

# COUNTY OF BARRY, MICHIGAN



## ANNUAL FINANCIAL REPORT

**For the Year Ended December 31, 2009**

**COUNTY OF BARRY, MICHIGAN**  
**Annual Financial Report**  
**For the Year Ended December 31, 2009**

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis.....	3-11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	12
Statement of Activities.....	13-14
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	15-16
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets .....	17
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.....	18-19
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	21-24
Central Dispatch Fund.....	25
Commission on Aging Fund .....	26
Revenue Sharing Reserve Fund .....	27
Statement of Net Assets – Proprietary Funds .....	28
Statement of Revenue, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	29
Statement of Cash Flows – Proprietary Funds.....	30-31
Statement of Fiduciary Net Assets – Fiduciary Funds .....	32
Statements of Changes in Fiduciary Net Assets – Private Purpose Trust Funds .....	33
Component Unit Financial Statements:	
Combining Statement of Net Assets .....	34-35
Combining Statement of Activities.....	36-37
Notes to the Financial Statements .....	38-72
Required Supplementary Information:	
Schedules of Funding Progress .....	73
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	74
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	75
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	76-85
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	86-95

(continued)

**COUNTY OF BARRY, MICHIGAN**  
**Annual Financial Report**  
**For the Year Ended December 31, 2009**

**TABLE OF CONTENTS (CONTINUED)**

	<u>PAGE</u>
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds.....	96-123
Combining Balance Sheet – Nonmajor Debt Service Funds .....	124
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds .....	125
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	126
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	127
Combining Statement of Net Assets – Nonmajor Enterprise Funds .....	128-129
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	130-131
Combining Statement of Cash Flows – Nonmajor Enterprise Funds .....	132-135
Combining Statement of Net Assets – Internal Service Funds .....	136-137
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets – Internal Service Funds .....	138-139
Combining Statement of Cash Flows – Internal Service Funds.....	140-141
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds.....	142
Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds.....	143
Combining Statement of Changes in Net Assets – Private Purpose Trust Funds .....	144
Drainage Districts Component Unit:	
Combining Balance Sheet .....	145
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets .....	146
Combining Statement of Revenue, Expenditures and Changes in Fund Balances .....	147
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	148
Board of Public Works Component Unit:	
Combining Balance Sheet .....	149-151
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets .....	152
Combining Statement of Revenue, Expenditures and Changes in Fund Balances .....	153-155
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	156
Economic Development Board Component Unit:	
Balance Sheet .....	157
Statement of Revenue, Expenditures and Changes in Fund Balance .....	158

(continued)

**COUNTY OF BARRY, MICHIGAN**  
**Annual Financial Report**  
**For the Year Ended December 31, 2009**

**TABLE OF CONTENTS (CONCLUDED)**

---

	<u><b>PAGE</b></u>
Airport Commission Component Unit:	
Balance Sheet .....	159
Reconciliation of Fund Balance on the Balance Sheet for Component Unit Funds to Net Assets of Governmental Activities on the Statement of Net Assets .....	160
Statement of Revenue, Expenditures and Changes in Fund Balances .....	161
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	162

**INDEPENDENT AUDITORS' REPORT**

June 22, 2010

The Board of Commissioners  
County of Barry, Michigan  
Hastings, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Barry, Michigan**, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), the Barry County Transit, or Barry County Substance Abuse Services. The Barry County Road Commission represents 77% and 94% of the total assets and revenue, respectively, of the discretely presented component units. Thornapple Manor is presented as a major enterprise fund, and is therefore a separate opinion unit. The Barry County Transit represents 23% and 19% of the total assets and revenue, respectively, of the aggregate remaining fund information. Barry County Substance Abuse Services represents 0% and 0% of the total assets and revenue, respectively, of the remaining aggregate fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility, the Barry County Transit, and Barry County Substance Abuse Services, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Barry County Medical Care Facility (Thornapple Manor) were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the County of Barry, Michigan, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-11 and the Required Supplementary Information on page 77 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2010, on our consideration of the County of Barry, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Barry, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of Barry County, we offer readers of Barry County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$45,226,748 (net assets). Of this amount, \$1,351,946 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,587,285.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,273,137, a decrease of \$1,226,575 in comparison with the prior year. Approximately 99.8 percent of this total amount, or \$13,241,795, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,145,917, or 15.0 percent of total general fund expenditures and transfers out.
- Total bonded debt of the primary government decreased by a net of \$1,510,000 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Barry County's 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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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



Both of the government-wide financial statements distinguish functions of Barry 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 administration, public safety, public works, health and welfare, recreation and cultural, and community and economic development activities. The business-type activities of the County include delinquent tax administration, operation of a medical care facility, and operation of a transit system.

The government-wide financial statements include not only Barry County itself (known as the *primary government*), but also the legally separate Barry County Road Commission, Drainage Districts, Board of Public Works, Economic Development Board, and Airport Commission, for which the County is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-14 of this report.

**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. Barry County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains numerous governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, central dispatch special revenue fund, commission on aging special revenue fund, revenue sharing reserve special revenue fund, and the Thornapple Manor addition building authority debt service fund, 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 and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 15-27 of this report.

**Proprietary funds.** Barry County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Barry County uses enterprise funds to account for its delinquent tax collection and administration, Thornapple Manor medical care facility, jail commissary, and Transit system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The County uses internal service funds to account for its fleet of vehicles, telephone systems, data processing, insurance, and fringe benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent tax umbrella, 2008 delinquent tax, and Thornapple Manor funds, all of which are considered to be major funds of Barry County.

The basic proprietary fund financial statements can be found on pages 28-31 of 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.

The basic fiduciary funds financial statements can be found on pages 32-33 of this report.

**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. The notes to the financial statements can be found on pages 38-72 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management discussion and analysis and the schedules of funding progress.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 73-162 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Barry County, assets exceeded liabilities by \$45,226,748 at the close of the most recent fiscal year.

A portion of the County's net assets reflects unrestricted net assets which are available for future operation while a significant portion of net assets is invested in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County 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.

### Barry County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets</b>						
Current and other assets	\$ 21,938,089	\$ 23,732,936	\$ 15,782,374	\$ 13,842,745	\$ 37,720,463	\$ 37,575,681
Capital assets, net	13,091,341	13,404,158	23,317,798	21,482,598	36,409,139	34,886,756
Total assets	35,029,430	37,137,094	39,100,172	35,325,343	74,129,602	72,462,437
<b>Liabilities</b>						
Long-term liabilities	20,343,791	21,380,736	579,785	800,000	20,923,576	22,180,736
Other liabilities	5,551,076	5,257,947	2,428,202	1,384,291	7,979,278	6,642,238
Total liabilities	25,894,867	26,638,683	3,007,987	2,184,291	28,902,854	28,822,974
<b>Net assets</b>						
Invested in capital assets, net of related debt	11,419,706	11,008,308	23,017,798	20,682,598	34,437,504	31,690,906
Restricted	9,437,298	10,301,671	-	-	9,437,298	10,301,671
Unrestricted (deficit)	(11,722,441)	(10,811,568)	13,074,387	12,458,454	1,351,946	1,646,886
Total net assets	\$ 9,134,563	\$ 10,498,411	\$ 36,092,185	\$ 33,141,052	\$ 45,226,748	\$ 43,639,463

Net assets of the County increased by \$1,587,285. The governmental activities decreased by \$1,363,848 which is primarily due to the primary government's financing of the Thornapple Manor renovations for which it issued general obligation debt to be repaid over time through a special voted property tax levy. Similarly, the business-type activities increase of \$2,951,133 is partially due to the transfer of these constructed assets to the Thornapple Manor fund from the governmental activities which hold the debt used to finance such construction. In addition, the Transit fund received one-time capital grants for the purchase of buses.

## Barry County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,138,326	\$ 2,469,266	\$ 14,218,555	\$ 13,415,248	\$ 16,356,881	\$ 15,884,514
Operating grants and contributions	4,236,024	4,318,522	715,551	840,966	4,951,575	5,159,488
Capital grants and contributions	-	25,875	675,255	542,980	675,255	568,855
General revenues:						
Property taxes	14,523,707	13,793,999	462,857	443,079	14,986,564	14,237,078
Grants and contributions not restricted to specific programs	241,293	279,241	-	-	241,293	279,241
Unrestricted investment earnings	207,946	697,070	-	-	207,946	697,070
<b>Total revenues</b>	<b>21,347,296</b>	<b>21,583,973</b>	<b>16,072,218</b>	<b>15,242,273</b>	<b>37,419,514</b>	<b>36,826,246</b>
<b>Expenses</b>						
General government	8,677,207	8,602,658	-	-	8,677,207	8,602,658
Public safety	6,751,011	6,360,887	-	-	6,751,011	6,360,887
Public works	665,804	154,447	-	-	665,804	154,447
Health and welfare	3,810,360	4,383,105	-	-	3,810,360	4,383,105
Recreation and cultural	659,359	603,597	-	-	659,359	603,597
Other governmental activities	390,815	410,287	-	-	390,815	410,287
Interest on long-term debt	885,856	941,261	-	-	885,856	941,261
Delinquent tax administration	-	-	69,719	72,644	69,719	72,644
Thornapple Manor	-	-	12,963,997	13,935,967	12,963,997	13,935,967
Other	-	-	958,101	1,042,141	958,101	1,042,141
<b>Total expenses</b>	<b>21,840,412</b>	<b>21,456,242</b>	<b>13,991,817</b>	<b>15,050,752</b>	<b>35,832,229</b>	<b>36,506,994</b>
Change in net assets before transfers and capital contributions	(493,116)	127,731	2,080,401	191,521	1,587,285	319,252
<b>Transfers</b>	<b>(870,732)</b>	<b>(3,536,374)</b>	<b>870,732</b>	<b>3,536,374</b>	<b>-</b>	<b>-</b>
Change in net assets	(1,363,848)	(3,408,643)	2,951,133	3,727,895	1,587,285	319,252
Net assets, beginning of year	10,498,411	13,907,054	33,141,052	29,413,157	43,639,463	43,320,211
<b>Net assets, end of year</b>	<b>\$ 9,134,563</b>	<b>\$ 10,498,411</b>	<b>\$ 36,092,185</b>	<b>\$ 33,141,052</b>	<b>\$ 45,226,748</b>	<b>\$ 43,639,463</b>

### Governmental activities

During the year, the County invested \$8,677,207 or 39.7% of governmental activities expenses to general government activities. Public safety expenditures totaled \$6,751,011 or 30.9% of governmental activities expenses. Health and welfare was \$3,810,360 or 17.4%. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 12.0% of governmental activities expenses.

**Business-type activities.** Business-type activities increased the County's net assets by \$2,951,133. Key elements of this increase are as follows:

- Contributed capital assets from governmental activities to Thornapple Manor.
- Capital grants for new buses in the Transit fund of nearly \$700,000.

### **Financial Analysis of the Government'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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,273,137, a decrease of \$1,226,575 in comparison with the prior year. Approximately 99.8% of this total amount constitutes *unreserved fund balance*. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed, this case, for cemetery perpetual care.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,145,917. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 15.0% of total general fund expenditures and transfers out.

The fund balance of the County's general fund was unchanged during the current fiscal year. This is a direct result of a Board resolution to transfer the current year surplus to other funds of the government.

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

Net assets of the enterprise funds increased \$2,951,133. Key elements of this change have been addressed elsewhere in this analysis.

### **General Fund Budgetary Highlights**

- Property tax revenue exceeded budget due to conservative forecasting of the rate of change in taxable value.
- Interest revenue on the County's deposits and investments was less than budgeted amounts due to actual interest rates being less than budgeted estimates.
- Expenditures for the Trial Court came in under budget. This was the result of operating through a plan of Concurrent Jurisdiction, implementing and utilizing numerous community-based programs, and prudent fiscal management.

- Expenditures related to the jail were under budget due to prudent fiscal management.
- The County did not include principal and interest expense on long-term debt as part of its annual budget.
- Operating transfers out exceeded the original and amended budget due to a board resolution to transfer the entire year-end surplus to designated funds.

### Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounted to \$36,409,139 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and systems, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included continued construction of the Thornapple Manor (medical care facility) building.

### Barry County's Capital Assets (net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$2,734,208	\$3,096,056	\$ -	\$ -	2,734,208	\$ 3,096,056
Construction in progress	73,627	325,339	-	29,000	73,627	354,339
Land improvements	378,778	420,723	1,320,084	443,866	1,698,862	864,589
Buildings and improvements	8,119,389	7,844,148	18,445,821	18,150,107	26,565,210	25,994,255
Machinery and equipment	1,785,339	1,717,892	3,551,893	2,859,625	5,337,232	4,577,517
<b>Total</b>	<b>\$13,091,341</b>	<b>\$13,404,158</b>	<b>\$23,371,798</b>	<b>\$21,482,598</b>	<b>\$ 36,409,139</b>	<b>\$ 34,886,756</b>

Additional information on Barry County's capital assets can be found in Note III.E. on pages 54-57 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$20,877,614. Of this amount, \$20,297,829 was debt of governmental activities and \$579,785 was debt of business-type activities.

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Compensated absences	\$ 516,194	\$ 522,250	\$ 279,785	\$ 264,662	\$ 795,979	\$ 786,912
Bonds and notes payable	<u>19,781,635</u>	<u>20,841,732</u>	<u>300,000</u>	<u>800,000</u>	<u>20,081,635</u>	<u>21,641,732</u>
<b>Total</b>	<b><u>\$ 20,297,829</u></b>	<b><u>\$ 21,363,982</u></b>	<b><u>\$ 579,785</u></b>	<b><u>\$ 1,064,662</u></b>	<b><u>\$ 20,877,614</u></b>	<b><u>\$ 22,428,644</u></b>

Additional information on the County’s long-term debt can be found in Note III.F. on pages 58-63 of this report.

### **Economic Factors and Next Year’s Budgets and Rates**

The following factors were considered in preparing the County’s budget for 2010:

In order to maintain financial stability over the long term, the budgeting practice in Barry County is not only to adopt a balanced budget as required by law, but to budget in a manner such that actual expenses do not exceed actual revenues on an annual basis. This policy has allowed Barry County to address difficult economic times without resorting to crisis-management. It has permitted the County Board to utilize its annual budget process as the primary vehicle to make decisions on the type and level of county services to be provided.

The County is seeing a slight decline in property tax revenue. The County budget for 2010 continues to be challenged by some significant factors including state and federal revenue sources that have seen little or no growth, and in some cases have been reduced. Although revenue estimates are based on the best information available, there is a fair amount of uncertainty, especially in the area of state revenue.

Labor contracts with all of the bargaining units are in place and continue through December 31, 2011.

The revenue sharing reserve fund as a replacement for state revenue sharing is expected to last through 2012.

## **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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator, 220 W. State St., Hastings, MI, 49058.



## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**BARRY COUNTY, MICHIGAN**

**Statement of Net Assets**

**December 31, 2009**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 10,287,671	\$ 7,058,598	\$ 17,346,269	\$ 2,226,564
Investments	5,903,437	3,435,292	9,338,729	44,833
Receivables, net	5,575,523	5,404,672	10,980,195	7,682,452
Internal balances	171,458	(171,458)	-	-
Inventories	-	-	-	1,385,422
Prepays and other assets	-	55,270	55,270	-
Capital assets not being depreciated	2,807,835	-	2,807,835	15,222,150
Capital assets being depreciated, net	10,283,506	23,317,798	33,601,304	15,989,907
<b>Total assets</b>	<b>35,029,430</b>	<b>39,100,172</b>	<b>74,129,602</b>	<b>42,551,328</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,130,278	2,428,202	3,558,480	215,728
Unearned revenue	4,420,798	-	4,420,798	-
Long-term liabilities:				
Due within one year	1,289,391	258,426	1,547,817	1,615,490
Due in more than one year	19,008,438	321,359	19,329,797	4,405,765
Net other postemployment benefits obligation	45,962	-	45,962	-
<b>Total liabilities</b>	<b>25,894,867</b>	<b>3,007,987</b>	<b>28,902,854</b>	<b>6,236,983</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	11,419,706	23,017,798	34,437,504	30,943,729
Restricted for:				
Property tax acceleration	2,929,560	-	2,929,560	-
Health and welfare programs	2,965,542	-	2,965,542	-
Public safety programs	2,207,704	-	2,207,704	-
Public works programs	138,597	-	138,597	-
Recreation and cultural programs	215,882	-	215,882	-
Other state mandated programs	948,671	-	948,671	-
Cemetery perpetual care:				
Nonexpendable	30,925	-	30,925	-
Expendable	417	-	417	-
Unrestricted (deficit)	(11,722,441)	13,074,387	1,351,946	5,370,616
<b>Total net assets</b>	<b>\$ 9,134,563</b>	<b>\$ 36,092,185</b>	<b>\$ 45,226,748</b>	<b>\$ 36,314,345</b>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 8,677,207	\$ 1,620,981	\$ 1,804,860	\$ -	\$ (5,251,366)
Public safety	6,751,011	187,743	930,350	-	(5,632,918)
Public works	665,804	5,129	96,990	-	(563,685)
Health and welfare	3,810,360	169,195	1,358,084	-	(2,283,081)
Recreation and cultural	659,359	149,547	27,651	-	(482,161)
Community and economic development	390,815	5,731	18,089	-	(366,995)
Interest on long-term debt	885,856	-	-	-	(885,856)
Total governmental activities	<u>21,840,412</u>	<u>2,138,326</u>	<u>4,236,024</u>	-	<u>(15,466,062)</u>
Business-type activities:					
Delinquent tax administration	69,719	986,569	122,440	-	1,039,290
Thornapple Manor	12,963,997	12,995,478	-	-	31,481
Other	958,101	236,508	593,111	675,255	546,773
Total business-type activities	<u>13,991,817</u>	<u>14,218,555</u>	<u>715,551</u>	<u>675,255</u>	<u>1,617,544</u>
Total primary government	<u>\$ 35,832,229</u>	<u>\$ 16,356,881</u>	<u>\$ 4,951,575</u>	<u>\$ 675,255</u>	<u>\$ (13,848,518)</u>
<b>Component units</b>					
Road Commission	\$ 6,084,442	\$ 32,559	\$ 4,448,303	\$ 5,307,790	\$ 3,704,210
Drainage Districts	108,557	29,595	-	-	(78,962)
Board of Public Works	388,707	99,937	191,864	-	(96,906)
Economic Development Board	89,000	-	89,000	-	-
Airport Commission	282,359	93,406	88,082	-	(100,871)
Total component units	<u>\$ 6,953,065</u>	<u>\$ 255,497</u>	<u>\$ 4,817,249</u>	<u>\$ 5,307,790</u>	<u>\$ 3,427,471</u>

continued...

