 - Unaudited

Year Taxes Are Payable					
2017	2016	2015	2014	2013	2012
4.6810	4.6871	4.6871	4.6871	4.6871	4.6871
1.4472	1.4491	1.4491	1.4491	1.4491	1.4491
0.2140	0.2301	0.2528	0.2239	0.2333	0.2234
0.0998	0.1000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>6.4420</u>	<u>6.4663</u>	<u>6.4890</u>	<u>6.3601</u>	<u>6.3695</u>	<u>6.3596</u>
0.3145	0.4000	0.4000	0.4000	0.4000	0.4000
0.7500	0.0000	0.0000	0.0000	0.0000	0.0000
9.8118	9.8118	9.8118	9.8118	9.8512	9.8118
13.8000	21.0705	20.8205	20.8205	20.8205	20.8205
16.7239	16.7239	16.7239	16.6772	16.6377	16.6772
10.9205	10.9256	10.9256	10.9256	10.7778	10.7778
0.78250-11.4891	0.7839-9.4785	0.7860-9.7199	0.7860-8.9691	0.7860-8.9691	0.7860-8.9691
9.0000-15.8527	9.0000-15.9005	9.5000-15.9005	9.5000-15.9005	9.5000-15.9005	9.000-23.3500
2.7500-6.2057	2.9783-6.4066	2.9783-6.4066	2.9783-6.2057	2.6837-6.2057	2.6837-6.2057
21.9900-27.1000	21.9600-27.1000	22.3400-27.5900	22.3400-26.7796	22.1700-27.1000	22.1700-27.1000
0.4913-3.9487	0.4952-3.9583	0.4985-3.9583	0.4985-3.9583	0.5000-3.9583	0.5000-3.9583
2.7249	2.7249	2.7249	2.7249	2.7249	2.7249
2.8089	2.8135	2.8135	2.8135	2.8135	2.8135
3.6136	3.6136	3.6136	3.6136	3.6136	3.7106
6.0000	6.0000	6.0000	6.0000	6.0000	6.0000

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Consumers Energy Company	\$ 242,105,502	1	2.50%	\$ 130,534,614	2	1.62%
Pfizer, Pharmacia & Upjohn	128,090,146	2	1.32%	491,699,739	1	6.11%
Zoetis	58,190,836	3	0.60%			
Stryker Corporation	52,061,385	4	0.54%	77,494,350	3	0.96%
Edward Rose/Audrey Homes/Etc.	48,073,216	5	0.50%	22,438,046	10	0.28%
19 Props, LLC etal	34,451,890	6	0.36%			
Michigan Electric Transmission	34,263,054	7	0.35%			
MIMG LXVI Drakes Pond, LLC/Etc.	28,861,546	8	0.30%			
Enbridge Energy	28,132,465	9	0.29%			
Meijer/Goodwill	26,896,767	10	0.28%	26,331,107	7	0.33%
Graphic Packaging				45,265,550	4	0.56%
Kaiser Aluminum				32,615,974	5	0.41%
Target/Marshall Fields				28,202,765	6	0.35%
Catalyst Development				25,247,883	8	0.31%
Connecticut General Life Ins. Co.				23,904,890	9	0.30%

Source: County of Kalamazoo, Michigan, Equalization Department.

Property Taxes, Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes ^(a) Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 50,255,433	\$ 44,735,502	89.02%	\$ 1,532,753	\$ 46,268,255	92.07%
2013	50,113,019	44,716,135	89.23%	1,481,275	46,197,410	92.19%
2014	50,623,549	45,259,899	89.40%	1,391,118	46,651,017	92.15%
2015	53,020,774	46,356,761	87.43%	1,152,593	47,509,354	89.61%
2016	51,903,748	45,776,972	88.20%	1,292,095	47,069,067	90.69%
2017	53,106,161	47,055,256	88.61%	1,130,814	48,186,070	90.74%
2018	57,550,656	48,267,616	83.87%	1,318,492	49,586,108	86.16%
2019	59,881,317	50,673,837	84.62%	1,324,530	51,998,367	86.84%
2020	68,285,775	51,704,088	75.72%	1,476,704	53,180,792	77.88%
2021	75,925,910	52,709,265	69.42%	1,654,559	54,363,824	71.60%

^(a) Taxes levied for the fiscal year included the operating levy, law enforcement levy, juvenile home debt service, housing assistance levy, senior millage and 911 millage.

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.

Ratios of Net Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding								
Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total Primary Government	Less: Amounts Restricted to Repaying Principal	Net Bonded Debt Outstanding	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
2012	\$ 33,318,869	\$ 7,908,766	\$ 41,227,635	\$ -	\$ 41,227,635	0.42%	0.52%	161.94
2013	31,544,067	7,311,034	38,855,101	-	38,855,101	0.39%	0.49%	151.35
2014	30,037,657	6,761,387	36,799,044	-	36,799,044	0.35%	0.46%	142.18
2015	33,713,617	6,095,783	39,809,400	236,488	39,572,912	0.35%	0.48%	152.05
2016	25,330,000	12,002,011	37,332,011	75,219	37,256,792	0.32%	0.46%	142.39
2017	24,175,956	10,783,394	34,959,350	77,707	34,881,643	0.29%	0.42%	132.64
2018	22,928,913	9,854,776	32,783,689	63,577	32,720,112	0.25%	0.38%	123.53
2019	21,581,870	8,876,158	30,458,028	130,100	30,327,928	0.23%	0.34%	114.42
2020	20,184,827	7,872,539	28,057,366	157,876	27,899,490	0.21%	0.30%	105.25
2021	93,328,945	6,850,069	100,179,014	-	100,179,014	0.72%	1.06%	382.84

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

Note: 2021 percentage of Personal Income and Per Capita calculated using 2020 personal income and 2020 per capita data, which is the most recent available.

Note: In 2016, debt obligations were reclassified between governmental and business-type activities, prior years have not been restated.