**BARRY COUNTY, MICHIGAN**  
**Statement of Activities (Concluded)**  
**For the Year Ended December 31, 2009**

<b>Functions/Programs</b>	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Changes in net assets</b>				
Net (expense) revenue	\$ (15,466,062)	\$ 1,617,544	\$(13,848,518)	\$ 3,427,471
General revenue:				
Property taxes	14,523,707	462,857	14,986,564	-
Grants and contributions not restricted to specific programs	241,293	-	241,293	142,821
Unrestricted investment earnings	207,946	-	207,946	8,393
Gain on sale of capital assets	-	-	-	149,925
Transfers - internal activities	(870,732)	870,732	-	-
 Total general revenue and transfers	 14,102,214	 1,333,589	 15,435,803	 301,139
 Change in net assets	 (1,363,848)	 2,951,133	 1,587,285	 3,728,610
 Net assets, beginning of year	 10,498,411	 33,141,052	 43,639,463	 32,585,735
 <b>Net assets, end of year</b>	 <b>\$ 9,134,563</b>	 <b>\$ 36,092,185</b>	 <b>\$ 45,226,748</b>	 <b>\$ 36,314,345</b>

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

# BARRY COUNTY, MICHIGAN

## Balance Sheet Governmental Funds December 31, 2009

	<u>General</u>	<u>Central Dispatch</u>	<u>Commission on Aging</u>	<u>Revenue Sharing Reserve</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 1,449,943	\$ 992,571	\$ 1,151,075
Investments	5,053,474	818,701	-	-
Receivables:				
Accounts, net	100	-	-	-
Taxes	232,580	1,519,721	852,272	-
Leases	-	-	-	-
Due from other governments	209,871	-	57,219	-
Due from other funds	167,240	-	-	1,778,485
<b>Total assets</b>	<b>\$ 5,663,265</b>	<b>\$ 3,788,365</b>	<b>\$ 1,902,062</b>	<b>\$ 2,929,560</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 1,195,981	\$ -	\$ -	\$ -
Accounts payable	232,829	15,726	-	-
Accrued liabilities	222,642	42,353	32,211	-
Due to other funds	1,865,896	-	-	-
Deferred revenue	-	1,690,287	947,913	-
<b>Total liabilities</b>	<b>3,517,348</b>	<b>1,748,366</b>	<b>980,124</b>	<b>-</b>
<b>Fund balances</b>				
Reserved for cemetery perpetual care:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unreserved (deficit):				
Undesignated	2,145,917	2,039,999	921,938	2,929,560
Undesignated, reported in nonmajor:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects fund	-	-	-	-
<b>Total fund balances</b>	<b>2,145,917</b>	<b>2,039,999</b>	<b>921,938</b>	<b>2,929,560</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,663,265</b>	<b>\$ 3,788,365</b>	<b>\$ 1,902,062</b>	<b>\$ 2,929,560</b>

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

<b>Building Authority Thornapple Manor Debt</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 133,364	\$ 5,018,073	\$ 8,745,026
-	31,262	5,903,437
-	6,710	6,810
1,204,600	392,357	4,201,530
-	512,756	512,756
-	587,337	854,427
-	11,613	1,957,338
<u>\$ 1,337,964</u>	<u>\$ 6,560,108</u>	<u>\$ 22,181,324</u>

\$ -	\$ 77,564	\$ 1,273,545
-	203,340	451,895
-	65,117	362,323
-	-	1,865,896
1,337,964	978,364	4,954,528
<u>1,337,964</u>	<u>1,324,385</u>	<u>8,908,187</u>

-	30,925	30,925
-	417	417
-	-	8,037,414
-	5,118,145	5,118,145
-	156,173	156,173
-	(69,937)	(69,937)
-	5,235,723	13,273,137
<u>\$ 1,337,964</u>	<u>\$ 6,560,108</u>	<u>\$ 22,181,324</u>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**of Governmental Activities on the Statement of Net Assets**  
**December 31, 2009**

Fund balances - total governmental funds	\$ 13,273,137
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add: capital assets not being depreciated	2,807,835
Add: capital assets being depreciated, net	9,850,990

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

Add: deferred lease receivable	512,756
Add: other long-term receivables	20,974

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 internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	3,212,221
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds and leases payable	(19,781,635)
Subtract: compensated absences	(516,194)
Subtract: accrued interest on long-term liabilities	(199,559)
Subtract: net other postemployment benefits obligation	(45,962)

Net assets of governmental activities	<u>\$ 9,134,563</u>
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The accompanying notes are an integral part of these financial statements.



**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2009**

	<u>General</u>	<u>Central Dispatch</u>	<u>Commission on Aging</u>	<u>Revenue Sharing Reserve</u>
<b>Revenue</b>				
Taxes	\$ 10,295,168	\$ 1,639,668	\$ 917,317	\$ -
Intergovernmental	1,050,576	201,828	470,476	-
Licenses and permits	128,580	-	-	-
Charges for services	1,265,435	-	141,227	-
Fines and forfeits	26,881	-	-	-
Interest and rentals	193,037	18,088	-	4,742
Other revenue	243,217	202	52,117	-
<b>Total revenue</b>	<b>13,202,894</b>	<b>1,859,786</b>	<b>1,581,137</b>	<b>4,742</b>
<b>Expenditures</b>				
Current:				
General government	5,454,288	-	-	-
Public safety	4,414,731	1,324,552	-	-
Public works	91	-	-	-
Health and welfare	989,289	-	1,303,426	-
Community and economic development	386,125	-	-	-
Recreation and cultural	-	-	-	-
Other	594,999	-	-	-
Debt service:				
Principal	28,421	-	-	-
Interest expense	10,741	-	-	-
Capital outlay	14,379	73,093	-	-
<b>Total expenditures</b>	<b>11,893,064</b>	<b>1,397,645</b>	<b>1,303,426</b>	<b>-</b>
Revenue over (under) expenditures	1,309,830	462,141	277,711	4,742
<b>Other financing sources (uses)</b>				
Transfers in	1,119,013	-	15,000	-
Transfers out	(2,428,843)	-	-	(1,119,013)
<b>Total other financing sources (uses)</b>	<b>(1,309,830)</b>	<b>-</b>	<b>15,000</b>	<b>(1,119,013)</b>
Net change in fund balances	-	462,141	292,711	(1,114,271)
Fund balances, beginning of year	2,145,917	1,577,858	629,227	4,043,831
<b>Fund balances, end of year</b>	<b>\$ 2,145,917</b>	<b>\$ 2,039,999</b>	<b>\$ 921,938</b>	<b>\$ 2,929,560</b>

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

<b>Building Authority Thornapple Manor Debt</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 1,248,372	\$ 423,182	\$ 14,523,707
-	2,662,952	4,385,832
-	-	128,580
-	298,744	1,705,406
-	1,230	28,111
1,663	14,973	232,503
-	78,675	374,211
<u>1,250,035</u>	<u>3,479,756</u>	<u>21,378,350</u>
3,392	1,404,594	6,862,274
-	584,836	6,324,119
-	635,833	635,924
-	1,328,726	3,621,441
-	-	386,125
-	584,912	584,912
-	-	594,999
500,000	531,676	1,060,097
789,875	92,162	892,778
-	133,438	220,910
<u>1,293,267</u>	<u>5,296,177</u>	<u>21,183,579</u>
<u>(43,232)</u>	<u>(1,816,421)</u>	<u>194,771</u>
30,508	1,858,616	3,023,137
-	(896,627)	(4,444,483)
<u>30,508</u>	<u>961,989</u>	<u>(1,421,346)</u>
(12,724)	(854,432)	(1,226,575)
<u>12,724</u>	<u>6,090,155</u>	<u>14,499,712</u>
<u>\$ -</u>	<u>\$ 5,235,723</u>	<u>\$ 13,273,137</u>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of the Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2009**

Net change in fund balances - total governmental funds \$ (1,226,575)

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.

Add: capital outlay	565,485
Subtract: loss on disposal of capital assets	(87,303)
Subtract: depreciation expense	(826,231)

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

Add: principal payments on long-term liabilities	1,060,097
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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.

Subtract: change in lease receivable	(256,148)
Subtract: change in other long-term receivables	(42,222)
Add: change in accrued interest on bonds	6,922
Add: change in the accrual of compensated absences	6,056
Subtract: change in net other postemployment benefits obligation	(29,208)

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 net revenue (expense) of internal service funds is reported with governmental activities:

Add: interest revenue from governmental internal service funds	11,168
Subtract: loss on disposal of capital assets in internal services funds	(841)
Add: transfers into internal service funds	550,614
Subtract: net operating loss from governmental activities accounted for in internal	(1,095,662)

Change in net assets of governmental activities	\$ (1,363,848)
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The accompanying notes are an integral part of these financial statements.

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
<b>Taxes</b>				
Real and personal property taxes	\$ 10,012,997	\$ 10,055,497	\$ 10,285,804	\$ 230,307
Other taxes	9,027	9,027	9,364	337
Total taxes	<u>10,022,024</u>	<u>10,064,524</u>	<u>10,295,168</u>	<u>230,644</u>
<b>Intergovernmental</b>				
Federal grants	191,818	171,900	270,941	99,041
State grants	815,499	827,933	779,635	(48,298)
Total intergovernmental	<u>1,007,317</u>	<u>999,833</u>	<u>1,050,576</u>	<u>50,743</u>
<b>Licenses and permits</b>				
Gun permits	4,500	17,000	19,422	2,422
Dog licenses	90,700	90,700	78,541	(12,159)
Marriage license fees	8,250	8,250	8,075	(175)
Planning services	52,250	22,500	22,542	42
Total licenses and permits	<u>155,700</u>	<u>138,450</u>	<u>128,580</u>	<u>(9,870)</u>
<b>Charges for services</b>				
Circuit Court	144,610	146,110	121,754	(24,356)
District Court	554,000	530,000	469,128	(60,872)
Friend of the Court	48,000	48,000	49,535	1,535
Probate Court	25,000	30,000	29,460	(540)
County Treasurer	1,370	1,370	2,022	652
County Clerk	73,440	81,340	80,164	(1,176)
Register of Deeds	200,000	190,000	180,833	(9,167)
Real estate transfer tax	180,000	128,768	115,985	(12,783)
Mapping department	7,500	7,500	5,731	(1,769)
Juvenile Court	22,140	22,140	19,332	(2,808)
Sheriff	129,550	134,250	69,711	(64,539)
Record copying	77,200	79,200	74,490	(4,710)
Pay phone commissions	22,000	10,000	11,587	1,587
Other	46,975	37,350	35,703	(1,647)
Total charges for services	<u>1,531,785</u>	<u>1,446,028</u>	<u>1,265,435</u>	<u>(180,593)</u>
<b>Fines and forfeits</b>				
Bond forfeitures	9,000	9,000	8,158	(842)
Ordinance fines and costs	10,000	18,000	18,723	723
Total fines and forfeits	<u>19,000</u>	<u>27,000</u>	<u>26,881</u>	<u>(119)</u>

continued...

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Continued)**  
**General Fund**  
**For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue (concluded)</b>				
<b>Interest and rentals</b>				
Interest revenue	\$ 250,500	\$ 250,500	\$ 177,527	\$ (72,973)
Rentals	5,400	14,100	14,114	14
Administration fees	-	1,400	1,396	(4)
Total interest and rentals	255,900	266,000	193,037	(72,963)
<b>Other revenue</b>				
Reimbursements and refunds	174,519	201,245	239,543	38,298
Other	1,100	3,900	3,674	(226)
Total other revenue	175,619	205,145	243,217	38,072
<b>Total revenue</b>	<b>13,167,345</b>	<b>13,146,980</b>	<b>13,202,894</b>	<b>55,914</b>
<b>Expenditures</b>				
<b>General government</b>				
Board of commissioners	216,330	226,912	212,366	(14,546)
Trial court	1,575,726	1,612,613	1,453,480	(159,133)
Jury board	4,225	4,225	3,491	(734)
Probate court	751,530	767,851	738,378	(29,473)
Adult probation	13,080	13,080	11,963	(1,117)
County administrator	266,581	282,384	271,168	(11,216)
Elections	38,650	44,376	23,885	(20,491)
Legal counsel	60,000	60,000	44,041	(15,959)
Clerk	408,011	406,244	390,150	(16,094)
Equalization	214,973	223,904	212,728	(11,176)
Prosecuting attorney	717,593	732,746	683,638	(49,108)
Register of deeds	184,944	190,164	181,271	(8,893)
Extraditions	6,000	6,000	5,185	(815)
Land information services	280,247	274,724	265,938	(8,786)
Treasurer	275,549	285,559	228,340	(57,219)
Cooperative extension	150,256	151,424	142,608	(8,816)
Courthouse and grounds	492,819	490,488	454,051	(36,437)
Building Authority	3,876	3,876	834	(3,042)
Drain commissioner	138,340	134,601	130,773	(3,828)
Total general government	5,798,730	5,911,171	5,454,288	(456,883)

continued...

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Continued)**  
**General Fund**  
**For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
<b>Public safety</b>				
Sheriff	\$ 2,366,264	\$ 2,336,264	\$ 2,259,562	\$ (76,702)
Secondary road patrol	85,490	90,424	90,896	472
Highway safety grant	31,500	31,500	20,374	(11,126)
Marine safety	132,362	120,866	118,307	(2,559)
Emergency services	96,952	99,912	88,246	(11,666)
Jail	1,758,753	1,752,191	1,631,387	(120,804)
Animal control	242,465	247,207	205,959	(41,248)
Total public safety	4,713,786	4,678,364	4,414,731	(263,633)
<b>Public works</b>				
Department of Public Works	2,500	2,500	91	(2,409)
<b>Health and welfare</b>				
District health department	439,951	437,011	437,011	-
Health department building	107,307	113,693	113,709	16
Soldiers' and sailors' relief	40,000	40,000	39,843	(157)
Medical examiner	131,013	131,013	87,137	(43,876)
Substance abuse	79,675	79,675	78,330	(1,345)
Veterans' counselor	42,005	44,834	41,915	(2,919)
Veterans' burials	40,000	40,000	29,344	(10,656)
Mental health	154,500	154,500	154,500	-
Appropriation to Green Gables Haven				
Community Shelter	7,500	7,500	7,500	-
Total health and welfare	1,041,951	1,048,226	989,289	(58,937)
<b>Community and economic development</b>				
Appropriation to Economic Development Board	89,000	89,000	89,000	-
Appropriation to Airport Commission	32,600	32,600	32,600	-
Appropriation to Road Commission	16,000	16,000	16,000	-
Appropriation to Soil Conservation	23,000	23,000	23,000	-
Planning and zoning	271,477	237,840	225,525	(12,315)
Total community and economic development	432,077	398,440	386,125	(12,315)
<b>Other</b>				
Insurance and bonds	305,195	305,195	416,979	111,784
Contingency	104,842	-	-	-
Other	233,680	218,354	178,020	(40,334)
Total other	643,717	523,549	594,999	71,450

continued...