Computation of Direct and Overlapping Debt
December 31, 2021

Governmental Unit	Net General Obligation Debt	Estimated Percentage Applicable to County	Estimated Share of Direct and Overlapping Debt
Libraries			
Allegan	\$ 5,715,000	35.91%	\$ 2,052,257
Otsego	1,530,000	33.82%	517,446
Portage	7,000,000	100.00%	7,000,000
Total libraries			<u>9,569,703</u>
Townships			
Kalamazoo	6,050,000	100.00%	6,050,000
Ross	3,475,000	100.00%	3,475,000
Total townships			<u>9,525,000</u>
Cities			
Galesburg	860,000	100.00%	860,000
Kalamazoo	146,325,000	100.00%	146,325,000
Portage	55,032,199	100.00%	55,032,199
Total cities			<u>202,217,199</u>
Villages			
Augusta	180,000	100.00%	180,000
Schoolcraft	305,000	100.00%	305,000
Vicksburg	3,823,000	100.00%	3,823,000
Total villages			<u>4,308,000</u>
School districts			
Climax Scotts	11,120,365	86.84%	9,656,925
Colon	5,700,000	1.63%	92,910
Comstock	28,480,000	100.00%	28,480,000
Galesburg Augusta	16,094,053	100.00%	16,094,053
Gull Lake	78,435,000	83.43%	65,438,321
Kalamazoo	220,790,000	100.00%	220,790,000
Lawton	23,931,087	0.62%	148,373
Mattawan	97,504,098	65.76%	64,118,695
Mendon	17,591,045	5.95%	1,046,667
Otsego	69,043,879	42.43%	29,295,318
Parchment	33,073,916	100.00%	33,073,916
Plainwell	50,825,336	36.10%	18,347,946
Portage	208,610,000	100.00%	208,610,000
Schoolcraft	36,345,410	100.00%	36,345,410
Vicksburg	22,225,000	97.59%	21,689,378
Total school districts			<u>753,227,911</u>

continued...

Computation of Direct and Overlapping Debt

December 31, 2021

Governmental Unit	Net General Obligation Debt	Estimated Percentage Applicable to County	Estimated Share of Direct and Overlapping Debt
Community colleges			
Glen Oaks	\$ 7,783,000	0.63%	\$ 49,033
Kalamazoo Valley Community College	6,410,000	94.26%	6,042,066
Kellogg Community College	10,850,000	0.37%	40,145
Total community colleges			6,131,244
Intermediate school districts			
Allegan	1,755,000	11.99%	210,425
Kalamazoo RESA	2,710,000	0.55%	14,905
St. Joseph	5,000,000	14.74%	737,000
Total intermediate school districts			962,330
Subtotal, overlapping debt			985,941,386
County direct debt, governmental activities			93,328,945
Total direct and overlapping debt			\$ 1,079,270,331

concluded

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

Note: Percentage of overlap based on assessed property values.

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COUNTY OF KALAMAZOO, MICHIGAN

Computation of Legal Debt Margin for General Obligation Bonds

Last Ten Fiscal Years

	2021	2020	2019	2018
Legal debt margin				
Assessed value of property (SEV)	\$ 11,870,851,487	\$ 11,375,115,409	\$ 10,578,531,707	\$ 9,956,766,341
Debt limit, 10% of assessed value (SEV) (constitutional debt limit)	<u>1,187,085,149</u>	<u>1,137,511,541</u>	<u>1,057,853,171</u>	<u>995,676,634</u>
Amount of debt applicable to limit:				
Debt issues for purpose of the County functions only:				
Building authority	90,570,000	20,615,000	22,415,000	24,165,000
Brownfield redevelopment authority	-	-	-	-
Debt issues for benefit of local improvements:				
CMH capital improvements	4,275,000	4,475,000	4,650,000	4,800,000
Water	180,000	225,000	275,000	325,000
Sewage	-	135,000	270,000	405,000
Drainage	-	-	-	-
Total net debt applicable to limit	<u>95,025,000</u>	<u>25,450,000</u>	<u>27,610,000</u>	<u>29,695,000</u>
Legal debt margin	<u>\$ 1,092,060,149</u>	<u>\$ 1,112,061,541</u>	<u>\$ 1,030,243,171</u>	<u>\$ 965,981,634</u>
Total net debt applicable to limit as a percentage of debt limit	8.00%	2.24%	2.61%	2.98%

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

Note: Prior to Board of Review actions.

Certain restatements and reclassifications were made in 2016. Prior years were not restated.

Table 11 - Unaudited

2017	2016	2015	2014	2013	2012
\$ 9,649,990,823	\$ 9,133,331,273	\$ 9,003,063,118	\$ 8,631,653,296	\$ 8,425,663,793	\$ 8,487,575,311
<u>964,999,082</u>	<u>913,333,127</u>	<u>900,306,312</u>	<u>863,165,330</u>	<u>842,566,379</u>	<u>848,757,531</u>
25,815,000	30,805,366	32,830,000	33,805,000	35,200,000	36,535,000
-	-	150,000	-	-	-
4,900,000	5,139,183	5,000,000	-	-	-
375,000	425,000	475,000	525,000	570,000	620,000
540,000	962,462	1,470,000	2,005,000	2,535,000	3,440,000
-	-	145,000	190,000	235,000	275,000
<u>31,630,000</u>	<u>37,332,011</u>	<u>40,070,000</u>	<u>36,525,000</u>	<u>38,540,000</u>	<u>40,870,000</u>
<u>\$ 933,369,082</u>	<u>\$ 876,001,116</u>	<u>\$ 860,236,312</u>	<u>\$ 826,640,330</u>	<u>\$ 804,026,379</u>	<u>\$ 807,887,531</u>
3.28%	4.09%	4.45%	4.23%	4.57%	4.82%

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Percentage Rate
2012	254,580	\$ 9,731,382,000	\$ 38,225	7.0%
2013	256,725	10,055,548,000	39,169	7.1%
2014	258,818	10,658,638,000	41,182	5.6%
2015	260,263	11,207,427,000	43,062	3.2%
2016	261,654	11,703,476,000	44,729	3.4%
2017	262,985	12,199,565,000	46,389	3.9%
2018	264,870	12,905,261,000	48,723	3.3%
2019	265,066	13,118,941,000	49,493	2.7%
2020	261,670	13,938,547,000	52,403	4.5%
2021	N/A	N/A	N/A	3.8%

Source: Michigan Department of Technology, Management and Budget, U.S. Census Bureau, and U.S. Department of Commerce - Bureau of Economic Analysis.