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Concluded)**  
**General Fund**  
**For the Year Ended December 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Expenditures (concluded)</b>				
<b>Debt service</b>				
Principal	\$ 28,421	\$ 28,421	\$ 28,421	\$ -
Interest expense	10,741	10,741	10,741	-
Total debt service	<u>39,162</u>	<u>39,162</u>	<u>39,162</u>	<u>-</u>
<b>Capital outlay</b>	<u>16,425</u>	<u>16,425</u>	<u>14,379</u>	<u>(2,046)</u>
Total expenditures	<u>12,688,348</u>	<u>12,617,837</u>	<u>11,893,064</u>	<u>(724,773)</u>
Revenue over expenditures	<u>478,997</u>	<u>529,143</u>	<u>1,309,830</u>	<u>780,687</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,098,648	1,119,013	1,119,013	-
Transfers out	<u>(1,577,645)</u>	<u>(1,648,156)</u>	<u>(2,428,843)</u>	<u>(780,687)</u>
Total other financing (uses)	<u>(478,997)</u>	<u>(529,143)</u>	<u>(1,309,830)</u>	<u>(780,687)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>2,145,917</u>	<u>2,145,917</u>	<u>2,145,917</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 2,145,917</u></u>	<u><u>\$ 2,145,917</u></u>	<u><u>\$ 2,145,917</u></u>	<u><u>\$ -</u></u>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Central Dispatch Fund**  
**For the Year Ended December 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Taxes	\$ 1,604,501	\$ 1,604,501	\$ 1,639,668	\$ 35,167
Intergovernmental	147,500	147,500	201,828	54,328
Interest and rentals	35,000	35,000	18,088	(16,912)
Other revenue	150	150	202	52
<b>Total revenue</b>	<b>1,787,151</b>	<b>1,787,151</b>	<b>1,859,786</b>	<b>72,635</b>
<b>Expenditures</b>				
Current:				
Public safety	1,527,525	1,527,525	1,324,552	(202,973)
Capital outlay	1,340,000	1,340,000	73,093	(1,266,907)
<b>Total expenditures</b>	<b>2,867,525</b>	<b>2,867,525</b>	<b>1,397,645</b>	<b>(1,469,880)</b>
<b>Net change in fund balance</b>	<b>(1,080,374)</b>	<b>(1,080,374)</b>	<b>462,141</b>	<b>1,542,515</b>
Fund balances, beginning of year	1,577,858	1,577,858	1,577,858	-
<b>Fund balances, end of year</b>	<b>\$ 497,484</b>	<b>\$ 497,484</b>	<b>\$ 2,039,999</b>	<b>\$ 1,542,515</b>

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



**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Commission on Aging Fund**  
**For the Year Ended December 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Taxes	\$ 892,631	\$ 892,631	\$ 917,317	\$ 24,686
Intergovernmental	324,451	324,451	470,476	146,025
Charges for services	109,713	109,713	141,227	31,514
Interest and rentals	1,000	1,000	-	(1,000)
Other revenue	59,605	59,605	52,117	(7,488)
<b>Total revenue</b>	<b>1,387,400</b>	<b>1,387,400</b>	<b>1,581,137</b>	<b>193,737</b>
<b>Expenditures</b>				
Current:				
Health and welfare	1,249,417	1,249,417	1,303,426	54,009
Capital outlay	8,000	8,000	-	(8,000)
<b>Total expenditures</b>	<b>1,257,417</b>	<b>1,257,417</b>	<b>1,303,426</b>	<b>46,009</b>
Revenue over expenditures	129,983	129,983	277,711	147,728
<b>Other financing sources</b>				
Transfers in	15,000	15,000	15,000	-
Net change in fund balance	144,983	144,983	292,711	147,728
Fund balances, beginning of year	629,227	629,227	629,227	-
<b>Fund balances, end of year</b>	<b>\$ 774,210</b>	<b>\$ 774,210</b>	<b>\$ 921,938</b>	<b>\$ 147,728</b>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Revenue Sharing Reserve Fund**  
**For the Year Ended December 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Interest	\$ -	\$ 5,000	\$ 4,742	\$ (258)
<b>Other financing uses</b>				
Transfers out	(1,098,648)	(1,119,013)	(1,119,013)	-
Net change in fund balance	(1,098,648)	(1,114,013)	(1,114,271)	(258)
Fund balances, beginning of year	4,043,831	4,043,831	4,043,831	-
<b>Fund balances end of year</b>	<b>\$ 2,945,183</b>	<b>\$ 2,929,818</b>	<b>\$ 2,929,560</b>	<b>\$ (258)</b>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2009**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2008	Thornapple Manor	Nonmajor Enterprise Funds		Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 4,156,172	\$ 192,699	\$ 699,091	\$ 2,010,636	\$ 7,058,598	\$ 2,816,190
Investments	3,435,292	-	-	-	3,435,292	-
Receivables:						
Accounts, net	759	-	2,379,513	9,752	2,390,024	-
Taxes	35,647	1,874,595	-	382,774	2,293,016	-
Due from other governments	-	-	-	721,632	721,632	-
Due from other funds	1,524,000	-	-	-	1,524,000	80,016
Prepays and other assets	-	-	55,270	-	55,270	-
Total current assets	9,151,870	2,067,294	3,133,874	3,124,794	17,477,832	2,896,206
Noncurrent assets:						
Capital assets being depreciated, net	-	-	22,267,642	1,050,156	23,317,798	432,516
Total assets	9,151,870	2,067,294	25,401,516	4,174,950	40,795,630	3,328,722
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	22,238	-	1,401,646	679,250	2,103,134	114,107
Accrued liabilities	-	-	301,548	23,520	325,068	2,394
Due to other funds	140,081	1,524,000	-	31,377	1,695,458	-
Current portion of long-term debt	-	-	258,426	-	258,426	-
Total current liabilities	162,319	1,524,000	1,961,620	734,147	4,382,086	116,501
Long-term liabilities:						
Long-term debt, net of current portion	-	-	321,359	-	321,359	-
Total liabilities	162,319	1,524,000	2,282,979	734,147	4,703,445	116,501
<b>Net assets</b>						
Invested in capital assets, net of related debt	-	-	21,967,642	1,050,156	23,017,798	432,516
Unrestricted	8,989,551	543,294	1,150,895	2,390,647	13,074,387	2,779,705
Total net assets	\$ 8,989,551	\$ 543,294	\$23,118,537	\$ 3,440,803	\$36,092,185	\$ 3,212,221

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenses**  
**and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental</b>
	<b>Delinquent Tax Umbrella</b>	<b>Delinquent Tax Revolving 2008</b>	<b>Thornapple Manor</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Operating revenue</b>						
Charges for services	\$ 828	\$ 216,494	\$ 12,995,478	\$ 476,765	\$ 13,689,565	\$ 4,132,335
Interest and penalties on delinquent taxes	4,550	326,221	-	198,219	528,990	-
Other	-	-	-	-	-	25,979
Total operating revenue	5,378	542,715	12,995,478	674,984	14,218,555	4,158,314
<b>Operating expenses</b>						
Operations	-	2,628	12,108,901	936,559	13,048,088	5,106,010
Depreciation	-	-	778,518	88,633	867,151	146,983
Other	-	-	502	-	502	983
Total operating expenses	-	2,628	12,887,921	1,025,192	13,915,741	5,253,976
Operating income (loss)	5,378	540,087	107,557	(350,208)	302,814	(1,095,662)
<b>Nonoperating revenue (expenses)</b>						
Taxes	-	-	-	462,857	462,857	-
Intergovernmental	-	-	-	1,252,087	1,252,087	-
Interest revenue	120,919	430	-	17,370	138,719	11,168
Interest expense	-	-	(35,381)	-	(35,381)	-
Loss on disposal of capital assets	-	-	(40,695)	-	(40,695)	(841)
Total nonoperating revenue (expenses)	120,919	430	(76,076)	1,732,314	1,777,587	10,327
Income (loss) before transfers	126,297	540,517	31,481	1,382,106	2,080,401	(1,085,335)
<b>Transfers</b>						
Transfers in	681,425	-	870,732	-	1,552,157	550,614
Transfers out	-	-	-	(681,425)	(681,425)	-
Total transfers	681,425	-	870,732	(681,425)	870,732	550,614
Change in net assets	807,722	540,517	902,213	700,681	2,951,133	(534,721)
Net assets, beginning of year	8,181,829	2,777	22,216,324	2,740,122	33,141,052	3,746,942
<b>Net assets, end of year</b>	<b>\$ 8,989,551</b>	<b>\$ 543,294</b>	<b>\$ 23,118,537</b>	<b>\$ 3,440,803</b>	<b>\$ 36,092,185</b>	<b>\$ 3,212,221</b>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2009**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental</b>
	<b>Delinquent Tax Umbrella</b>	<b>Delinquent Tax Revolving 2008</b>	<b>Thornapple Manor</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities</b>						
Cash received from customers and users	\$ (18,570)	\$ 3,604,747	\$ 11,680,911	\$ 2,658,386	\$ 17,925,474	\$ -
Cash received from interfund services	18,836	-	-	-	18,836	4,148,014
Cash payments to suppliers for goods and services	-	(2,628)	(2,662,979)	(521,654)	(3,187,261)	(149,158)
Cash payments to employees for services	-	-	(8,785,196)	(406,448)	(9,191,644)	(4,930,121)
Cash payments to purchase delinquent taxes	-	(4,981,211)	-	-	(4,981,211)	-
Net cash provided by (used in) operating activities	266	(1,379,092)	232,736	1,730,284	584,194	(931,265)
<b>Cash flows from non-capital financing activities</b>						
Transfers in	681,425	-	-	-	681,425	550,614
Transfers out	-	-	-	(681,425)	(681,425)	-
Taxes	-	-	-	462,857	462,857	-
Intergovernmental revenue	-	-	-	553,096	553,096	-
Long-term advances to other funds	(1,524,000)	-	-	-	(1,524,000)	-
Long-term advances from other funds	-	1,524,000	-	-	1,524,000	-
Payments on long-term advances to other funds	1,680,000	-	-	-	1,680,000	-
Payments on long-term advances from other funds	-	-	-	(1,680,000)	(1,680,000)	-
Net cash provided by (used in) non-capital financing activities	837,425	1,524,000	-	(1,345,472)	1,015,953	550,614
<b>Cash flows from capital and related financing activities</b>						
Principal payments on long-term debt	-	-	(500,000)	-	(500,000)	-
Interest payments on long-term debt	-	-	(35,883)	-	(35,883)	-
Intergovernmental capital grants	-	-	-	44,949	44,949	-
Purchases of capital assets	-	-	(1,196,972)	(12,824)	(1,209,796)	(183,056)
Net cash (used in) provided by capital and related financing activities	-	-	(1,732,855)	32,125	(1,700,730)	(183,056)
<b>Cash flows from investing activities</b>						
Purchase of investments	(321,729)	-	-	-	(321,729)	-
Interest received	120,919	430	-	17,370	138,719	11,168
Net cash (used in) provided by investing activities	(200,810)	430	-	17,370	(183,010)	11,168
Net increase (decrease) in cash and cash equivalents	636,881	145,338	(1,500,119)	434,307	(283,593)	(552,539)
Cash and cash equivalents, beginning of year	3,519,291	47,361	2,199,210	1,576,329	7,342,191	3,368,729
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,156,172</b>	<b>\$ 192,699</b>	<b>\$ 699,091</b>	<b>\$ 2,010,636</b>	<b>\$ 7,058,598</b>	<b>\$ 2,816,190</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Statement of Cash Flows**  
**Proprietary Funds (Concluded)**  
**For the Year Ended December 31, 2009**

	<u>Business-type Activities - Enterprise Funds</u>					<u>Governmental</u>
	<u>Delinquent</u>	<u>Delinquent</u>	<u>Thornapple</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Internal</u>
	<u>Tax</u>	<u>Tax Revolving</u>		<u>Enterprise</u>	<u>Enterprise</u>	<u>Service</u>
	<u>Umbrella</u>	<u>2008</u>	<u>Manor</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<b>Cash flows from operating activities</b>						
Operating income (loss)	\$ 5,378	\$ 540,087	\$ 107,557	\$ (350,208)	\$ 302,814	\$ (1,095,662)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	778,518	88,633	867,151	146,983
Changes in:						
Accounts receivable	(229)	-	(1,314,567)	2,339	(1,312,457)	11,550
Taxes receivable	(23,719)	(1,795,992)	-	1,949,686	129,975	-
Prepays and other assets	-	-	27,343	-	27,343	-
Accounts payable	18,836	-	342,499	7,903	369,238	13,770
Accrued liabilities	-	-	291,386	1,283	292,669	2,394
Due to other funds	-	(123,187)	-	30,648	(92,539)	(10,300)
Net cash provided by (used in) operating activities	<u>\$ 266</u>	<u>\$ (1,379,092)</u>	<u>\$ 232,736</u>	<u>\$ 1,730,284</u>	<u>\$ 584,194</u>	<u>\$ (931,265)</u>

**Non-cash transactions**

During the year ended December 31, 2009, governmental activities transferred \$870,372 of capital assets to the Thornapple Manor fund.

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2009**

	<u>Agency Funds</u>	<u>Private Purpose Trust Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 411,453	\$ 30,198
Due from other governments	11	-
	<u>411,464</u>	<u>-</u>
Total assets	<u>\$ 411,464</u>	<u>30,198</u>
 <b>Liabilities</b>		
Accounts payable	\$ 145,913	1,990
Due to other governments	156,078	-
Undistributed receipts	109,473	-
	<u>411,464</u>	<u>-</u>
Total liabilities	<u>\$ 411,464</u>	<u>1,990</u>
 <b>Net assets</b>		
Held in trust for private purposes		<u>\$ 28,208</u>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Changes in Fiduciary Net Assets**  
**Private Purpose Trust Funds**  
**For the Year Ended December 31, 2009**

<b>Additions</b>	
Intergovernmental	\$ 46,617
<b>Deductions</b>	
Services to beneficiaries	<u>42,710</u>
Change in net assets	3,907
Net assets, beginning of year	<u>24,301</u>
Net assets, end of year	<u><u>\$ 28,208</u></u>

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



**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Component Units**  
**December 31, 2009**

	<b>Road Commission</b>	<b>Drainage Districts</b>	<b>Board of Public Works</b>	<b>Economic Development Board</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,693,920	\$ 201,281	\$ 258,789	\$ -
Investments	-	44,833	-	-
Receivables	1,715,631	359,965	5,606,856	-
Inventories	1,368,728	-	-	-
Capital assets not being depreciated	14,905,585	31,565	-	-
Capital assets being depreciated, net	13,042,141	1,647,983	-	-
<b>Total assets</b>	<b>32,726,005</b>	<b>2,285,627</b>	<b>5,865,645</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	170,156	6,124	37,791	-
Long-term liabilities:				
Due within one year	269,646	54,237	1,280,000	-
Due in more than one year	-	190,340	4,203,281	-
<b>Total liabilities</b>	<b>439,802</b>	<b>250,701</b>	<b>5,521,072</b>	<b>-</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	27,947,726	1,434,971	-	-
Unrestricted	4,338,477	599,955	344,573	-
<b>Total net assets</b>	<b>\$ 32,286,203</b>	<b>\$ 2,034,926</b>	<b>\$ 344,573</b>	<b>\$ -</b>

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

<b>Airport Commission</b>	<b>Total</b>
\$ 72,574	\$ 2,226,564
-	44,833
-	7,682,452
16,694	1,385,422
285,000	15,222,150
1,299,783	15,989,907
<hr/>	
1,674,051	42,551,328
<hr/>	
1,657	215,728
11,607	1,615,490
12,144	4,405,765
<hr/>	
25,408	6,236,983
<hr/>	
1,561,032	30,943,729
87,611	5,370,616
<hr/>	
\$ 1,648,643	\$ 36,314,345
<hr/> <hr/>	

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2009**

	<b>Road Commission</b>	<b>Drainage Districts</b>	<b>Board of Public Works</b>	<b>Economic Development Board</b>
<b>Expenses</b>				
Road Commission	\$ 6,084,442	\$ -	\$ -	\$ -
Drainage Districts	-	108,557	-	-
Board of Public Works	-	-	388,707	-
Economic Development Board	-	-	-	89,000
Airport Commission	-	-	-	-
<b>Total expenses</b>	<b>6,084,442</b>	<b>108,557</b>	<b>388,707</b>	<b>89,000</b>
<b>Program revenue</b>				
Charges for services	32,559	29,595	99,937	-
Operating grants and contributions	4,448,303	-	191,864	89,000
Capital grants and contributions	5,307,790	-	-	-
<b>Total program revenue</b>	<b>9,788,652</b>	<b>29,595</b>	<b>291,801</b>	<b>89,000</b>
<b>Net revenue (expenses)</b>	<b>3,704,210</b>	<b>(78,962)</b>	<b>(96,906)</b>	<b>-</b>
<b>General revenues</b>				
Grants and contributions not restricted to specific programs	142,821	-	-	-
Unrestricted investment earnings	-	761	7,632	-
Gain on sale of capital assets	148,825	-	-	-
<b>Total general revenues</b>	<b>291,646</b>	<b>761</b>	<b>7,632</b>	<b>-</b>
<b>Change in net assets</b>	<b>3,995,856</b>	<b>(78,201)</b>	<b>(89,274)</b>	<b>-</b>
Net assets, beginning of year	28,290,347	2,113,127	433,847	-
<b>Net assets, end of year</b>	<b>\$ 32,286,203</b>	<b>\$ 2,034,926</b>	<b>\$ 344,573</b>	<b>\$ -</b>

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

<b>Airport Commission</b>	<b>Total</b>
\$ -	\$ 6,084,442
-	108,557
-	388,707
-	89,000
282,359	282,359
<hr/>	
282,359	6,953,065
<hr/>	
93,406	255,497
88,082	4,817,249
-	5,307,790
<hr/>	
181,488	10,380,536
<hr/>	
(100,871)	3,427,471
<hr/>	
-	142,821
-	8,393
1,100	149,925
<hr/>	
1,100	301,139
<hr/>	
(99,771)	3,728,610
<hr/>	
1,748,414	32,585,735
<hr/>	
<u>\$ 1,648,643</u>	<u>\$ 36,314,345</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Barry County, Michigan (the “County” or “government”) was organized in 1839 and covers an area of approximately 576 square miles. The County operates under an eight-member elected Board of Commissioners.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

#### A. 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 so 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.

The Barry County Substance Abuse Services (substance abuse special revenue fund) and Barry County Transit (transit enterprise fund) activities are reported on the fiscal year-end of September 30, 2009. The substance abuse fund was closed by the County and is now being accounted for as part of the Community Mental Health board, a separate governmental entity.

#### *Blended Component Units:*

The Barry County Department of Human Services is governed by a three-member board, two of which are appointed by the County Board of Commissioners. The Board is responsible for establishing policies and the operational oversight of the local administration of the State of Michigan Social Welfare program and the long-term care Medical Care Facility. Although the employees of the Barry County Department of Human Services are employed by the State of Michigan and substantially all programs are financed by the State, State law requires the local activities to be “blended” with the local primary government.

The Building Authority is governed by a three-member board appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County’s public buildings. It is reported as an enterprise fund and has a December 31 year-end. A separate report is not prepared for the Building Authority.

The financial statements of the Barry County Transit (the “Transit”) are presented for the year ended September 30, 2009 and the financial statements of the Thornapple Manor Medical Care Facility (Thornapple Manor Fund), component units of Barry County, are included in these financial statements as blended component units for the year ended December 31, 2009. These component units are also audited individually. Complete financial statements are issued under separate cover and may be obtained from their respective administrative offices. The Barry County Transit received federal and state financial assistance in the form of operating and capital grant funding for operating support, marketing expansion, and offering specialized services. The Transit provides demand response services within Barry County as well as special services on a contractual basis to several nonprofit and governmental agencies within the County.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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The Thornapple Manor Medical Care Facility is a 138-bed, long-term medical care unit owned and operated by Barry County. It is governed by the Barry County Department of Human Services Board. This Board consists of three members, two of which are appointed by the Barry County Board of Commissioners.

Barry County Substances Abuse Services is no longer accounted for by the County as it has been reorganized as a part of the Community Mental Health board.

### *Discretely Presented Component Units:*

Barry County Road Commission (the “Road Commission”) – The Road Commission is responsible for the maintenance and construction of the County road system. The Road Commission’s operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments within the County. The three-member Board is appointed by the Barry County Board of Commissioners. The component unit is audited individually and complete financial statements may be obtained from the Road Commission’s administrative office.

Barry County Economic Development Board (the “Board”) – The Board is appointed by the County Board of Commissioners. The Board may not issue debt or levy a tax without the approval of the County Board of Commissioners. If a millage rate is approved, the taxes would be levied under the taxing authority of the County. The Board was closed during 2009.

Barry County Board of Public Works (“the BPW”) – The BPW is governed by a five-member Board comprised of the Drain Commissioner and four members appointed by the County Board of Commissioners. The BPW establishes policy and reviews operations of the BPW for the County Board of Commissioners. The BPW has the responsibility of administering the various public works construction projects and the associated debt service funds under the provision of Act 185 of the Public Acts of 1957. The BPW is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

Barry County Drain Commission (the “Drain Commission”) – All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, as defined by GASB Statement No. 14, and accordingly is disclosed as a component unit.

The Airport Commission (the “Airport”) – The Airport is classified as a joint venture with another governmental unit. The details relating to this joint venture agreement are disclosed below.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### *Joint Ventures*

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

Airport Commission – The County is a member of the Airport Commission, which is a joint venture that was formed by an agreement in 1977 between the Hasting City Council and the Barry County Board of Commissioners. The Commission consists of five members, two appointed by the Barry County Board of Commissioners, two appointed by the Hastings City Council, and one member at-large appointed by the Commission itself. The Commission is responsible for constructing, operating, and maintaining the airport facilities. Ownership of the property is vested in the joint venture. It may not issue debt without approval from the City and County. The agreement requires that each governmental unit provide 50% of the net budget appropriation requirements and that financial recordkeeping be maintained by the County.

Barry/Eaton District Health Department – The County is a member of the Barry/Eaton Health Department (the “Department”), which is a joint venture between Barry and Eaton Counties. Both Counties provide annual appropriations and pass-through the statutory amount of cigarette tax funding to subsidize operations. The current funding formula approved by the District Health Board requires Eaton County and Barry County to provide 65% and 35%, respectively. In addition, the treasury function for the Department rests with the Eaton County Treasurer. The operations of the Department are presented as a discretely presented component unit of Eaton County.

### *Jointly Governed Organizations*

The County participates in the following activity which is considered to be a jointly governed organization in relation to the County, due to their being no ongoing financial interest or responsibility.

Region III Area Agency on Aging – Barry County, in conjunction with Calhoun County, has entered into an agreement, which created the Region III B Area Agency on Aging (the “Agency”) that provides comprehensive services to older individuals residing in those counties. Operating revenues are derived from federal, state, and local governments as well as fees for services. The Agency is governed by a seven-member Board appointed by the Board of Commissioners of the two counties it services. A copy of the Agency’s audit can be obtained at its administrative office.

## **B. Government-wide and fund financial statements**

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



# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function 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.

### **C. 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. 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, State revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current 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 financial resources of the general government, except those required to be accounted for in another fund.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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The *central dispatch fund* accounts for the activity of the County E-911 services, which are funded through a tax millage.

The *commission on aging fund* accounts for services provided to the elderly. Revenue is primarily generated through state and federal grants.

The *revenue sharing reserve fund* accounts for accelerated property tax collections held for the replacement of future state shared revenues.

The *building authority Thornapple Manor debt service fund* was established to account for principal and interest payments on general obligation bonds issued to fund the construction project at Thornapple Manor.

The County reports the following major proprietary funds:

The *delinquent tax umbrella fund* accounts for money advanced by the County to other local taxing units and various County funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties and interest.

The *2008 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2008.

The *Thornapple Manor fund* accounts for the activities of the Thornapple Manor Medical Care Facility, a 138-bed long-term medical care unit owned and operated by Barry County. Revenues are generated by charges for services and a County appropriation.

Additionally, the County reports the following fund types:

*Special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

*Debt service funds* account for the servicing of general long-term debt not being financed by proprietary funds.

*Capital projects funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *permanent fund* accounts for assets that are permanently restricted for cemetery perpetual care.

*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 operations that provide services (such as equipment rentals and self-insurance) to other departments or agencies of the government, on a cost-reimbursement basis.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

*Private purpose trust funds* are used to present activity of arrangements under which the principal and income benefit individuals, private organizations, or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 net assets are assets that are 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.

### **D. Assets, liabilities and equity**

#### ***1. 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 authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

### **2. *Receivables and payables***

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

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

Leases receivable consist of amounts collectible from the Drain Commission and Kellogg Community College for which the County has irrevocably pledged its full faith and credit as collateral for certain construction and improvement bonds. In accordance with contractual agreements, these entities will provide all future amounts due for bond principal and accrued interest payable. The receivable has been reported as current based on the amounts to be collected next year to satisfy obligations.

### **3. *Inventories and prepaids***

Inventories in the Airport Commission consist of fuel and are valued at cost, primarily determined by the first-in, first-out (FIFO) method. Inventories of the Road Commission are priced at cost as determined on the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County has elected to use an alternative measurement method in its governmental funds and records expenditures for services extending beyond one account period in the period when incurred.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### 4. *Capital assets*

#### *Primary Government and Component Units (excluding Thornapple Manor and Road Commission)*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	7-50
Land improvements	5-25
Machinery, equipment, and vehicles	2-25
Drain infrastructure	50

#### *Road Commission – Discretely Presented Component Unit*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Barry County Road Commission on an individual basis. The dollar threshold depends on the category of the asset, but the asset must have an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost of purchase or construction. Donated capital assets are recorded at estimated fair market value at the date of donation. The amount reported for infrastructure includes assets acquired or constructed since 1980.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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Depreciation is computed on the sum-of-the-years'-digits method for road equipment and straight-line method for all other capital assets. The depreciation rates are designed to amortize the cost of the assets over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Road equipment	5-8
Shop equipment	7-10
Engineering equipment	4-10
Office equipment	4-10
Infrastructure - roads	8-30
Infrastructure - bridges	12-50

### *Thornapple Manor – Blended Component Unit*

All property and equipment are valued at historical cost. Donated assets are recorded at the fair market value at the time of the donation. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	5-25
Building and improvements	10-40
Equipment	5-25

### **5. *Compensated absences***

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

### **6. *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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

### **7. *Fund equity***

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### **8. *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.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the activity level in the general fund and at the functional level for the special revenue funds.

All departments and budgetary centers of the county are required to submit budget requests to the County Administrator prior to August 1. The Administrator then develops and presents a proposed budget to the Board for review. The Board holds public hearings and a final budget is approved prior to December 31, the close of the county's fiscal year. The Administrator is authorized to transfer budget amounts between accounts without Board approval. Budgetary transfers between funds and amendments to total fund budgets are not permitted without Board approval.

### **B. Deficit fund equity**

The negative balance in unrestricted net assets of governmental activities is the direct result of the County Building Authority issuing bonds to finance the construction of an addition at Thornapple Manor. The capital assets are reported under business-type activities, while the related debt is reported as governmental activities, inasmuch as the bonds are being serviced over time through ad valorem taxes levied on all taxable property in the County.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

The deficit fund balance in the Leach-Middle Sewer Construction capital projects fund of the Board of Public Works component unit of \$26,494 is a result of incurring preliminary expenditures related to a bonded capital project prior to the actual issuance of the bonds. The deficit was corrected in January 2010 when the County issued limited-tax general obligation bonds to fund this project.

The deficit fund balance in the Building Authority Thornapple Manor Addition capital projects fund of \$69,937 was the result of a timing variance between payment of construction invoices by the County and the recognition of the asset, and related liability back to the capital projects fund by Thornapple Manor. The deficit has been corrected in 2010.

### C. Excess of expenditures over budget

Expenditures in the combining and individual fund financial statements have been presented at a level of detail greater than the level of legal budgetary control.

During the year ended December 31, 2009 the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Budget Variance</u>
General fund:			
Public safety – secondary road patrol	\$ 90,424	\$ 90,896	\$ 472
Health and welfare – health department building	113,693	113,709	16
Insurance and bonds	305,195	416,979	111,784
Transfers out	1,648,156	2,428,843	780,687
Commission on Aging – health and welfare	1,249,417	1,303,426	54,009
Friend of the court special revenue fund – transfers out	-	19	19
Abstract special revenue fund – general government	100,000	105,864	5,864
Parks and recreation special revenue fund – Transfers out	-	9,080	9,080
Adult drug court special revenue fund – general government	219,954	228,181	8,227
Social welfare special revenue fund – health and welfare	8,500	8,804	304
Master land use plan special revenue fund – general government	2,000	5,232	3,232
Substance abuse special revenue fund:			
Health and welfare	-	11,850	11,850
Principal	-	21,676	21,676
FEMA elevation special revenue fund – Public works	-	96,990	96,990

The FEMA elevation special revenue fund was initially accounted for by the County as a different fund type, and was reclassified in connection with its preparations for the annual audit. Accordingly, the County did not adopt a 2009 budget for this fund.



# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and investments

The County utilizes various pooled cash accounts and investments consisting of a common checking account and mutual funds. The County's pooled cash accounts and investments are utilized by the general fund, special revenue funds, debt service funds, capital projects funds, internal service funds, trust and agency funds, and the component units. All other funds of the County utilize separate savings and interest-bearing checking accounts. In addition, certificates of deposit, mutual funds, commercial paper, and U.S. government securities are held separately by several of the County's funds.

Following is a reconciliation of deposit and investment balances as of December 31, 2009:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 2,200	\$ -	\$ 2,200
Checking and savings accounts	10,721,769	2,103,564	12,825,333
Certificates of deposit – all due within one year	1,932,508	123,000	2,055,508
Investments	<u>14,470,172</u>	<u>44,833</u>	<u>14,515,005</u>
<b>Total</b>	<b><u>\$ 27,126,649</u></b>	<b><u>\$ 2,271,397</u></b>	<b><u>\$ 29,398,046</u></b>
<b>Statement of net assets</b>			
Cash and cash equivalents	\$ 17,346,269	\$ 2,226,564	\$ 19,572,833
Investments	<u>9,338,729</u>	<u>44,833</u>	<u>9,383,562</u>
	<u>26,684,998</u>	<u>2,271,397</u>	<u>28,956,395</u>
<b>Statement of fiduciary net assets</b>			
Cash and cash equivalents – agency funds	411,453	-	411,453
Cash and cash equivalents – private purpose trust funds	<u>30,198</u>	<u>-</u>	<u>30,198</u>
	<u>441,651</u>	<u>-</u>	<u>441,651</u>
<b>Total</b>	<b><u>\$ 27,126,649</u></b>	<b><u>\$ 2,271,397</u></b>	<b><u>\$ 29,398,046</u></b>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$2,117,653 of the County's bank balance of \$15,752,288 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, 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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

*Custodial Credit Risk – Investments.* Following is a summary of the County’s investments as of December 31, 2009:

U.S. agencies	\$ 8,048,857
Money market funds	<u>6,466,148</u>
<b>Total</b>	<b><u>\$ 14,515,005</u></b>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government’s name. In accordance with the County’s investment policy, all investment are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County’s investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

Unrated	\$ 5,827,373
S&P AAA	3,269,502
S&P Aaa	4,779,355
Fitch AAA-V1	<u>638,775</u>
<b>Total</b>	<b><u>\$ 14,515,005</u></b>

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturity dates for investments held at year-end are summarized as follows:

No maturity	\$ 6,466,148
Less than one year	329,527
1 – 5 years	1,873,043
6 – 10 years	1,771,574
11 – 15 years	1,502,708
16 – 20 years	345,177
21 – 24 years	1,527,929
25 – 30 years	<u>698,899</u>
<b>Total</b>	<b><u>\$ 14,515,005</u></b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies.

### B. Receivables

Receivables are comprised of the following at year-end:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Units</b>
Taxes (current)	\$ 4,201,530	\$ -	\$ -
Taxes (delinquent)	-	2,293,016	-
Accounts	6,810	2,390,024	833,179
Due from other governments	854,427	721,632	882,752
Special assessments	-	-	445,449
Leases	512,756	-	5,521,072
<b>Total</b>	<b>\$ 5,575,523</b>	<b>\$ 5,404,672</b>	<b>\$ 7,682,452</b>

Of the amounts detailed above, \$262,822 of special assessments receivable in the component units are not expected to be collected within one year. Similarly, \$4,203,281 and \$265,000 of leases receivable in the component units and governmental activities, respectively, are not expected to be collected within one year.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All governmental activities defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue reported in governmental activities were as follows:

	<b>Unavailable</b>	<b>Unearned</b>	<b>Total</b>
<b>Governmental funds:</b>			
Property taxes	\$ -	\$ 4,420,798	\$ 4,420,798
Leases receivable	512,756	-	512,756
Other long-term receivables	20,974	-	20,974
<b>Total</b>	<b>\$ 533,730</b>	<b>\$ 4,420,798</b>	<b>\$ 4,954,528</b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### C. Accounts payable and accrued liabilities

Payables are comprised of the following at year-end:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Accounts	\$ 566,002	\$ 2,103,134	\$ 41,442
Accrued liabilities	364,717	325,068	130,007
Accrued interest on long-term debt	199,559	-	44,279
<b>Total</b>	<b><u>\$ 1,130,278</u></b>	<b><u>\$ 2,428,202</u></b>	<b><u>\$ 215,728</u></b>

### D. Interfund receivables and payables and transfers

The composition of interfund balances as of December 31, 2009, was as follows:

#### Due to and from primary government funds

	<u>Due from fund</u>	<u>Due to fund</u>
General fund	\$ 167,240	\$ 1,865,896
Revenue sharing reserve fund	1,778,485	-
Nonmajor governmental funds	11,613	-
Delinquent tax umbrella fund	1,524,000	140,081
Delinquent tax revolving 2008 fund	-	1,524,000
Nonmajor enterprise funds	-	31,377
Internal service funds	80,016	-
	<b><u>\$ 3,561,354</u></b>	<b><u>\$ 3,561,354</u></b>

#### Due to and from drainage district funds

	<u>Due from fund</u>	<u>Due to fund</u>
Alconquin Lake Dam Project	\$ 102,682	\$ -
Regular Drain	-	102,682
	<b><u>\$ 102,682</u></b>	<b><u>\$ 102,682</u></b>

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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

For the year ended December 31, 2009, interfund transfers consisted of the following:

Transfers in	Transfers out				Totals
	General Fund	Revenue Sharing Reserve	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General fund	\$ -	\$ 1,119,013	\$ -	\$ -	\$ 1,119,013
Commission on Aging	15,000	-	-	-	15,000
Thornapple Manor debt service	30,508	-	-	-	30,508
Nonmajor governmental funds	1,832,721	-	25,895	-	1,858,616
Internal service funds	550,614	-	-	-	550,614
Delinquent tax umbrella	-	-	-	681,425	681,425
Thornapple Manor	-	-	870,732	-	870,732
<b>Totals</b>	<b>\$ 2,428,843</b>	<b>\$ 1,119,013</b>	<b>\$ 896,627</b>	<b>\$ 681,425</b>	<b>\$ 5,125,908</b>

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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### E. Capital assets

Capital asset activity for the primary government for the year ended December 31, 2009, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 3,096,056	\$ -	\$ (361,848)	\$ 2,734,208
Construction in progress	325,339	73,627	(325,339)	73,627
Total capital assets not being depreciated	3,421,395	73,627	(687,187)	2,807,835
Capital assets being depreciated:				
Land improvements	904,065	5,025	(112,800)	796,290
Buildings	12,523,532	597,998	(44,281)	13,077,249
Equipment	5,083,857	759,078	(727,120)	5,115,815
Total capital assets being depreciated	18,511,454	1,362,101	(884,201)	18,989,354
Less accumulated depreciation for:				
Land improvements	483,342	34,270	(100,100)	417,512
Buildings	4,679,384	319,430	(40,954)	4,957,860
Equipment	3,365,965	619,514	(655,003)	3,330,476
Total accumulated depreciation	8,528,691	973,214	(796,057)	8,705,848
Total capital assets being depreciated, net	9,982,763	388,887	(88,144)	10,283,506
<b>Capital assets, net</b>	<b>\$13,404,158</b>	<b>\$ 462,514</b>	<b>\$ (775,331)</b>	<b>\$13,091,341</b>

At December 31, 2009, the County had various outstanding commitments totaling \$34,779.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 29,000	\$ -	\$ (29,000)	\$ -
Capital assets being depreciated:				
Land improvements	553,435	931,058	(18,962)	1,465,531
Buildings	19,619,925	830,613	(22,437)	20,428,101
Vehicles	1,159,622	662,518	-	1,822,140
Equipment	3,357,492	335,033	(173,138)	3,519,387
Shop equipment	69,655	12,824	-	82,479
Total capital assets being depreciated	24,760,129	2,772,046	(214,537)	27,317,638
Less accumulated depreciation for:				
Land improvements	109,569	49,579	(13,701)	145,447
Buildings	1,469,818	520,185	(7,723)	1,982,280
Vehicles	982,993	49,695	-	1,032,688
Equipment	711,250	243,686	(152,418)	802,518
Shop equipment	32,901	4,006	-	36,907
Total accumulated depreciation	3,306,531	867,151	(173,842)	3,999,840
Total capital assets being depreciated, net	21,453,598	1,904,895	(40,695)	23,317,798
<b>Capital assets, net</b>	<b>\$21,482,598</b>	<b>\$ 1,904,895</b>	<b>\$ (69,695)</b>	<b>\$ 23,317,798</b>

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

Depreciation of governmental activities by function:	
General government	\$ 291,327
Culture and recreation	56,058
Public safety	418,722
Health and welfare	60,124
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	146,983
	<b>\$ 973,214</b>
Depreciation of business-type activities by function:	
Thornapple Manor	\$ 778,518
Transit	88,633
	<b>\$ 867,151</b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2009, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>Component Unit - Road Commission</b>				
Capital assets not being depreciated:				
Land	\$ 85,433	\$ -	\$ -	\$ 85,433
Land improvements	14,170,936	-	-	14,170,936
Right-of-ways	114,666	534,550	-	649,216
Total capital assets not being depreciated	14,371,035	534,550	-	14,905,585
Capital assets being depreciated:				
Land improvements	214,808	-	-	214,808
Buildings	740,948	-	-	740,948
Road equipment	7,216,153	521,856	(654,700)	7,083,309
Shop equipment	115,520	1,779	-	117,299
Office equipment	89,848	1,601	(4,207)	87,242
Engineering equipment	117,338	-	-	117,338
Yard & storage equipment	103,147	-	-	103,147
Pit depletion	580,846	25,607	-	606,453
Infrastructure - bridges	3,257,551	-	-	3,257,551
Infrastructure - roads	11,811,447	3,410,646	(812,176)	14,409,917
Total capital assets being depreciated	24,247,606	3,961,489	(1,471,083)	26,738,012
Less accumulated depreciation for:				
Land improvements	83,851	10,740	-	94,591
Buildings	529,838	13,556	-	543,394
Road equipment	6,681,708	265,749	(653,644)	6,293,813
Shop equipment	114,552	784	-	115,336
Office equipment	64,484	9,620	(4,207)	69,897
Engineering equipment	103,666	6,440	-	110,106
Yard & storage equipment	103,147	-	-	103,147
Pit depletion	146,970	84	-	147,054
Infrastructure - bridges	982,057	74,225	-	1,056,282
Infrastructure - roads	5,148,602	825,825	(812,176)	5,162,251
Total accumulated depreciation	13,958,875	1,207,023	(1,470,027)	13,695,871
Total capital assets being depreciated, net	10,288,731	2,754,466	(1,056)	13,042,141
<b>Capital assets, net</b>	\$ 24,659,766	\$ 3,289,016	\$ (1,056)	\$ 27,947,726



# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Component Units (continued)</b>				
<b>Drainage Districts</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 31,565	\$ -	\$ 31,565
Capital assets being depreciated:				
Drain infrastructure	2,474,711	-	-	2,474,711
Less accumulated depreciation for:				
Drain infrastructure	788,313	38,415	-	826,728
Total capital assets being depreciated, net	1,686,398	(38,415)	-	1,647,983
Capital assets, net	\$ 1,686,398	\$ (6,850)	\$ -	\$ 1,679,548
<b>Airport Commission</b>				
Capital assets not being depreciated:				
Land	\$ 285,000	\$ -	\$ -	\$ 285,000
Capital assets being depreciated:				
Land improvements	3,373,055	-	-	3,373,055
Buildings	238,800	-	(53,000)	185,800
Equipment	47,500	6,095	(15,000)	38,595
Total capital assets not being depreciated	3,659,355	6,095	(68,000)	3,597,450
Less accumulated depreciation for:				
Land improvements	1,986,828	168,113	-	2,154,941
Buildings	143,240	3,680	(37,100)	109,820
Equipment	47,500	406	(15,000)	32,906
Total accumulated depreciation	2,177,568	172,199	(52,100)	2,297,667
Total capital assets being depreciated, net	1,481,787	(166,104)	(15,900)	1,299,783
Capital assets, net	\$ 1,766,787	\$ (166,104)	\$ (15,900)	\$ 1,584,783

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### F. Long-term debt

**General Obligation Bonds.** The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts.

General obligation bonds of the Board of Public Works component unit and bonds in governmental activities related to Kellogg Community College are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to infrastructure constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

Long-term debt activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Primary government</b>					
<b>Governmental activities</b>					
General obligation bonds	\$ 20,555,000	\$ -	\$ 1,010,000	\$19,545,000	\$1,070,000
Capital leases	286,732	-	50,097	236,635	29,657
Subtotal	20,841,732	-	1,060,097	19,781,635	1,099,657
Compensated absences	522,250	158,292	164,348	516,194	189,734
Total governmental activities	<u>\$ 21,363,982</u>	<u>\$ 158,292</u>	<u>\$ 1,224,445</u>	<u>\$ 20,297,829</u>	<u>\$ 1,289,391</u>
<b>Business-type activities</b>					
General obligation bonds	\$ 800,000	\$ -	\$ 500,000	\$ 300,000	\$ 150,000
Compensated absences	264,662	465,267	450,144	279,785	108,426
Total business-type activities	<u>\$ 1,064,662</u>	<u>\$ 465,267</u>	<u>\$ 950,144</u>	<u>\$ 579,785</u>	<u>\$ 258,426</u>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component units</b>					
<b>Road Commission</b>					
Compensated absences	\$ 259,853	\$ 9,793	\$ -	\$ 269,646	\$ 269,646
<b>Drainage Districts</b>					
Drain notes and other debt	\$ 323,847	\$ -	\$ 79,270	\$ 244,577	\$ 54,237
<b>Board of Public Works</b>					
Water and sewer bonds	\$ 6,713,281	\$ -	\$ 1,230,000	\$ 5,483,281	\$ 1,280,000
<b>Airport Commission</b>					
Loan payable	\$ 34,848	\$ -	\$ 11,097	\$ 23,751	\$ 11,607

Significant details regarding outstanding long-term debt are presented below:

### *Primary government*

The Barry County Board of Commissioners is party to long-term lease agreements for rental of the Medical Care Facility Buildings, Courts and Law Building, and the Kellogg Community College Building from the Barry County Building Authority. The lease agreements stipulate that annual rentals will be paid by the County or other local government to the Building Authority in amounts sufficient to meet the annual principal and interest on bonds, which shall be pledged exclusively for that purpose. When all debt has been retired on these buildings, the rentals will cease, title to the buildings will be transferred to the county, or local government where applicable.

Bonds and loans payable at December 31, 2009 for governmental activities are as follows:

\$1,860,000 Building Authority Court and Law Building Refunding Bonds, Series 2003, dated October 15, 2003, due in annual installments ranging from \$190,000 to \$245,000 through June 1, 2012, with interest ranging from 2.25 to 3.60%, payable semi-annually.	\$ 710,000
\$1,935,000 Building Authority Kellogg Community College Refunding Bonds, Series 2003, dated October 1, 2003, due in annual installments ranging from \$235,000 to \$265,000 through November 1, 2011, with interest ranging from 2.25 to 3.375%, payable semi-annually.	510,000
\$950,000 Building Authority Bonds, Series 2002, dated July 25, 2002, due in annual installments ranging from \$25,000 to \$75,000 through July 1, 2021, with interest ranging from 4.90 to 5.85%, payable semi-annually.	725,000

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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\$18,850,000 Building Authority – Medical Care Facility Bonds, dated August 1, 2006, due in annual installments ranging from \$350,000 to \$1,750,000 through April 1, 2025, with interest ranging from 4.25 to 4.50%, payable semi-annually. \$ 17,600,000

Total general obligation debt – governmental activities \$ 19,545,000

Capital leases for governmental activities are as follows:

The County has entered into an installment purchase agreement to finance the acquisition of real estate. The original amount of the agreement was \$318,400 and is payable in monthly installments of \$3,264, including interest at 4.26% \$ 236,635

For the governmental activities, compensated absences are generally liquidated by the general fund.

General obligation bonds for business-type activities are as follows:

\$2,395,000 Building Authority – Medical Care Facility Bonds, dated September 1, 1994, due in annual installments ranging from \$125,000 to \$225,000 through July 1, 2017, with interest ranging from 5.4 to 6.0%, payable semi-annually. \$ 300,000

### *Component Units*

#### **Drainage Districts**

The County has irrevocably pledged its full faith and credit as collateral for the following drain notes and amounts owed to other governmental units. These projects, except for the Collier-Mud Creek project, which is administered by Eaton County, are administered by the Barry County Drain Commission for various local drainage districts. The drain obligations were issued to finance the various Construction Funds for the purpose of paying costs in connection with various drainage district projects and are payable out of assessments to be made against the benefited properties.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

Notes payable and amounts owed to other governmental units at December 31, 2009 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

### Drain Notes

\$39,500 Mallison Branch Drain special assessment note for which Barry County is liable for 30% (principal amount of \$11,850) and Ionia County is liable for the remaining 70%. The note is due in annual installments of \$7,900 (for which Barry County pays \$2,300), including interest at 4.87%, payable annually through June 1, 2012.	\$ 7,100
\$86,000 Upper Crooked Lake Level distract note dated October 1, 2007, due in annual installments of \$28,667 through June 1, 2010, with interest at 4.46%, payable upon maturity.	28,677
\$232,000 Delton Village special assessment district note dated June 17, 2008, due in annual installments of \$23,200 through June 1, 2018, with interest payable at 4.25% per annum.	<u>208,800</u>
Total notes payable – Drainage Districts	<u>\$ 244,577</u>

### Board of Public Works

The County through the Board of Public Works has constructed a water tower for Yankee Springs Township and sewage disposal systems for Thornapple and Barry Townships, Gun Lake Sewer Authority, and Southwest Barry Sewer Authority. The County is leasing them to the local municipalities, who are operating, maintaining, and managing the systems. General obligation bonds were sold with the full faith and credit of the local municipalities, and the County pledge to the payment pursuant to Act 185, Public Acts of Michigan 1957, as amended. The principal and interest on bonds outstanding are to be paid out of money received from the local municipalities by the Board of Public Works of the County pursuant to the lease agreements. Upon final payment of the respective bond issues, ownership of the assets will revert to the local municipalities.

Bonds payable at December 31, 2009, per respective constructive projects serviced from the debt service funds of the Board of Public Works are as follows:

\$4,665,000 Southwest Barry County Sewage Disposal System Refunding Bonds dated May 1, 2004, due in annual installments ranging from \$750,000 to \$850,000 through November 1, 2010, with interest ranging from 2.35 to 3.80%, payable semi-annually.	\$ 850,000
\$1,870,000 Middleville Sanitary Sewer System Refunding Bonds dated October 15, 2003, due in annual installments ranging from \$170,000 to \$220,000 through November 1, 2014, with interest ranging from 2.25 to 3.80%, payable semi-annually.	985,000

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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\$1,110,000 Barry Township-Fair Lake Sewage Disposal System Extension Bonds dated August 1, 1998 due in annual installments of \$60,000 to \$65,000 through May 1, 2017 with interest of 4.45 to 4.90%, payable semi-annually.	\$ 520,000
\$1,125,000 Middleville Sanitary Sewer System Bonds dated February 1, 1999, due in annual installments ranging from \$50,000 to \$75,000 through October 1, 2018, with interest ranging from 4.15 to 4.80%, payable semi-annually.	650,000
\$650,000 Water Supply System Bonds dated June 26, 2003, due in annual installments ranging from \$25,000 to \$40,000 through October 1, 2024, with interest at 2.5%, payable semi-annually.	513,281
\$1,040,000 Water Supply System Bonds Series A dated August 23, 2006, due in annual installments ranging from \$40,000 to \$65,000 through April 1, 2027, with interest at 2.125%, payable semi-annually.	955,000
\$205,000 Water Supply System Bonds Series B dated August 23, 2006, due in annual installments ranging from \$10,000 to \$15,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	175,000
\$465,000 Fawn Lake Extension note, dated July 25, 2006, due in annual installments ranging from \$20,000 to \$25,000 through April 1, 2026, with interest ranging from 4.125 to 4.0%, payable semi-annually.	425,000
\$450,000 Yankee Springs arsenic removal bonds, dated March 29, 2007, payable in annual installments ranging from \$20,000 to \$25,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	<u>410,000</u>
Total bonds payable – Board of Public Works	<u><u>\$ 5,483,281</u></u>

### Airport

The Airport component unit, a joint venture between Barry County and the City of Hastings, is party to a long-term loan agreement. The proceeds of the loan were used to construct airplane taxi streets and an access road.

\$100,000 Airport installment loan payable dated August 20, 2002, due in annual installments ranging from \$10,142 to \$12,143 with interest at 4.6%, payable annually through August 2011.	<u><u>\$ 23,751</u></u>
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# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

Annual debt service requirements to maturity for long-term debt (excluding compensated absences payable), are as follows:

Years Ending December 31	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,099,657	\$ 854,116	\$ 150,000	\$ 17,250	\$ 1,345,844	\$ 175,654
2011	1,190,945	470,533	150,000	8,700	487,714	145,064
2012	1,022,289	761,575	-	-	500,570	127,573
2013	783,692	723,684	-	-	488,200	109,228
2014	885,156	687,195	-	-	518,200	91,030
2015-2019	5,399,896	2,777,687	-	-	1,302,800	250,516
2020-2024	7,650,000	1,295,626	-	-	773,281	95,216
2025-2029	1,750,000	39,375	-	-	335,000	12,236
Total	<b>\$ 19,781,635</b>	<b>\$ 7,609,791</b>	<b>\$ 300,000</b>	<b>\$ 25,950</b>	<b>\$ 5,751,609</b>	<b>\$ 1,006,517</b>

#### IV. OTHER INFORMATION

##### A. Risk management

###### *Primary Government*

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is self-insured for health, workers' compensation, and disability. Each participating fund of the County makes payments to the respective self-insurance internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as fringe benefit charges in the paying fund and charges for services in the receiving fund.

As a benefit to its employees, Barry County has contracted with Blue Cross Blue Shield of Michigan for its prescription drug and medical benefits program. BCBSM provides claims administration for the prescription drug and medical benefits and stop-loss insurance protection for the medical benefits.

The employees pay a fixed copay per prescription and Barry County pays the Blue Cross Blue Shield negotiated discounted balance. Barry County is also responsible to pay for the first \$50,000 of eligible medical claims per policy year per covered contract. The County is insured for covered medical claims in excess of \$50,000, per contract per policy year, not to exceed the policy limits of \$5 million per member per lifetime, at which time Barry County has fulfilled its obligation to the employee (contract holder).