N/A Data is Not Available

Principal Employers

Current and Nine Years Ago

Industry	2021			2012		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Percentage of Total County Employment
Health Care and Social Assistance	22,309	1	15.08%	20,206	1	14.10%
Manufacturing	19,742	2	13.35%	17,048	2	11.89%
Retail trade	14,761	3	9.98%	14,655	3	10.22%
Accommodation and food services	10,092	4	6.82%	11,923	4	8.32%
Professional, scientific, and technical services	8,263	5	5.59%	6,767	9	4.72%
Local government	8,127	6	5.49%			
Other services, except public administration	7,924	7	5.36%	8,426	6	5.88%
Administrative, support and waste management remediation services	7,842	8	5.30%	8,091	8	5.64%
Construction	7,835	9	5.30%	10,003	5	6.98%
Finance and insurance	7,398	10	5.00%	6,016	10	4.20%
				8,154	7	5.69%
Total	114,293			111,289		
Total full-time and part-time County employment	147,920			143,342		

⁽¹⁾ Source: U.S. Department of Commerce, Bureau of Economic Analysis, CA25N - Total full-time and part-time employment by NAICS industry for Kalamazoo County.

COUNTY OF KALAMAZOO, MICHIGAN

Full-Time Equivalent Government Employees by Function/Program

Last Ten Fiscal Years

	2021	2020	2019	2018
Function/program				
General government	120.7	112.0	116.8	112.3
Public safety	249.8	249.8	248.8	252.6
Health and welfare	220.0	221.7	218.7	221.6
Cultural and recreation	16.0	16.0	16.0	16.0
Legislative	0.0	0.0	0.0	0.0
Judicial	270.4	268.4	268.2	269.4
Other	24.4	23.4	22.4	23.8
Airport	21.5	21.5	21.5	21.5
Total	922.8	912.7	912.3	917.2

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

Table 14 - Unaudited

2017	2016	2015	2014	2013	2012
135.5	140.7	143.9	143.2	138.8	138.8
251.6	248.6	244.3	241.8	241.8	215.8
226.3	223.8	217.0	208.1	203.8	286.3
15.6	17.5	17.6	17.6	18.4	18.6
6.8	6.8	6.3	6.3	6.3	6.3
225.1	224.5	224.3	226.5	224.0	223.5
23.8	15.6	15.0	16.0	16.0	16.0
21.5	21.5	21.5	21.0	22.0	22.0
<u>906.2</u>	<u>899.0</u>	<u>889.9</u>	<u>880.5</u>	<u>871.1</u>	<u>927.3</u>

COUNTY OF KALAMAZOO, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

	2021	2020	2019	2018
Function/program				
General government:				
Revenue from sale of maps, aerial directories	\$ 913	\$ 3,018	\$ 1,758	\$ 1,605
Revenue from soil erosion and permits issued	53,255	44,715	40,625	43,725
Public safety:				
Jail bookings	6,352	6,442	11,740	12,642
Average daily population	231	223	378	385
Judicial:				
8th district court caseloads	33,697	34,728	45,507	46,161
Airport:				
Based aircraft	120	120	111	111
Enplanements	73,984	54,671	156,010	158,154

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

Table 15 - Unaudited



	2017	2016	2015	2014	2013	2012
\$	1,467	\$ 2,442	\$ 1,848	\$ 4,146	\$ 5,056	\$ 9,166
	49,995	32,340	34,158	24,107	30,285	28,029
	11,865	11,957	12,024	12,171	12,973	13,380
	359	371	391	400	404	409
	46,303	43,999	49,214	50,640	54,898	59,858
	111	111	110	110	109	111
	151,662	160,131	124,355	134,175	127,559	130,163

COUNTY OF KALAMAZOO, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	2021	2020	2019	2018
Function/program				
Public safety:				
Correction facility capacity	482	482	482	482
Juvenile home capacity	64	64	64	64
Cultural and recreation:				
Parks	6	6	6	6
County fairgrounds	1	1	1	1
Judicial:				
Courthouse buildings	3	3	3	3
Airport operations:				
Number of runways	3	3	3	3
Number of hangars	84	84	84	84

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

Table 16 - Unaudited



2017	2016	2015	2014	2013	2012
482 64	482 64	482 64	327 64	327 64	327 64
6 1	6 1	6 1	6 1	6 1	6 1
3	3	3	3	3	3
3 84	3 84	3 84	3 84	3 84	3 84

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SINGLE AUDIT ACT COMPLIANCE

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**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE
SUPPLEMENTAL SCHEDULE OF EXPENDITURES BY SERVICE**

June 22, 2022

Honorable Members of the
Board of Commissioners
of the 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 22, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Additionally, the supplemental schedule of expenditures by service has also been presented for additional analysis. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 schedule of expenditures of federal awards and the supplemental schedule of expenditures by service are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Lobson LLC

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster:					
School Breakfast Program	10.553	MDE	211970	\$ -	\$ 16,706
School Breakfast Program	10.553	MDE	221971	-	6,693
				-	23,399
National School Lunch Program:					
Section 11 - Free and Reduced	10.555	MDE	211960	-	32,544
Section 11 - Free and Reduced	10.555	MDE	221961	-	11,973
				-	44,517
Total Child Nutrition Cluster				-	67,916
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Resident Services	10.557	MDHHS	20210257/50035	-	935,376
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Resident Services	10.557	MDHHS	20220346/50035	-	299,240
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Breastfeeding	10.557	MDHHS	20210257/50022/50035	-	76,287
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Breastfeeding	10.557	MDHHS	20220346/50022/50035	-	22,566
				-	1,333,469
Total U.S. Department of Agriculture				-	1,401,385
U.S. Department of Justice					
Crime Victim Assistance:					
Victims of Violence - Assistance Program	16.575	MDHHS	E20202133-00	-	117,248
Victims of Violence - Assistance Program	16.575	MDHHS	E20211537-00	-	43,300
				-	160,548
Drug Court Discretionary Grant Program:					
BJA FY 21 OJJDP-Juvenile and Family Drug Courts	16.585	Direct	2018-DC-BX-0130	-	124,286
BJA FY 22 OJJDP-Juvenile and Family Drug Courts	16.585	Direct	2018-DC-BX-0130	-	28,168
				-	152,454
Edward Byrne Memorial Justice Assistance Grant Program:					
Adult Men's Drug Treatment Court 2020/2021	16.738	MDCGP	72157-SCAO-2021	-	86,316
Adult Men's Drug Treatment Court 2021/2022	16.738	MDCGP	72157-SCAO-2022	-	34,170
Adult Women's Drug Treatment Court 2021/2022	16.738	MDCGP	72159-SCAO-2022	-	16,715
				-	137,201
Total U.S. Department of Justice				-	450,203
U.S. Department of Transportation					
Airport Improvement Program:					
COVID-19 - Airport Improvement Program	20.106	Direct	3-26-0052-047-2020	-	127,722
COVID-19 - Airport Improvement Program	20.106	Direct	3-26-0052-048-2021	-	636,900
				-	764,622
Highway Safety Cluster:					
State and Community Highway Safety:					
Strategic Traffic Enforcement Program - Police Traffic Services	20.600	MSP	PT-19-26	-	52,048
Interagency Hazardous Materials Public Sector					
Training & Planning Grants:					
Hazardous Materials Emergency Preparedness Planning Program	20.703	MSP	HM-HMP-0558-19-01-00	-	3,003
Total U.S. Department of Transportation				-	819,673