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

Changes in the estimated claims liability are as follows:

	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ 93,703	\$ 85,594
Incurred claims	1,783,638	1,965,679
Claim payments	<u>(1,779,214)</u>	<u>(1,957,570)</u>
<b>Unpaid claims, end of year</b>	<b><u>\$ 98,127</u></b>	<b><u>\$ 93,703</u></b>

The County is completely self-insured for disability benefits. The plan covers all employees except employees at the Mental Health and Medical Care facilities. The Disability Benefits Plan provides benefits of 67% of current wages, for a period not to exceed 52 weeks. Benefits commence on the eighth day after a disabling injury or illness. The program is administered by PBS, which furnishes claims review and processing.

The County is self-insured for workers' compensation up to \$325,000 for each loss up to an aggregate amount of \$1,000,000. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000 for each occurrence. The County is then self-insured for annual aggregated claims in excess of insurance coverage. The program is administered by a service agency that furnishes claims review and processing.

The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA) (the "Authority"). The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

The Authority has reserved fund balance to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that Barry County incurs loss in excess of the resources available, the Authority as a whole (i.e. all constituent municipalities) is liable for the excess. In the event that the Pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific Pool's policy year may be subject to special assessments to make up the deficiency. The County has not been informed of any special assessments being required.

In addition, the Authority has accumulated resources to create and fund an internal stop loss fund. The stop loss fund was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$178,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$178,000 net of reinsurance recoveries are paid entirely from the internal stop loss fund. If at any time the stop loss fund is insufficient to fund Barry County's losses, the remaining liability shall become the responsibility of the Authority as a whole.



# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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At December 31, 2009, the County has funds on deposit of \$214,799 with the Authority and reserves for reported claims of \$62,827. Management has not recorded the net of these amounts in the financial statements, as the amount has been deemed immaterial.

### *Thornapple Manor Blended Component Unit*

Thornapple Manor is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries' (workers' compensation), as well as medical benefits provided to employees.

Thornapple Manor, as part of the County, participates in the Michigan Municipal Risk Management Authority (risk pool) for claims relating to general and automobile liability (including medical malpractice), automobile physical damage and property loss claims. The MMRMA program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the County.

Thornapple Manor is insured for workers' compensation claims via a policy with a commercial carrier.

Thornapple Manor is insured against potential professional liability claims under an occurrence-basis policy, whereby all claims resulting from incidents that occur during the policy period are covered up to insured limits, regardless of when the claims are reported to the insurance carrier. There are no known outstanding or pending claims as of December 31, 2009.

Thornapple Manor, as part of the County, is self-insured for employee medical benefit claims. Thornapple Manor estimates the liability (included in accounts payable) for employee medical benefit claims incurred through the end of the year, including both those claims that have been reported, as well as those that have not yet been reported.

### *Road Commission Component Unit*

The Barry County Road Commission is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters.

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan, which authorizes contracts between municipal corporations (inter-local agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts.

The Pool was established for the purpose of making a self-insurance pooling program available which includes, but is not limited to, general liability coverage, auto liability coverage, property insurance coverage, stop loss insurance protections, claims administration and risk management and loss control services pursuant to Michigan Public Act 138 of 1982. The Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, automobile and equipment liability, errors or omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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The Road Commission also has self-insurance for workers' compensation as a member of the County Road Association Self-Insurance Fund. The Road Commission's employee medical benefits insurance is purchased through a commercial carrier. At December 31, 2009, there were no claims that exceeded insurance coverage. The Road Commission did not have any significant reduction in insurance coverage from previous years.

### **B. 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.

### **C. 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 attorney, 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.

### **D. Employee retirement systems and plans**

#### *Primary Government*

#### **Plan description**

The primary government's full-time employees are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, as well as death benefits to plan members and beneficiaries. The plan is currently closed to all employees who are currently offered participation in the defined contribution plan instead.

Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917, or by calling (800) 767-6377.

The County is required to contribute at an actuarially determined rate; the current rate for the County is 4.36% to 30.26% of annual covered payroll depending on the employee group. Participating employees are required to contribute 0% to 5.33% of their annual salary depending on their assigned department. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

For the year ended December 31, 2009, the annual pension cost of \$1,219,760 was equal to the required and actual contributions of the County. Member contributions for the same period totaled \$184,037. The required contributions were determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a range between 22-28 years, depending on the employee group, as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2008.

### Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2007	\$ 1,679,165	100%	\$ -
2008	1,807,135	100	-
2009	1,219,760	100	-

For the year ended December 31, 2009, the County made an additional, discretionary contribution of \$1,418,164.

### *Funded Status and Funding Progress*

As of December 31, 2008, the most recent actuarial valuation date, the plan was 72.4 percent funded. The actuarial accrued liability for benefits was \$43,736,838, and the actuarial value of assets was \$31,660,857, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,075,981. The covered payroll (annual payroll of active employees covered by the plan) was \$14,537,192, and the ratio of the UAAL to the covered payroll was 83.1 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### *Road Commission Discretely Presented Component Unit*

The Barry County Board of Road Commissioners has a 401(k) single employer defined contribution plan, available to all employees of the Road Commission. A defined contribution plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on the investments of those contributions, and the forfeitures of other participant's account. All employees who are at least 21 years old and have completed six months of service are eligible to participate.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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The plan allows for employees to determine their own contribution, up to 60% of their salary, according to current provisions of the Internal Service Code. The Road Commission contributes 10% of the employees' salary. These contributions are not dependent on the participation of the employees. The plan uses the accrual basis of accounting with investment stated at fair market value.

Employees are allowed to borrow from their account and at December 31, 2009, the outstanding loan balances were \$175,645. Employee and employer contributions are paid to the plan on each payroll date (bi-weekly) and for the year ended December 31, 2009 employee and employer contributions totaled \$146,284 and \$174,898, respectively.

### **E. Other postemployment benefits**

#### *Primary Government*

*Plan Description.* The Barry County Retiree Health Care Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by Barry County. The Plan provides certain health care benefit and life insurance, in accordance with union agreements and/or personnel policies to employees who have retired.

*Funding Policy.* The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. The required contribution is based on projected pay-as-you go financing requirements, with an additional amount to prefund benefits as determined annually by the County Board of Commissioners. For the year ended December 31, 2009, the County contributed \$44,069 to the Plan, all of which was to fund current year benefits. Retirees receiving benefits contributed \$58,012, or approximately 57 percent of the total premiums, through their required contribution of \$18 - \$275 per month for retiree-only coverage and \$80 – full cost of coverage for retiree and spouse coverage.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 72,953
Interest on net OPEB obligation	1,005
Adjustment to annual required contribution	<u>(681)</u>
Net OPEB cost (expense)	73,277
Contributions made	<u>44,069</u>
Increase in net OPEB obligation	29,208
Net OPEB obligation, beginning of year	<u>16,754</u>
Net OPEB obligation, end of year	<u>\$ 45,962</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 and the previous year were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 69,814	76%	\$ 16,754
2009	73,277	60%	45,962

*Funded Status and Funding Progress.* As of December 31, 2006, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$824,444, and the County had no assets in trust for future OPEB obligations, resulting in an unfunded actuarial accrued liability (UAAL) of \$824,444.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to the point. The actuarial methods and assumptions used to include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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In the December 31, 2006 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 6.0%; (b) projected salary increases of 4.5% attributable to inflation; (c) additional projected salary increases ranging from 0.3% to 8.4%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.5% to 11.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years on an open basis.

### *Road Commission Component Unit*

*Plan Description.* The Road Commission provides healthcare benefits to certain employees upon retirement, in accordance with the Road Commission policy. Currently, 22 retirees participate and receive benefits. As of January 1, 2003, the Barry County Road Commission changed its policy for providing hospitalization medical coverage for their retirees. Per the policy in place as of December 31, 2002, the Road Commission provided hospitalization medical coverage and life insurance on a complimentary basis for any employee who retired at age 55 with at least eight years of service. The Road Commission continues to provide life insurance using the same parameters. Two current employees and three retirees were grandfathered in under the previous policy.

As of January 1, 2005, the Road Commission added a policy for providing \$10 per month for every year of service for their association employees retiring from January 1, 2003 to November 1, 2006. These employees must be at least 55 years of age and have at least 20 years of service. This would become effective upon retirement of January 1, 2005, whichever comes latest. The amount shall be paid until the employee is deceased. If a slot is open for health insurance through the Road Commission and the retiree chooses to be carried through the Road Commission, the current health insurance cancellation policy will apply. This is a contingency upon the employee's association acceptance. All other current employees receive no health benefits upon retirement.

*Funding policy.* Benefits are provided based on requirements of employee contracts and are financed on a pay-as-you-go basis. For the year ended December 31, 2009, the Road Commission expended \$130,942 for 22 participants currently eligible to receive benefits.

*Funding progress.* For the year beginning January 1, 2009 the Road Commission has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2009. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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The following table shows the components of the Road Commission's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Road Commission's net OPEB obligation:

Annual required contribution	\$ 130,942
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	130,942
Contributions made	130,942
	<hr/>
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	\$ -

The annual OPEB cost for the current year was \$130,942, of which the Road Commission contributed 100%.

The actuarial accrued liability at December 31, 2009, the date of the most recent actuarial valuation was \$1,993,289, all of which was unfunded. The ratio of the unfunded actuarial accrued liability to covered payroll was 96.1%.

*Actuarial methods and assumptions.* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Projects of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumption includes a 6.49 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investment, calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 12 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 4.5 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 24 years.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### **F. Subsequent event**

On January 20, 2010, the Board of Public Works component unit issued \$4,605,000 of general obligation limited tax bonds through the State of Michigan revolving fund program. These proceeds will be used for sanitary sewer system construction. While the County will be administering this project, all future principal and interest payments will be made by Carlton Charter Township and Hastings Charter Township, pursuant to an intergovernmental agreement.

\* \* \* \* \*



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**BARRY COUNTY, MICHIGAN**  
**Required Supplementary Information**

**MERS Agent Multiple-Employer Defined Benefit Pension Plan**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a) / c)</b>
12/31/06	\$26,855,177	\$37,797,384	\$10,942,207	71.1%	\$13,218,976	82.8%
12/31/07	29,427,062	40,693,355	11,266,293	72.3%	13,845,563	81.4%
12/31/08	31,660,857	43,736,838	12,075,981	72.4%	14,537,192	83.1%

**Other Postemployment Benefits (Retiree Health Care) Plan**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a) / c)</b>
12/31/06	\$ -	\$ 824,444	\$ 824,444	0.0%	n/a	n/a

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2009**

	Special Revenue	Debt Service	Capital Projects	Permanent Fund Cemetery Perpetual Care	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 4,862,057	\$ 155,923	\$ 13	\$ 80	\$ 5,018,073
Investments	-	-	-	31,262	31,262
Receivables:					
Accounts	6,710	-	-	-	6,710
Taxes	392,357	-	-	-	392,357
Leases	-	512,756	-	-	512,756
Due from other governments	587,087	250	-	-	587,337
Due from other funds	11,613	-	-	-	11,613
<b>Total assets</b>	<b>\$ 5,859,824</b>	<b>\$ 668,929</b>	<b>\$ 13</b>	<b>\$ 31,342</b>	<b>\$ 6,560,108</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ 77,564	\$ -	\$ -	\$ -	\$ 77,564
Accounts payable	133,390	-	69,950	-	203,340
Accrued liabilities	65,117	-	-	-	65,117
Deferred revenue	465,608	512,756	-	-	978,364
<b>Total liabilities</b>	<b>741,679</b>	<b>512,756</b>	<b>69,950</b>	<b>-</b>	<b>1,324,385</b>
<b>Fund balances</b>					
Reserved for cemetery perpetual care:					
Nonexpendable	-	-	-	30,925	30,925
Expendable	-	-	-	417	417
Unreserved, undesignated (deficit)	5,118,145	156,173	(69,937)	-	5,204,381
<b>Total fund balances</b>	<b>5,118,145</b>	<b>156,173</b>	<b>(69,937)</b>	<b>31,342</b>	<b>5,235,723</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,859,824</b>	<b>\$ 668,929</b>	<b>\$ 13</b>	<b>\$ 31,342</b>	<b>\$ 6,560,108</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2009**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Permanent Fund Cemetery Perpetual Care</b>	<b>Totals</b>
<b>Revenue</b>					
Taxes	\$ 423,182	\$ -	\$ -	\$ -	\$ 423,182
Intergovernmental	2,384,278	278,674	-	-	2,662,952
Charges for services	298,744	-	-	-	298,744
Fines and forfeits	1,230	-	-	-	1,230
Interest and rentals	4,992	414	9,567	-	14,973
Other revenue	78,643	-	-	32	78,675
<b>Total revenue</b>	<b>3,191,069</b>	<b>279,088</b>	<b>9,567</b>	<b>32</b>	<b>3,479,756</b>
<b>Expenditures</b>					
Current:					
General government	1,404,594	-	-	-	1,404,594
Public safety	584,836	-	-	-	584,836
Public works	635,833	-	-	-	635,833
Health and welfare	1,328,726	-	-	-	1,328,726
Recreation and cultural	584,912	-	-	-	584,912
Debt service:					
Principal	21,676	510,000	-	-	531,676
Interest expense	-	92,162	-	-	92,162
Capital outlay	124,358	-	9,080	-	133,438
<b>Total expenditures</b>	<b>4,684,935</b>	<b>602,162</b>	<b>9,080</b>	<b>-</b>	<b>5,296,177</b>
Revenue (under) over expenditures	(1,493,866)	(323,074)	487	32	(1,816,421)
<b>Other financing sources (uses)</b>					
Transfers in	1,525,321	324,215	9,080	-	1,858,616
Transfers out	(25,895)	-	(870,732)	-	(896,627)
<b>Total other financing sources (uses)</b>	<b>1,499,426</b>	<b>324,215</b>	<b>(861,652)</b>	<b>-</b>	<b>961,989</b>
Net changes in fund balances	5,560	1,141	(861,165)	32	(854,432)
Fund balances, beginning of year	5,112,585	155,032	791,228	31,310	6,090,155
<b>Fund balances (deficit), end of year</b>	<b>\$ 5,118,145</b>	<b>\$ 156,173</b>	<b>\$ (69,937)</b>	<b>\$ 31,342</b>	<b>\$ 5,235,723</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2009**

	<b>Charlton Park</b>	<b>Friend of the Court</b>	<b>Local Corrections Officer Training</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 257,948	\$ 68,217	\$ 25,032
Receivables:			
Accounts	-	-	-
Taxes	392,357	-	-
Due from other governments	-	240,221	-
Due from other funds	-	-	-
Total assets	\$ 650,305	\$ 308,438	\$ 25,032
 <b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	4,376	4,531	-
Accrued liabilities	9,973	24,871	-
Deferred revenue	436,384	-	-
Total liabilities	450,733	29,402	-
 <b>Fund balances</b>			
Unreserved, undesignated	199,572	279,036	25,032
 <b>Total liabilities and fund balances</b>	\$ 650,305	\$ 308,438	\$ 25,032

<b>Solid Waste</b>	<b>Building Strong Families</b>	<b>C SNIP Donation</b>	<b>Animal Shelter Donation</b>	<b>Community Resource Network</b>	<b>Healthy Start</b>
\$ 132,520	\$ -	\$ 1,960	\$ 196,567	\$ 8,700	\$ 9,271
6,710	-	-	-	-	-
-	-	-	-	-	-
-	5,993	-	-	-	-
-	-	-	-	-	-
<b>\$ 139,230</b>	<b>\$ 5,993</b>	<b>\$ 1,960</b>	<b>\$ 196,567</b>	<b>\$ 8,700</b>	<b>\$ 9,271</b>
\$ -	\$ 92	\$ -	\$ -	\$ -	\$ -
633	-	-	4,669	-	-
-	-	-	-	-	-
-	-	-	-	-	-
633	92	-	4,669	-	-
138,597	5,901	1,960	191,898	8,700	9,271
<b>\$ 139,230</b>	<b>\$ 5,993</b>	<b>\$ 1,960</b>	<b>\$ 196,567</b>	<b>\$ 8,700</b>	<b>\$ 9,271</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**December 31, 2009**

	<b>Abstract</b>	<b>Remonu- mentation</b>	<b>Commission on Aging Building</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 229,431	\$ -	\$ 12,341
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Due from other governments	-	19,755	-
Due from other funds	-	5,345	-
Total assets	\$ 229,431	\$ 25,100	\$ 12,341
 <b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ 17,488	\$ -
Accounts payable	20,086	3,069	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	20,086	20,557	-
 <b>Fund balances</b>			
Unreserved, undesignated	209,345	4,543	12,341
<b>Total liabilities and fund balances</b>	\$ 229,431	\$ 25,100	\$ 12,341

<b>Building Rehabilitation</b>	<b>Parks and Recreation</b>	<b>Register of Deeds Automation</b>	<b>Budget Stabilization</b>	<b>Victim Services Unit</b>	<b>School Liason</b>
\$ 1,308,941	\$ 16,310	\$ 158,140	\$ 138,226	\$ 15,660	\$ 20,216
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 1,308,941</b>	<b>\$ 16,310</b>	<b>\$ 158,140</b>	<b>\$ 138,226</b>	<b>\$ 15,660</b>	<b>\$ 20,216</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31,852	-	-	-	-	-
-	-	-	-	-	2,581
-	-	-	-	-	-
31,852	-	-	-	-	2,581
1,277,089	16,310	158,140	138,226	15,660	17,635
<b>\$ 1,308,941</b>	<b>\$ 16,310</b>	<b>\$ 158,140</b>	<b>\$ 138,226</b>	<b>\$ 15,660</b>	<b>\$ 20,216</b>

continued...



**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**December 31, 2009**

	<b>Drug Law Enforcement</b>	<b>Special Investigation</b>	<b>Crime Victims' Rights Week</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,985	\$ 11,827	\$ 25,748
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Due from other governments	-	-	12,413
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 17,985</b>	<b>\$ 11,827</b>	<b>\$ 38,161</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	500	-	-
Accrued liabilities	-	-	1,442
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>500</b>	<b>-</b>	<b>1,442</b>
<b>Fund balances</b>			
Unreserved, undesignated	17,485	11,827	36,719
<b>Total liabilities and fund balances</b>	<b>\$ 17,985</b>	<b>\$ 11,827</b>	<b>\$ 38,161</b>

<b>Law Library</b>	<b>CDBG Housing</b>	<b>Middleville Police Services</b>	<b>MSHDA Home Grant</b>	<b>Job Skills Training Program</b>	<b>Gypsy Moth Fund</b>
\$ 12,479	\$ 981	\$ 5,107	\$ -	\$ 4,485	\$ -
-	-	-	-	-	-
-	-	20,357	16,950	-	38,939
-	-	-	-	-	-
<b>\$ 12,479</b>	<b>\$ 981</b>	<b>\$ 25,464</b>	<b>\$ 16,950</b>	<b>\$ 4,485</b>	<b>\$ 38,939</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,965
-	-	308	8,250	-	-
-	-	7,266	-	1,642	-
-	-	-	8,250	-	20,974
-	-	7,574	16,500	1,642	38,939
12,479	981	17,890	450	2,843	-
<b>\$ 12,479</b>	<b>\$ 981</b>	<b>\$ 25,464</b>	<b>\$ 16,950</b>	<b>\$ 4,485</b>	<b>\$ 38,939</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**December 31, 2009**

	<b>Community Corrections</b>	<b>Adult Drug Court</b>	<b>Juvenile Drug Court</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 214,802
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Due from other governments	15,671	41,471	33,118
Due from other funds	-	-	4,153
<b>Total assets</b>	<b>\$ 15,671</b>	<b>\$ 41,471</b>	<b>\$ 252,073</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ 4,497	\$ 2,857	\$ -
Accounts payable	-	1,110	815
Accrued liabilities	2,184	4,208	2,490
Deferred revenue	-	-	-
<b>Total liabilities</b>	<b>6,681</b>	<b>8,175</b>	<b>3,305</b>
<b>Fund balances</b>			
Unreserved, undesignated	8,990	33,296	248,768
<b>Total liabilities and fund balances</b>	<b>\$ 15,671</b>	<b>\$ 41,471</b>	<b>\$ 252,073</b>

<b>Michigan Justice Training</b>	<b>Social Welfare</b>	<b>Child Care</b>	<b>Veterans' Trust</b>	<b>Diverted Felons</b>	<b>Master Land Use Plan</b>
\$ 16,467	\$ 188,858	\$ 1,465,951	\$ 2,421	\$ 274,067	\$ 16,790
-	-	-	-	-	-
-	-	-	-	-	-
-	-	65,779	-	-	-
-	-	-	2,115	-	-
<b>\$ 16,467</b>	<b>\$ 188,858</b>	<b>\$ 1,531,730</b>	<b>\$ 4,536</b>	<b>\$ 274,067</b>	<b>\$ 16,790</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	15,091	-	-	-
-	-	8,460	-	-	-
-	-	-	-	-	-
-	-	23,551	-	-	-
16,467	188,858	1,508,179	4,536	274,067	16,790
<b>\$ 16,467</b>	<b>\$ 188,858</b>	<b>\$ 1,531,730</b>	<b>\$ 4,536</b>	<b>\$ 274,067</b>	<b>\$ 16,790</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Concluded)**  
**December 31, 2009**

	<b>County Agriculture Preservation</b>	<b>Substance Abuse</b>	<b>Bench Warrant</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,609	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Due from other governments	-	-	3,655
Due from other funds	-	-	-
Total assets	\$ 4,609	\$ -	\$ 3,655
 <b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	-	-
 <b>Fund balances</b>			
Unreserved, undesignated	4,609	-	3,655
<b>Total liabilities and fund balances</b>	<b>\$ 4,609</b>	<b>\$ -</b>	<b>\$ 3,655</b>

<b>FEMA Elevation</b>	<b>Total</b>
\$ -	\$ 4,862,057
-	6,710
-	392,357
72,765	587,087
-	11,613
<hr/>	
<u>\$ 72,765</u>	<u>\$ 5,859,824</u>

\$ 34,665	\$ 77,564
38,100	133,390
-	65,117
-	465,608
<hr/>	
72,765	741,679
-	5,118,145
<hr/>	
<u>\$ 72,765</u>	<u>\$ 5,859,824</u>

concluded...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2009**

	<b>Charlton Park</b>	<b>Friend of the Court</b>	<b>Local Corrections Officer Training</b>
<b>Revenue</b>			
Taxes	\$ 423,182	\$ -	\$ -
Intergovernmental	27,651	595,528	9,799
Charges for services	149,547	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	750	-
<b>Total revenue</b>	<b>600,380</b>	<b>596,278</b>	<b>9,799</b>
<b>Expenditures</b>			
Current:			
General government	-	897,643	-
Public safety	-	-	20,145
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	580,302	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>580,302</b>	<b>897,643</b>	<b>20,145</b>
Revenue over (under) expenditures	20,078	(301,365)	(10,346)
<b>Other financing sources (uses)</b>			
Transfers in	-	387,674	-
Transfers out	(11,461)	(19)	-
<b>Total other financing sources (uses)</b>	<b>(11,461)</b>	<b>387,655</b>	<b>-</b>
Net changes in fund balances	8,617	86,290	(10,346)
Fund balances, beginning of year	190,955	192,746	35,378
<b>Fund balances, end of year</b>	<b>\$ 199,572</b>	<b>\$ 279,036</b>	<b>\$ 25,032</b>

<b>Solid Waste</b>	<b>Building Strong Families</b>	<b>C SNIP Donation</b>	<b>Animal Shelter Donation</b>	<b>Community Resource Network</b>	<b>Healthy Start</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	38,246	-	-	1,751	16,831
5,129	-	-	-	-	-
-	-	-	-	-	-
-	-	-	628	13	-
46,839	-	5,585	3,444	-	-
51,968	38,246	5,585	4,072	1,764	16,831
-	-	-	-	-	-
-	-	-	-	-	-
53,505	-	-	-	-	-
-	32,345	3,625	-	170	7,560
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	69,249	-	-
53,505	32,345	3,625	69,249	170	7,560
(1,537)	5,901	1,960	(65,177)	1,594	9,271
1,500	-	-	-	-	-
-	-	-	-	-	-
1,500	-	-	-	-	-
(37)	5,901	1,960	(65,177)	1,594	9,271
138,634	-	-	257,075	7,106	-
\$ 138,597	\$ 5,901	\$ 1,960	\$ 191,898	\$ 8,700	\$ 9,271

continued....



**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	Abstract	Remonu- mentation	Commission on Aging Building
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	33,126	-
Charges for services	46,619	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	275
Other revenue	-	-	-
<b>Total revenue</b>	<b>46,619</b>	<b>33,126</b>	<b>275</b>
<b>Expenditures</b>			
Current:			
General government	105,864	49,069	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>105,864</b>	<b>49,069</b>	<b>-</b>
Revenue over (under) expenditures	(59,245)	(15,943)	275
<b>Other financing sources (uses)</b>			
Transfers in	-	16,887	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>16,887</b>	<b>-</b>
Net changes in fund balances	(59,245)	944	275
Fund balances, beginning of year	268,590	3,599	12,066
<b>Fund balances, end of year</b>	<b>\$ 209,345</b>	<b>\$ 4,543</b>	<b>\$ 12,341</b>

<b>Building Rehabilitation</b>	<b>Parks and Recreation</b>	<b>Register of Deeds Automation</b>	<b>Budget Stabilization</b>	<b>Victim Services Unit</b>	<b>School Liason</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	800	75,000
-	-	53,920	-	-	-
-	-	-	-	-	-
-	-	-	2,863	35	-
5,650	-	-	-	531	7,710
5,650	-	53,920	2,863	1,366	82,710
-	-	-	-	-	-
-	-	-	-	2,676	131,412
485,338	-	-	-	-	-
-	-	-	-	-	-
-	1,418	-	-	-	-
-	-	-	-	-	-
-	15,000	40,109	-	-	-
485,338	16,418	40,109	-	2,676	131,412
(479,688)	(16,418)	13,811	2,863	(1,310)	(48,702)
281,697	33,000	-	-	-	52,614
(5,335)	(9,080)	-	-	-	-
276,362	23,920	-	-	-	52,614
(203,326)	7,502	13,811	2,863	(1,310)	3,912
1,480,415	8,808	144,329	135,363	16,970	13,723
\$ 1,277,089	\$ 16,310	\$ 158,140	\$ 138,226	\$ 15,660	\$ 17,635

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Drug Law Enforcement</b>	<b>Special Investigation</b>	<b>Crime Victims' Rights Week</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	48,202
Charges for services	-	-	-
Fines and forfeits	1,230	-	-
Interest and rentals	-	19	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>1,230</b>	<b>19</b>	<b>48,202</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	4,798	8,997	49,345
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>4,798</b>	<b>8,997</b>	<b>49,345</b>
Revenue over (under) expenditures	(3,568)	(8,978)	(1,143)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(3,568)	(8,978)	(1,143)
Fund balances, beginning of year	21,053	20,805	37,862
<b>Fund balances, end of year</b>	<b>\$ 17,485</b>	<b>\$ 11,827</b>	<b>\$ 36,719</b>

<b>Law Library</b>	<b>CDBG Housing</b>	<b>Middleville Police Services</b>	<b>MSHDA Home Grant</b>	<b>Job Skills Training Program</b>	<b>Gypsy Moth Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,500	61,209	251,765	190,505	12,622	30,237
-	6,919	-	-	75	-
-	-	-	-	-	-
-	3	-	-	-	-
-	-	-	-	-	-
6,500	68,131	251,765	190,505	12,697	30,237
13,623	-	-	-	-	-
-	-	252,586	-	-	-
-	-	-	-	-	-
-	75,378	-	190,055	35,959	58,369
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,623	75,378	252,586	190,055	35,959	58,369
(7,123)	(7,247)	(821)	450	(23,262)	(28,132)
-	-	-	-	405	25,632
-	-	-	-	-	-
-	-	-	-	405	25,632
(7,123)	(7,247)	(821)	450	(22,857)	(2,500)
19,602	8,228	18,711	-	25,700	2,500
\$ 12,479	\$ 981	\$ 17,890	\$ 450	\$ 2,843	\$ -

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Community Corrections</b>	<b>Adult Drug Court</b>	<b>Juvenile Drug Court</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	103,880	111,479	136,075
Charges for services	-	36,535	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	134
<b>Total revenue</b>	<b>103,880</b>	<b>148,014</b>	<b>136,209</b>
<b>Expenditures</b>			
Current:			
General government	-	228,181	98,120
Public safety	111,209	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>111,209</b>	<b>228,181</b>	<b>98,120</b>
Revenue over (under) expenditures	(7,329)	(80,167)	38,089
<b>Other financing sources (uses)</b>			
Transfers in	15,638	32,000	79,493
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>15,638</b>	<b>32,000</b>	<b>79,493</b>
Net changes in fund balances	8,309	(48,167)	117,582
Fund balances, beginning of year	681	81,463	131,186
<b>Fund balances, end of year</b>	<b>\$ 8,990</b>	<b>\$ 33,296</b>	<b>\$ 248,768</b>

<b>Michigan Justice Training</b>	<b>Social Welfare</b>	<b>Child Care</b>	<b>Veterans' Trust</b>	<b>Diverted Felons</b>	<b>Master Land Use Plan</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,341	7,136	467,292	16,597	35,061	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,156	-	-	-	-
-	-	8,000	-	-	-
6,341	8,292	475,292	16,597	35,061	-
-	-	-	-	-	5,232
3,668	-	-	-	-	-
-	-	-	-	-	-
-	8,804	890,038	14,573	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,668	8,804	890,038	14,573	-	5,232
2,673	(512)	(414,746)	2,024	35,061	(5,232)
-	8,500	570,262	-	-	20,000
-	-	-	-	-	-
-	8,500	570,262	-	-	20,000
2,673	7,988	155,516	2,024	35,061	14,768
13,794	180,870	1,352,663	2,512	239,006	2,022
\$ 16,467	\$ 188,858	\$ 1,508,179	\$ 4,536	\$ 274,067	\$ 16,790

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Concluded)**  
**For the Year Ended December 31, 2009**

	<b>County Agriculture Preservation</b>	<b>Substance Abuse</b>	<b>Bench Warrant</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,655
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>3,655</b>
<b>Expenditures</b>			
Current:			
General government	-	-	6,862
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	11,850	-
Recreation and cultural	3,192	-	-
Debt service:			
Principal	-	21,676	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>3,192</b>	<b>33,526</b>	<b>6,862</b>
Revenue over (under) expenditures	(3,192)	(33,526)	(3,207)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	19
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>19</b>
Net changes in fund balances	(3,192)	(33,526)	(3,188)
Fund balances, beginning of year	7,801	33,526	6,843
<b>Fund balances, end of year</b>	<b>\$ 4,609</b>	<b>\$ -</b>	<b>\$ 3,655</b>

<b>FEMA</b>		
<b>Elevation</b>		<b>Total</b>
\$	-	\$ 423,182
	96,990	2,384,278
	-	298,744
	-	1,230
	-	4,992
	-	78,643
	96,990	3,191,069
	-	1,404,594
	-	584,836
	96,990	635,833
	-	1,328,726
	-	584,912
	-	21,676
	-	124,358
	96,990	4,684,935
	-	(1,493,866)
	-	1,525,321
	-	(25,895)
	-	1,499,426
	-	5,560
	-	5,112,585
\$	-	\$ 5,118,145

concluded...



**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2009**

	<b>Charlton Park</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ 425,000	\$ 423,182	\$ (1,818)
Intergovernmental	23,279	27,651	4,372
Charges for services	152,542	149,547	(2,995)
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	600,821	600,380	(441)
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	600,154	580,302	(19,852)
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	600,154	580,302	(19,852)
Revenue (under) over expenditures	667	20,078	19,411
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	(11,461)	(11,461)	-
Total other financing sources (uses)	(11,461)	(11,461)	-
Net changes in fund balances	(10,794)	8,617	19,411
Fund balances, beginning of year	190,955	190,955	-
<b>Fund balances, end of year</b>	<u>\$ 180,161</u>	<u>\$ 199,572</u>	<u>\$ 19,411</u>

Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
626,247	595,528	(30,719)	10,000	9,799	(201)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,200	750	(3,450)	-	-	-
630,447	596,278	(34,169)	10,000	9,799	(201)
992,143	897,643	(94,500)	-	-	-
-	-	-	30,000	20,145	(9,855)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500	-	(500)	-	-	-
992,643	897,643	(95,000)	30,000	20,145	(9,855)
(362,196)	(301,365)	60,831	(20,000)	(10,346)	9,654
387,674	387,674	-	-	-	-
-	(19)	(19)	-	-	-
387,674	387,655	(19)	-	-	-
25,478	86,290	60,812	(20,000)	(10,346)	9,654
192,746	192,746	-	35,378	35,378	-
\$ 218,224	\$ 279,036	\$ 60,812	\$ 15,378	\$ 25,032	\$ 9,654

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Solid Waste</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	50,000	5,129	(44,871)
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	5,000	46,839	41,839
<b>Total revenue</b>	<b>55,000</b>	<b>51,968</b>	<b>(3,032)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	65,000	53,505	(11,495)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>65,000</b>	<b>53,505</b>	<b>(11,495)</b>
Revenue over (under) expenditures	(10,000)	(1,537)	8,463
<b>Other financing sources (uses)</b>			
Transfers in	1,500	1,500	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>
Net changes in fund balances	(8,500)	(37)	8,463
Fund balances, beginning of year	138,634	138,634	-
<b>Fund balances, end of year</b>	<b>\$ 130,134</b>	<b>\$ 138,597</b>	<b>\$ 8,463</b>

Building Strong Families			C SNIP Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,346	38,246	5,900	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,500	5,585	(1,915)
32,346	38,246	5,900	7,500	5,585	(1,915)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,346	32,345	(1)	7,500	3,625	(3,875)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,346	32,345	(1)	7,500	3,625	(3,875)
-	5,901	5,901	-	1,960	1,960
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,901	5,901	-	1,960	1,960
-	-	-	-	-	-
\$ -	\$ 5,901	\$ 5,901	\$ -	\$ 1,960	\$ 1,960

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	Animal Shelter Donation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	7,000	628	(6,372)
Other revenue	5,000	3,444	(1,556)
Total revenue	12,000	4,072	(7,928)
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	105,000	69,249	(35,751)
Total expenditures	105,000	69,249	(35,751)
Revenue over (under) expenditures	(93,000)	(65,177)	27,823
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(93,000)	(65,177)	27,823
Fund balances, beginning of year	257,075	257,075	-
<b>Fund balances, end of year</b>	<b>\$ 164,075</b>	<b>\$ 191,898</b>	<b>\$ 27,823</b>

<b>Community Resource Network</b>			<b>Healthy Start</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,000	1,751	751	16,800	16,831	31
-	-	-	-	-	-
-	-	-	-	-	-
-	13	13	-	-	-
-	-	-	-	-	-
1,000	1,764	764	16,800	16,831	31
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	170	(830)	16,800	7,560	(9,240)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	170	(830)	16,800	7,560	(9,240)
-	1,594	1,594	-	9,271	9,271
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,594	1,594	-	9,271	9,271
7,106	7,106	-	-	-	-
\$ 7,106	\$ 8,700	\$ 1,594	\$ -	\$ 9,271	\$ 9,271

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	Abstract		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	40,000	46,619	6,619
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	40,000	46,619	6,619
<b>Expenditures</b>			
Current:			
General government	100,000	105,864	5,864
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	100,000	105,864	5,864
Revenue over (under) expenditures	(60,000)	(59,245)	755
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(60,000)	(59,245)	755
Fund balances, beginning of year	268,590	268,590	-
<b>Fund balances, end of year</b>	<b>\$ 208,590</b>	<b>\$ 209,345</b>	<b>\$ 755</b>

Remonumentation			Commission on Aging Building		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65,000	33,126	(31,874)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
400	-	(400)	-	275	275
-	-	-	-	-	-
65,400	33,126	(32,274)	-	275	275
82,287	49,069	(33,218)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
82,287	49,069	(33,218)	-	-	-
(16,887)	(15,943)	944	-	275	275
16,887	16,887	-	-	-	-
-	-	-	-	-	-
16,887	16,887	-	-	-	-
-	944	944	-	275	275
3,599	3,599	-	12,066	12,066	-
\$ 3,599	\$ 4,543	\$ 944	\$ 12,066	\$ 12,341	\$ 275

continued...