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Treasury					
COVID-19 - Coronavirus Relief Fund:					
CRF Local Health Department Contact Tracing FY 20/21	21.019	MDHHS	20210257/220000	\$ -	\$ 300
CRF Local Health Department Lab FY 20/21	21.019	MDHHS	20210257/220000	-	59,392
CRF Direct Care Worker Premium Pay	21.019	AASA	E20203461	-	(360)
				<u>-</u>	<u>59,332</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Direct	n/a	-	56,659
				<u>-</u>	<u>115,991</u>
Total U.S. Department of Treasury					
U.S. Environmental Protection Agency					
Drinking Water State Revolving Fund Cluster:					
Capitalization Grants for Drinking Water State Revolving Funds:					
Nontransient NCW System FY 2021	66.468	EGLE	FS97548718	-	100
Nontransient NCW System FY2022	66.468	EGLE	FS97548719	-	350
Operator Assistance NCW System FY 2021	66.468	EGLE	FS97548718	-	3,580
Operator Assistance NCW System FY 2020	66.468	EGLE	FS97548719	-	1,194
				<u>-</u>	<u>5,224</u>
Brownfield Assessment Grants:					
Hazardous Substance Assessment Funds and Petroleum Assessment Funds					
	66.818	Direct	00E03048	-	119
				<u>-</u>	<u>5,343</u>
Total U.S. Environmental Protection Agency					
U.S. Department of Health and Human Services					
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation:					
Title VII EAP Services	93.041	AASA	E20214176-00	-	8,388
Title VII EAP Services	93.041	AASA	E20224105-00	-	2,149
				<u>-</u>	<u>10,537</u>
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals:					
Title VII/A LTC Ombudsman	93.042	AASA	E20214176-00	-	13,579
Title VII/A LTC Ombudsman	93.042	AASA	E20224105-00	-	2,522
				<u>-</u>	<u>16,101</u>
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services:					
Title III D Services	93.043	AASA	E20214176-00	-	2,125
Title III D Services	93.043	AASA	E20224105-00	-	625
				<u>-</u>	<u>2,750</u>
Aging Cluster:					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:					
Title III B - Administration	93.044	AASA	E20214176-00	-	19,023
Title III B - Services (Program Development)	93.044	AASA	E20214176-00	-	33,075
Title III B - Supported Services	93.044	AASA	E20214176-00	13,734	13,734
Title III B - Administration	93.044	AASA	E20224105-00	-	6,348
Title III B - Services (Program Development)	93.044	AASA	E20224105-00	-	11,000
Title III B - Supported Services	93.044	AASA	E20224105-00	3,675	3,675
Title III B - Services Care Management	93.044	AASA	E20214176-00	-	119,023

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Aging Cluster (Concluded):					
Special Programs for the Aging - Title III,					
Part B - Grants for Supportive Services and					
Senior Centers (Concluded):					
Title III B - Services (Counseling)	93.044	AASA	E20214176-00	\$ -	\$ 800
Title III B - Services	93.044	AASA	E20224105-00	-	33,209
Title III B - Supported Services	93.044	AASA	E20214176-00	-	800
Title III B - Services	93.044	AASA	E20224105-00	-	50
Title III B - Supported Services	93.044	AASA	E20214176-00	-	2,450
Title III B - Services	93.044	AASA	E20224105-00	-	800
Title III B - Supported Services	93.044	AAA3B	R3b2020-5111	-	1,828
Title III B - Supported Services	93.044	AAA3C	2019-1597	-	1,500
Title III B - Services	93.044	AAA3B	R3b2020-5111	-	609
Title III B - Services	93.044	AAA3C	2020-2309	-	500
Title III B - Services	93.044	AASA	E20214176-00	-	8,709
Title III B - Services	93.044	AASA	E20224105-00	-	2,750
				<u>17,409</u>	<u>259,883</u>
Special Programs for the Aging - Title III,					
Part C - Nutrition Services:					
Home Del'd Meal IIC2	93.045	AASA	E20214176-00	-	260
Home Del'd Meal IIC2	93.045	AASA	E20224105-00	-	520
Title III C1 Administration	93.045	AASA	E20214176-00	-	25,183
Title III C2 Administration	93.045	AASA	E20214176-00	-	13,750
Congregate Meals IIC1	93.045	AASA	E20214176-00	160,251	160,251
Home Del'd Meal IIC2	93.045	AASA	E20214176-00	104,451	104,451
Title III C1 Administration	93.045	AASA	E20224105-00	-	8,318
Title III C2 Administration	93.045	AASA	E20224105-00	-	4,159
Title III C1 Services	93.045	AASA	E20224105-00	53,853	53,853
Title III C2 Services	93.045	AASA	E20224105-00	36,622	36,622
				<u>355,177</u>	<u>407,367</u>
Nutrition Services Incentive Program:					
Area Agency on Aging - USDA Senior Citizen Meals	93.053	AASA	E20214176-00	29,920	29,920
Area Agency on Aging - USDA Senior Citizen Meals	93.053	AASA	E20224105-00	24,404	24,404
				<u>54,324</u>	<u>54,324</u>
Total Aging Cluster				<u>426,910</u>	<u>721,574</u>
National Family Caregiver Support:					
Title III, Part E:					
Title III E - Administration	93.052	AASA	E20214176-00	-	9,002
Title III E - NFCSP	93.052	AASA	E20214176-00	3,100	3,100
Title III E - Administration	93.052	AASA	E20224105-00	-	3,065
Title III E - NFCSP	93.052	AASA	E20224105-00	900	900
Title III E - Care Management	93.052	AASA	E20214176-00	-	59,187
Title III E - Caregiver Counseling	93.052	AASA	E20214176-00	-	740
Title III E - Care Management	93.052	AASA	E20224105-00	-	12,827
Title III E - Caregiver Counseling	93.052	AASA	E20224105-00	-	452
Title III E - Services	93.052	AASA	E20214176-00	-	300
Title III E - Information and Assistance	93.052	AASA	E20214176-00	-	25,591
Title III E - Information and Assistance	93.052	AASA	E20224105-00	-	11,125
				<u>4,000</u>	<u>126,289</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Public Health Emergency Preparedness:					
Laboratory Services Bio - FY 21	93.069	MDHHS	20190022/251184	\$ -	\$ 11,250
Laboratory Services Bio - FY 22	93.069	MDHHS	20200072	-	123
Public Health Emergency Preparedness (PHEP) 10/1/2020 - 6/30/2021	93.069	MDHHS	2021057/251184	-	89,866
Public Health Emergency Preparedness (PHEP) 7/1/2021 - 9/30/2021	93.069	MDHHS	2021057/251184	-	34,530
Public Health Emergency Preparedness (PHEP) 10/1/2021 - 6/30/2022	93.069	MDHHS	20220346/251184	-	28,669
				-	164,438
Medicare Enrollment Assistance Program	93.071	MMAP	2001MIMISH	-	1,400
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:					
TB Control - FY21	93.116	MDHHS	20190022/251165	-	324
TB Control - FY22	93.116	MDHHS	20200072	-	129
				-	453
Substance Abuse and Mental Health Service Admin:					
SAMHSA Treatment Drug Court - Men's 2020/2021	93.243	Direct	n/a	-	132,203
SAMHSA Treatment Drug Court - Men's 2021/2022	93.243	Direct	n/a	-	78,726
SAMHSA Treatment Drug Court - Women's 2020/2021	93.243	Direct	n/a	-	87,188
SAMHSA Treatment Drug Court - Women's 2021/2022	93.243	Direct	n/a	-	38,513
				-	336,630
Immunization Cooperative Agreements:					
Immunization Support Grant	93.268	ASSA	E20214176;4361	-	15,258
Vaccine Provided (non-cash assistance)	93.268	MDHHS	20190022	-	63,991
Immunization Action Plan - 2020/2021	93.268	MDHHS	20210257/251129	-	96,175
Immunization Action Plan - 2021/2022	93.268	MDHHS	20220346/251129	-	15,474
Immunizations Fixed Fees - 2020/2021	93.268	MDHHS	20210257/251129	-	800
CSHCS Vaccine Initiative 2021/2022	93.268	MDHHS	20220346/251129	-	3,139
COVID-19 - Immunizations 2020/2021	93.268	MDHHS	20210257/251129	-	201,584
COVID-19 - Immunizations 2021/2022	93.268	MDHHS	20220195/251129	-	61,886
				-	458,307
Epidemiology and Laboratory Capacity for Infectious Diseases:					
COVID-19 - ELC Covid-19 Contract Tracing Testing FY 20/21	93.323	MDHHS	20210257/251156	-	54,601
COVID-19 - ELC Covid-19 Enhanced Detection FY 20/21	93.323	MDHHS	20210257/251156	-	21,118
COVID-19 - ELC Covid-19 Infection Prevention FY 20/21	93.323	MDHHS	20210257/251156	-	465
COVID-19 - ELC Contact Tracing, Investigation, Monitoring	93.323	MDHHS	20220195/251156	-	54,889
COVID-19 - ELC Regional Lab 2021/2022	93.323	MDHHS	20220195/251156	-	214,814
				-	345,887
State Health Insurance Assistance Program:					
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0010-03-00	6,764	7,516
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0090	-	11,813
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0090	-	1,313
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0090-01-04	-	3,000
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0010-02-00	943	943
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0010-02-00	-	1,812
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0010-02-00	-	1,371
State Health Insurance Assistance Program	93.324	MMAP	90SAPG0010-02-00	-	459
				7,707	28,227
COVID-19 - Public Health Emergency Preparedness Response:					
PHEP COVID-19 Response FY 20/21	93.354	MDHHS	20210057/251211	-	81,383
Child Support Enforcement (CSE):					
Federal Performance Incentive Payment	93.563	MDHHS	CSFOC17-39001	-	259,907
Federal Performance Incentive Payment	93.563	MDHHS	CS/FOC17-39001	-	83,613
Medical Support Enforcement	93.563	MDHHS	CSFOC17-39001	-	68,478

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COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Child Support Enforcement (CSE) (Concluded):					
Medical Support Enforcement	93.563	MDHHS	CSFOC17-39001	\$ -	\$ 20,431
Child Support Enforcement	93.563	MDHHS	CS/FOC17-39001	-	1,188,512
Child Support Enforcement	93.563	MDHHS	CS/FOC17-39001	-	456,166
Child Support Enforcement	93.563	MDHHS	CSPA17-39002	-	376,683
Child Support Enforcement	93.563	MDHHS	CSPA17-39002	-	130,280
				-	2,584,070
Grants to States for Access and Visitation Programs	93.597	SCAO	SCAO-2021-022	-	2,385
ACA-State Innovation Models:					
MI Health Link SHIP/ADRC	93.624	MMAP	1J1CMS331626	2,166	2,166
MI Health Link SHIP/ADRC	93.624	MMAP	1J1CMS331626	-	4,518
MI Health Link SHIP/ADRC	93.624	MMAP	1J1CMS331626	-	1,185
				2,166	7,869
Medicaid Cluster:					
Medical Assistance Program:					
Targeted Case Management	93.778	AASA	E20214176-00	-	9,805
Targeted Case Management	93.778	AASA	E20224105-00	-	2,500
Nurse Family Partnership - 2020/2021	93.778	MDHHS	20210257/253001	-	180,868
Nurse Family Partnership - 2021/2022	93.778	MDHHS	20220346/253001	-	93,781
Medicaid Outreach - NFP - 2020/2021	93.778	MDHHS	20210257/253001	-	181,742
CSHCS Outreach and Advocacy - 2020/2021	93.778	MDHHS	20210257/253001	-	64,981
CSHCS Outreach and Advocacy - 2021/2022	93.778	MDHHS	20220346/253001	-	25,454
Care Coordination Services and Case Management - CSHCS - 2020/2021	93.778	MDHHS	20210257	-	6,252
Medicaid Outreach - CSHCS - 2020/2021	93.778	MDHHS	20210257/253001	-	4,567
Care Coordination Services - CSHCS - 2021/2022	93.778	MDHHS	20220346/253001/253002	-	1,522
Medicaid Outreach - BCCNP - 2020/2021	93.778	MDHHS	20210257/253001	-	2,960
Medicaid Outreach - BCCNP - 2021/2022	93.778	MDHHS	20220346/253001	-	1,099
CSHCS Medicaid Elevated Blood Lead Case Management - Management - 2020/2021	93.778	MDHHS	20210257/253002	-	1,808
CSHCS Medicaid Elevated Blood Lead Case Management - Management - 2021/2022	93.778	MDHHS	20220346/253002	-	1,008
Total Medicaid Cluster				-	578,347
Maternal, Infant and Early Childhood Home Visiting Program:					
Healthy Families America Expansion - 2020/2021	93.870	MDHHS	20210257/252300	-	238,188
Healthy Families America Expansion - 2021/2022	93.870	MDHHS	20220346/252300	-	61,651
Nurse Family Partnership Services - 2020/2021	93.870	MDHHS	20210257/252300	-	26,181
Nurse Family Partnership Services - 2021/2022	93.870	MDHHS	20220346/252300	-	7,100
				-	333,120
Cancer Prevention and Control Programs for State, Territorial, and Tribal Organizations:					
MI Cancer Prevention Control Program	93.898	MDHHS	20210257/251183	-	121,266
MI Cancer Prevention Control Program	93.898	MDHHS	20220346/251183	-	37,483
				-	158,749
Healthy Start Initiative:					
Healthy Start - 2021/2022	93.926	Direct	H49MC00047-21-00	-	668,615
Healthy Start - 2020/2021	93.926	Direct	H49MC00047-20-00	-	288,382
				-	956,997

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Concluded)					
HIV Prevention - 2020/2021	93.940	MDHHS	20210257/251124	\$ -	\$ 960
Grants to States for Access and Visitation Programs	93.957	SCAO	SCAO-2021-020	-	8,685
Maternal and Child Health Services Block Grant to the States:					
MCH Block Grant - FIMR Interviews - FY 21	93.994	MDHHS	20190022/252208	-	125
MCH Block Grant - FIMR Interviews - FY 22	93.994	MDHHS	20200072/252208	-	125
MCH Block Grant - FIMR Case Abstractions - FY21	93.994	MDHHS	20190022/252208	-	4,050
MCH Block Grant - FIMR Case Abstractions - FY22	93.994	MDHHS	20200072/252208	-	1,080
MCH Block Grant - Immunizations - Children FY 22	93.994	MDHHS	20220346/252208	-	6,926
MCH Block Grant - Immunizations - Other FY 22	93.994	MDHHS	20220346/252208	-	2,500
MCH Block Grant - Immunizations - Children FY 21	93.994	MDHHS	20210257/252208	-	20,785
MCH Block Grant - Immunizations - Other FY21	93.994	MDHHS	20210257/252208	-	7,500
MCH Block Grant - CSHCS - Other 20/21	93.994	MDHHS	20210257/252208	-	49,751
MCH Block Grant - CSHCS - Children 20/21	93.994	MDHHS	20210257/252208	-	7,500
MCH Block Grant - CSHCS - Children 21/22	93.994	MDHHS	20220346/252208	-	2,500
MCH Block Grant - CSHCS - Other 21/22	93.994	MDHHS	20220346/252208	-	11,249
Care Coordination Services and Case Management 2020/2021	93.994	MDHHS	20210257	-	24,256
Care Coordination Services and Case Management 2021/2022	93.994	MDHHS	20220346/252208	-	4,703
MCH Block Grant - IAP - 2020/2021	93.994	MDHHS	20210257/252208	-	9,000
MCH Block Grant - IAP - 2021/2022	93.994	MDHHS	20220346/252208	-	3,000
Childhood Lead Poisoning Prevention - 2020/2021	93.994	MDHHS	20210257/252208	-	30,881
Childhood Lead Poisoning Prevention - 2021/2022	93.994	MDHHS	20220346/252208	-	9,109
MCH Block Grant - Lead - Other 2020/2021	93.994	MDHHS	20210257/252208	-	25,000
MCH Block Grant - Lead - Other 2021/2022	93.994	MDHHS	20220346/252208	-	10,251
				-	230,291
Total U.S. Department of Health and Human Services				440,783	7,155,449
U.S. Department of Homeland Security					
Boating Safety Financial Assistance:					
Marine Safety Program	97.012	MDNR	MS18-061	-	14,548
Emergency Management Performance Grants:					
Emergency Management Performance Grant (PY2020)	97.042	MSP	EMC-2020-EP-00005	-	28,953
Total U.S. Department of Homeland Security				-	43,501
Total Expenditures of Federal Awards				\$ 440,783	\$ 9,991,545

concluded

See notes to schedule of expenditures of federal awards.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the **County of Kalamazoo, Michigan** (the "County") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Financial Statements. The County's financial statements include the operations of the Kalamazoo County Road Commission and the Central County Transportation Authority discretely presented component units, which received federal awards that are not included in the Schedule for the year ended December 31, 2021, as the entities were separately audited.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the County has elected not to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. OTHER FEDERAL REVENUE

The County is an indirect beneficiary of federal funds that are expended directly by the Michigan Department of Transportation. These expenditures (which totaled \$578,110 for the year ended December 31, 2021) are not presented on the Schedule, as they will be included in the single audit for the State of Michigan.

COUNTY OF KALAMAZOO, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
AAA3B	Area Agency on Aging Region 3B
AAA3C	Area Agency on Aging Region 3C
AASA	Aging & Adult Services Agency
EGLE	Michigan Department of Environment, Great Lakes, and Energy
MDCGP	Michigan Drug Court Grant Program
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MDE	Michigan Department of Education
MMAP	Michigan Medicare/Medicaid Assistance Program
MSP	Michigan State Police
SCAO	Michigan State Court Administrative Office



COUNTY OF KALAMAZOO, MICHIGAN

Supplemental Schedule of Expenditures by Service
For the Year Ended September 30, 2021

Service Category	Federal Admin	Title IIIB	Title IIIC-1	Title IIIC-2	Title IIID	NFCSP IIIE	Title VII/EAP	Title VIIA	NSIP
Care Management	\$ -	\$ 120,344	\$ -	\$ -	\$ -	\$ 71,695	\$ -	\$ -	\$ -
Case Coordination/Support	-	1,000	-	-	-	-	-	-	-
Information & Assistance	-	10,800	-	-	-	35,500	-	-	-
Transportation	-	4,685	-	-	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-	-	-
Homemaker	-	13,051	-	-	-	-	-	-	-
Home Delivered Meals	-	-	-	160,410	-	-	-	-	34,243
Medication Management	-	5,475	-	-	-	-	-	-	-
Personal Care	-	-	-	-	-	-	-	-	-
PERS/Assist Tech & Devices	-	-	-	-	-	-	-	-	-
Respite Care	-	9,800	-	-	-	300	-	-	-
Congregate Meals	-	-	198,551	-	-	-	-	-	19,871
Legal Assistance	-	14,900	-	-	-	-	-	-	-
Adult Day Care	-	-	-	-	-	-	-	-	-
Creating Confident Caregivers	-	-	-	-	2,500	-	-	-	-
LTC Ombudsman	-	3,200	-	-	-	-	10,526	16,101	-
Senior Center Staffing	-	3,000	-	-	-	-	-	-	-
Counseling	-	800	-	-	-	-	-	-	-
Caregiver counseling	-	-	-	-	-	990	-	-	-
Caregiver Supplement	-	-	-	-	-	4,300	-	-	-
Program Development	-	44,000	-	-	-	-	-	-	-
Nutrition Education	-	-	1,000	-	-	-	-	-	-
	-	231,055	199,551	160,410	2,500	112,785	10,526	16,101	54,114
Administration	87,921	-	-	-	-	-	-	-	-
Total	\$ 87,921	\$ 231,055	\$ 199,551	\$ 160,410	\$ 2,500	\$ 112,785	\$ 10,526	\$ 16,101	\$ 54,114

Targeted Care Mgmt	State Access	State In-Home	State Cong.	St. Home Del Meals	State NHO	St. Alt. Care	State MSO	State Care Mgmt
\$ 13,657	\$ 15,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,014
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,095
-	-	128,095	-	-	-	21,652	-	-
-	-	-	-	251,901	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,470	-	-
-	-	-	-	-	-	24,934	-	-
-	-	128,000	-	-	-	6,196	-	-
-	-	-	5,050	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	30,216	-	13,269	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
13,657	15,074	256,095	5,050	251,901	30,216	59,252	13,269	137,109
-	-	-	-	-	-	-	-	-
<u>\$ 13,657</u>	<u>\$ 15,074</u>	<u>\$ 256,095</u>	<u>\$ 5,050</u>	<u>\$ 251,901</u>	<u>\$ 30,216</u>	<u>\$ 59,252</u>	<u>\$ 13,269</u>	<u>\$ 137,109</u>

continued...

COUNTY OF KALAMAZOO, MICHIGAN

Supplemental Schedule of Expenditures by Service
For the Year Ended September 30, 2021

	Merit Award Trust Fund	St. CG Support	St. Respite (Escheat)	State ANS	State Admin	Program Income	Cash Match	In-Kind Match	Totals
Care Management	\$ -	\$ -	\$ -	\$ 23,507	\$ -	\$ -	\$ 135,116	\$ -	\$ 514,407
Case Coordination/Support	-	-	-	-	-	-	8,547	-	9,547
Information & Assistance	-	-	-	-	-	-	46,112	-	92,412
Transportation	-	-	-	-	-	-	521	-	5,206
Options Counseling	-	-	-	-	-	-	234	-	2,329
Homemaker	-	-	-	-	-	-	18,090	-	180,888
Home Delivered Meals	-	-	-	-	-	20,088	45,813	-	512,455
Medication Management	-	-	-	-	-	-	609	-	6,084
Personal Care	-	-	-	-	-	-	719	-	7,189
PERS/Assist Tech & Devices	-	-	-	-	-	-	2,771	-	27,705
Respite Care	60,966	6,779	19,237	-	-	-	16,788	-	248,066
Congregate Meals	-	-	-	-	-	25,239	22,625	-	271,336
Legal Assistance	-	-	-	-	-	320	96,167	3,581	114,968
Adult Day Care	2,080	1,000	3,875	-	-	-	112	-	7,067
Creating Confident Caregivers	-	-	-	-	-	-	7,583	-	10,083
LTC Ombudsman	-	-	-	-	-	-	39,392	-	112,704
Senior Center Staffing	-	-	-	-	-	-	9,272	-	12,272
Counseling	-	-	-	-	-	-	198	-	998
Caregiver counseling	-	-	-	-	-	-	110	-	1,100
Caregiver Supplement	-	-	-	-	-	-	597	-	4,897
Program Development	-	-	-	-	-	-	4,889	-	48,889
Nutrition Education	-	-	-	-	-	-	120	-	1,120
	63,046	7,779	23,112	23,507	-	45,647	456,385	3,581	2,191,722
Administration	6,235	769	-	-	15,133	-	129,722	-	239,780
Total	\$ 69,281	\$ 8,548	\$ 23,112	\$ 23,507	\$ 15,133	\$ 45,647	\$ 586,107	\$ 3,581	\$ 2,431,502

concluded

Note: The supplemental schedule of expenditures by service includes the federal and state grant activity of the County of Kalamazoo, Michigan's Aging program for the fiscal year ended September 30, 2021. As such, the amounts presented above will not agree with or directly reconcile to the amounts reported on the Schedule of Expenditures of Federal Awards for the year ended December 31, 2021.

**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**

June 22, 2022

Honorable Members of the
Board of Commissioners
of the County of Kalamazoo, Michigan
Kalamazoo, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Kalamazoo, Michigan** (the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2022. Our report includes a reference to other auditors who audited the financial statements of the Kalamazoo County Transportation Authority, Central County Transportation Authority, Kalamazoo County Road Commission, and the Kalamazoo County Public Housing Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Kalamazoo County Transportation Authority and the Kalamazoo County Road Commission were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Rehmann Loborn LLC". The signature is written in a cursive, flowing style.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

June 22, 2022

Honorable Members of the
Board of Commissioners
of the County of Kalamazoo, Michigan
Kalamazoo, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the **County of Kalamazoo, Michigan** (the "County") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Kalamazoo County Road Commission and the Central County Transportation Authority, which expended certain federal awards that are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2021. Our audit, described below, did not include the operations of the Kalamazoo County Road Commission or the Central County Transportation Authority, because they arranged for separate financial statement audits. The Kalamazoo County Road Commission did not meet the criteria for a single audit in accordance with the Uniform Guidance.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Independent Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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

A handwritten signature in black ink that reads "Lehmann Lobarr LLC". The signature is written in a cursive, flowing style.

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Unmodified
20.106	COVID-19 - Airport Improvement Program	Unmodified

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

Auditee qualified as low-risk auditee? X yes no

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

COUNTY OF KALAMAZOO, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2021

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

COUNTY OF KALAMAZOO, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2021

None reported.



INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 22, 2022

Honorable Members of the Board of Commissioners
of the 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, 2021, and have issued our report thereon dated June 22, 2022. We did not audit the financial statements of the Kalamazoo County Transportation Authority, Central County Transportation Authority, Kalamazoo County Road Commission, and the Kalamazoo County Public Housing Commission. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements and this report, insofar as they relate to the Kalamazoo County Transportation Authority, Central County Transportation Authority, Kalamazoo County Road Commission, and the Kalamazoo County Public Housing Commission, are based solely on the report of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 16, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated June 22, 2022. In addition, we noted a certain other matter which is included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on March 21, 2022.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the risks of management override of internal control and revenue recognition as significant risks, and have obtained an understanding of the County's related controls, including control activities, relevant to such risks.

Qualitative Aspects of the County's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefit plans are based on historical trends and industry standards.
- Management's estimate of the liability for delinquent tax distributions is based on actual and expected claims and payments for excess sales proceeds received.
- Management's estimate of the fair value of certain investments (primarily those that are not traded on a national or international exchange) is based on a variety of factors including the purchase price, changes in the financial condition and prospects of the issuer, calculations of the total enterprise value using discounted cash flow projections, trading comparables of securities of comparable companies engaged in similar businesses, estimates of liquidation value, the existence of restrictions on transferability, prices received in recent significant placements of securities of the same issuer, and other analytical data relating to the investment.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the County of Kalamazoo, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

COUNTY OF KALAMAZOO, MICHIGAN

Attachment A – Comments and Recommendations

For the December 31, 2021 Audit

During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding this matter. Our consideration of the County's internal control over financial reporting is described in our report, dated June 22, 2022, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 22, 2022, on the financial statements of the County of Kalamazoo, Michigan.

Investment Reconciliations

Based on our discussions with management and through our testing of cash and investments, we noted certain variances that initially existed between the amounts recorded on the general ledger and the custodial statements provided. While management performed additional analysis and made adjusting entries where needed, we recommend that the County develop policies to reconcile its investments, including certificates of deposit, to the custodial statements on a monthly basis. Further, we recommend that any investment accounts or certificates of deposit that are open or closed be subject to a documented review and approval process, including reconciling the activity to the amounts recorded in the general ledger.

Management's Response

During the time of the audit, management was in the process of adjusting our procedures to more closely maintain records and reconcile investments to the General Ledger. The largest change is the entire process is being moved to management from staff. Investments will be monitored daily by management, and the monthly reconciliation will now be completed by management. In addition, the monthly investment report sent to the Board and Finance will now include full copies of the custodial statements.



COUNTY OF KALAMAZOO, MICHIGAN

Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2021 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the County in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the County. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 87 ■ Leases

Effective 06/15/2022 (your FY 2022)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 91 ■ Conduit Debt Obligations

Effective 12/15/2022 (your FY 2022)

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is *more likely than not* that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the County.

GASB 92 ■ Omnibus 2020

Effective 06/15/2022 (your FY 2022)

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the County.

GASB 93 ■ Replacement of Interbank Offered Rates

Effective 06/15/2022 (your FY 2022)

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the County.

GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Effective 06/15/2023 (your FY 2023)

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the County.

COUNTY OF KALAMAZOO, MICHIGAN

Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2021 Audit

GASB 96 ■ Subscription-Based Information Technology Arrangements

Effective 06/15/2023 (your FY 2023)

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

GASB 97 ■ Certain Component Unit Criteria and IRC Section 457 Deferred Compensation Plans

Effective 06/15/2022 (your FY 2022)

This standard amends the requirements for when to report defined contribution pension plans (such as 401k and 403b plans) as fiduciary component units, and how to account for Section 457 deferred compensation plans.

GASB 99 ■ Omnibus 2022

Effective 06/15/2023 (your FY 2023)

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the County.

GASB 100 ■ Accounting Changes and Error Corrections

Effective 06/15/2024 (your FY 2024)

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the County.



COUNTY OF KALAMAZOO, MICHIGAN

■ Attachment C – Management Representations

For the December 31, 2021 Audit

The following pages contain the written representations that we requested from management.



KALAMAZOO COUNTY GOVERNMENT

In the Pursuit of Extraordinary Governance...

June 22, 2022

Rehmann Robson
2330 East Paris Ave SE
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit of 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, 2021, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 22, 2022:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 16, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

OFFICE OF THE ADMINISTRATOR/CONTROLLER

201 West Kalamazoo Avenue | Kalamazoo, MI 49007
Phone: 269.384.8111 | www.kalcounty.com

6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position and fund balance classifications have been properly reported.
16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
18. All interfund and intra-entity transactions and balances have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit assets/liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The pandemic has resulted in operational challenges for the County as it determines the impact on employees, vendors, and taxpayers, and the appropriate method for providing services. At this time, management does not believe that any ongoing negative financial impact related to the pandemic, if any, would be material to the County.

Information Provided

24. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
29. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
30. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. We have a process to track the status of audit findings and recommendations.
32. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
33. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
34. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
35. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37. The County has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have disclosed to you all guarantees, whether written or oral, under which the County is contingently liable.
39. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

40. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
41. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
42. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

44. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

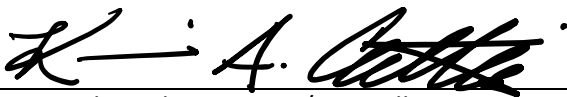
45. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Uniform Guidance (2 CFR 200)

46. With respect to federal awards, we represent the following to you:

- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.

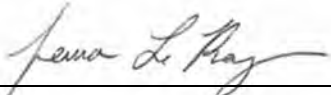
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients to determine if they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- u. We have issued management decisions timely after the receipt of subrecipients' auditor reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that the subrecipients have taken the appropriate and timely corrective action on findings.
- v. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- w. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- x. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- y. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- z. The reporting package does not contain protected personally identifiable information.
- aa. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- bb. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- cc. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



Kevin A. Catlin, Administrator/Controller



Amanda Morse, Finance Director

A handwritten signature in cursive script, appearing to read "Jenna LeRoy".

Jenna LeRoy, Deputy Finance Director