**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Building Rehabilitation</b>		<b>Actual Over (Under) Final Budget</b>
	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	5,650	5,650
Total revenue	-	5,650	5,650
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	520,000	485,338	(34,662)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	520,000	485,338	(34,662)
Revenue over (under) expenditures	(520,000)	(479,688)	40,312
<b>Other financing sources (uses)</b>			
Transfers in	-	281,697	281,697
Transfers (out)	(15,500)	(5,335)	10,165
Total other financing sources (uses)	(15,500)	276,362	291,862
Net changes in fund balances	(535,500)	(203,326)	332,174
Fund balances, beginning of year	1,480,415	1,480,415	-
<b>Fund balances, end of year</b>	<b>\$ 944,915</b>	<b>\$ 1,277,089</b>	<b>\$ 332,174</b>

Parks and Recreation			Register of Deeds Automation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	60,000	53,920	(6,080)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	60,000	53,920	(6,080)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,950	1,418	(532)	-	-	-
-	-	-	-	-	-
25,000	15,000	(10,000)	75,000	40,109	(34,891)
26,950	16,418	(10,532)	75,000	40,109	(34,891)
(26,950)	(16,418)	10,532	(15,000)	13,811	28,811
33,000	33,000	-	-	-	-
-	(9,080)	(9,080)	-	-	-
33,000	23,920	(9,080)	-	-	-
6,050	7,502	1,452	(15,000)	13,811	28,811
8,808	8,808	-	144,329	144,329	-
\$ 14,858	\$ 16,310	\$ 1,452	\$ 129,329	\$ 158,140	\$ 28,811

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	Budget Stabilization		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	4,000	2,863	(1,137)
Other revenue	-	-	-
Total revenue	4,000	2,863	(1,137)
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	4,000	2,863	(1,137)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	4,000	2,863	(1,137)
Fund balances, beginning of year	135,363	135,363	-
<b>Fund balances, end of year</b>	<b>\$ 139,363</b>	<b>\$ 138,226</b>	<b>\$ (1,137)</b>

Victim Services Unit			School Liason		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
900	800	(100)	78,409	75,000	(3,409)
-	-	-	-	-	-
-	-	-	-	-	-
1,000	35	(965)	-	-	-
-	531	531	7,500	7,710	210
1,900	1,366	(534)	85,909	82,710	(3,199)
-	-	-	-	-	-
4,950	2,676	(2,274)	138,523	131,412	(7,111)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,950	2,676	(2,274)	138,523	131,412	(7,111)
(3,050)	(1,310)	1,740	(52,614)	(48,702)	3,912
-	-	-	52,614	52,614	-
-	-	-	-	-	-
-	-	-	52,614	52,614	-
(3,050)	(1,310)	1,740	-	3,912	3,912
16,970	16,970	-	13,723	13,723	-
\$ 13,920	\$ 15,660	\$ 1,740	\$ 13,723	\$ 17,635	\$ 3,912

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Drug Law Enforcement</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	1,000	1,230	230
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>1,000</b>	<b>1,230</b>	<b>230</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	10,000	4,798	(5,202)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>10,000</b>	<b>4,798</b>	<b>(5,202)</b>
Revenue over (under) expenditures	(9,000)	(3,568)	5,432
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(9,000)	(3,568)	5,432
Fund balances, beginning of year	21,053	21,053	-
<b>Fund balances, end of year</b>	<b>\$ 12,053</b>	<b>\$ 17,485</b>	<b>\$ 5,432</b>

Special Investigation			Crime Victims' Rights Week		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	49,536	48,202	(1,334)
-	-	-	-	-	-
10,000	-	(10,000)	-	-	-
600	19	(581)	-	-	-
100	-	(100)	-	-	-
10,700	19	(10,681)	49,536	48,202	(1,334)
-	-	-	-	-	-
15,000	8,997	(6,003)	49,541	49,345	(196)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,000	8,997	(6,003)	49,541	49,345	(196)
(4,300)	(8,978)	(4,678)	(5)	(1,143)	(1,138)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(4,300)	(8,978)	(4,678)	(5)	(1,143)	(1,138)
20,805	20,805	-	37,862	37,862	-
\$ 16,505	\$ 11,827	\$ (4,678)	\$ 37,857	\$ 36,719	\$ (1,138)

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Law Library</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	6,500	6,500
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>6,500</b>	<b>6,500</b>
<b>Expenditures</b>			
Current:			
General government	16,500	13,623	(2,877)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>16,500</b>	<b>13,623</b>	<b>(2,877)</b>
Revenue over (under) expenditures	(16,500)	(7,123)	9,377
<b>Other financing sources (uses)</b>			
Transfers in	6,500	-	(6,500)
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,500</b>	<b>-</b>	<b>(6,500)</b>
Net changes in fund balances	(10,000)	(7,123)	2,877
Fund balances, beginning of year	19,602	19,602	-
<b>Fund balances, end of year</b>	<b>\$ 9,602</b>	<b>\$ 12,479</b>	<b>\$ 2,877</b>

<b>CDBG Housing</b>			<b>Middleville Police Services</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125,000	61,209	(63,791)	262,340	251,765	(10,575)
10,000	6,919	(3,081)	-	-	-
-	-	-	-	-	-
100	3	(97)	-	-	-
-	-	-	-	-	-
135,100	68,131	(66,969)	262,340	251,765	(10,575)
-	-	-	-	-	-
-	-	-	262,340	252,586	(9,754)
-	-	-	-	-	-
135,000	75,378	(59,622)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
135,000	75,378	(59,622)	262,340	252,586	(9,754)
100	(7,247)	(7,347)	-	(821)	(821)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100	(7,247)	(7,347)	-	(821)	(821)
8,228	8,228	-	18,711	18,711	-
\$ 8,328	\$ 981	\$ (7,347)	\$ 18,711	\$ 17,890	\$ (821)

continued...



**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>MSHDA</b>		
	<b>Home Program</b>		
	<b>Final</b>		<b>Actual</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over (Under)</b>
			<b>Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	205,306	190,505	(14,801)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	205,306	190,505	(14,801)
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	205,306	190,055	(15,251)
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	205,306	190,055	(15,251)
Revenue over (under) expenditures	-	450	450
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	450	450
Fund balances, beginning of year	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 450</b>	<b>\$ 450</b>

<b>Job Skills Training Program</b>			<b>Gypsy Moth Fund</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,167	12,622	455	4,897	30,237	25,340
-	75	75	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	46,343	-	(46,343)
12,167	12,697	530	51,240	30,237	(21,003)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,867	35,959	(1,908)	58,400	58,369	(31)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,867	35,959	(1,908)	58,400	58,369	(31)
(25,700)	(23,262)	2,438	(7,160)	(28,132)	(20,972)
-	405	405	14,823	25,632	10,809
-	-	-	-	-	-
-	405	405	14,823	25,632	10,809
(25,700)	(22,857)	2,843	7,663	(2,500)	(10,163)
25,700	25,700	-	2,500	2,500	-
\$ -	\$ 2,843	\$ 2,843	\$ 10,163	\$ -	\$ (10,163)

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	Community Corrections		Actual Over (Under) Final Budget
	Final Budget	Actual	
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	95,483	103,880	8,397
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	95,483	103,880	8,397
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	111,802	111,209	(593)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	111,802	111,209	(593)
Revenue over (under) expenditures	(16,319)	(7,329)	8,990
<b>Other financing sources (uses)</b>			
Transfers in	15,638	15,638	-
Transfers (out)	-	-	-
Total other financing sources (uses)	15,638	15,638	-
Net changes in fund balances	(681)	8,309	8,990
Fund balances, beginning of year	681	681	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 8,990</b>	<b>\$ 8,990</b>

Adult Drug Court			Juvenile Drug Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115,000	111,479	(3,521)	94,982	136,075	41,093
27,500	36,535	9,035	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	134	134
142,500	148,014	5,514	94,982	136,209	41,227
219,954	228,181	8,227	191,986	98,120	(93,866)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
219,954	228,181	8,227	191,986	98,120	(93,866)
(77,454)	(80,167)	(2,713)	(97,004)	38,089	135,093
32,000	32,000	-	96,836	79,493	(17,343)
-	-	-	-	-	-
32,000	32,000	-	96,836	79,493	(17,343)
(45,454)	(48,167)	(2,713)	(168)	117,582	117,750
81,463	81,463	-	131,186	131,186	-
\$ 36,009	\$ 33,296	\$ (2,713)	\$ 131,018	\$ 248,768	\$ 117,750

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	<b>Michigan Justice Training</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	7,000	6,341	(659)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>7,000</b>	<b>6,341</b>	<b>(659)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	7,000	3,668	(3,332)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>7,000</b>	<b>3,668</b>	<b>(3,332)</b>
Revenue over (under) expenditures	-	2,673	2,673
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	-	2,673	2,673
Fund balances, beginning of year	13,794	13,794	-
<b>Fund balances, end of year</b>	<b>\$ 13,794</b>	<b>\$ 16,467</b>	<b>\$ 2,673</b>

<b>Social Welfare</b>			<b>Child Care</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	7,136	7,136	553,692	467,292	(86,400)
-	-	-	-	-	-
-	-	-	-	-	-
-	1,156	1,156	-	-	-
-	-	-	-	8,000	8,000
-	8,292	8,292	553,692	475,292	(78,400)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,500	8,804	304	1,199,284	890,038	(309,246)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,500	8,804	304	1,199,284	890,038	(309,246)
(8,500)	(512)	7,988	(645,592)	(414,746)	230,846
8,500	8,500	-	620,262	570,262	(50,000)
-	-	-	-	-	-
8,500	8,500	-	620,262	570,262	(50,000)
-	7,988	7,988	(25,330)	155,516	180,846
180,870	180,870	-	1,352,663	1,352,663	-
\$ 180,870	\$ 188,858	\$ 7,988	\$ 1,327,333	\$ 1,508,179	\$ 180,846

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	Veterans' Trust		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	16,597	16,597	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	16,597	16,597	-
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	16,597	14,573	(2,024)
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	16,597	14,573	(2,024)
Revenue over (under) expenditures	-	2,024	2,024
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	2,024	2,024
Fund balances, beginning of year	2,512	2,512	-
<b>Fund balances, end of year</b>	<b>\$ 2,512</b>	<b>\$ 4,536</b>	<b>\$ 2,024</b>

Diverted Felons			Master Land Use Plan		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35,000	35,061	61	2,000	-	(2,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,000	35,061	61	2,000	-	(2,000)
-	-	-	2,000	5,232	3,232
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,000	5,232	3,232
35,000	35,061	61	-	(5,232)	(5,232)
-	-	-	20,000	20,000	-
-	-	-	-	-	-
-	-	-	20,000	20,000	-
35,000	35,061	61	20,000	14,768	(5,232)
239,006	239,006	-	2,022	2,022	-
\$ 274,006	\$ 274,067	\$ 61	\$ 22,022	\$ 16,790	\$ (5,232)

continued...



**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Year Ended December 31, 2009**

	County Agriculture Preservation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	-	-	-
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	7,150	3,192	(3,958)
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	7,150	3,192	(3,958)
Revenue over (under) expenditures	(7,150)	(3,192)	3,958
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(7,150)	(3,192)	3,958
Fund balances, beginning of year	7,801	7,801	-
<b>Fund balances, end of year</b>	<b>\$ 651</b>	<b>\$ 4,609</b>	<b>\$ 3,958</b>

Substance Abuse			Bench Warrant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,655	3,655
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,655	3,655
-	-	-	6,866	6,862	(4)
-	-	-	-	-	-
-	-	-	-	-	-
-	11,850	11,850	-	-	-
-	-	-	-	-	-
-	21,676	21,676	-	-	-
-	-	-	-	-	-
-	33,526	33,526	6,866	6,862	(4)
-	(33,526)	(33,526)	(6,866)	(3,207)	3,659
-	-	-	23	19	(4)
-	-	-	-	-	-
-	-	-	23	19	(4)
-	(33,526)	(33,526)	(6,843)	(3,188)	3,655
33,526	33,526	-	6,843	6,843	-
\$ 33,526	\$ -	\$ (33,526)	\$ -	\$ 3,655	\$ 3,655

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Revenue, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**Nonmajor Special Revenue Funds (Concluded)**  
**For the Year Ended December 31, 2009**

	FEMA Elevation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	96,990	96,990
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
 Total revenue	 -	 96,990	 96,990
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	96,990	96,990
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
 Total expenditures	 -	 96,990	 96,990
 Revenue over (under) expenditures	 -	 -	 -
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers (out)	-	-	-
 Total other financing sources (uses)	 -	 -	 -
 Net changes in fund balances	 -	 -	 -
Fund balances, beginning of year	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Total</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
\$ 425,000	\$ 423,182	\$ (1,818)
2,432,981	2,384,278	(48,703)
340,042	298,744	(41,298)
11,000	1,230	(9,770)
13,100	4,992	(8,108)
75,643	78,643	3,000
<u>3,297,766</u>	<u>3,191,069</u>	<u>(106,697)</u>
1,611,736	1,404,594	(207,142)
629,156	584,836	(44,320)
585,000	635,833	50,833
1,718,600	1,328,726	(389,874)
609,254	584,912	(24,342)
-	21,676	21,676
205,500	124,358	(81,142)
<u>5,359,246</u>	<u>4,684,935</u>	<u>(674,311)</u>
<u>(2,061,480)</u>	<u>(1,493,866)</u>	<u>567,614</u>
1,306,257	1,525,321	219,064
(26,961)	(25,895)	1,066
<u>1,279,296</u>	<u>1,499,426</u>	<u>220,130</u>
(782,184)	5,560	787,744
<u>5,112,585</u>	<u>5,112,585</u>	<u>-</u>
<u>\$ 4,330,401</u>	<u>\$ 5,118,145</u>	<u>\$ 787,744</u>

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2009**

		<b>Building Authority</b>			
	<b>Friend of the Court Renovation</b>	<b>Kellogg Community College</b>	<b>Courts and Law</b>		<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 13,459	\$ -	\$ 142,464	\$	155,923
Leases receivable	-	512,756	-	-	512,756
Due from other governments	-	250	-	-	250
<b>Total assets</b>	<b>\$ 13,459</b>	<b>\$ 513,006</b>	<b>\$ 142,464</b>	<b>\$</b>	<b>668,929</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Deferred revenue	\$ -	\$ 512,756	\$ -	\$	512,756
<b>Fund balances</b>					
Unreserved, undesignated	13,459	250	142,464	-	156,173
<b>Total liabilities and fund balances</b>	<b>\$ 13,459</b>	<b>\$ 513,006</b>	<b>\$ 142,464</b>	<b>\$</b>	<b>668,929</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2009**

	Friend of the Court Renovation	Building Authority		Total
		Kellogg Community College	Courts and Law	
<b>Revenue</b>				
Intergovernmental	\$ -	\$ 278,674	\$ -	\$ 278,674
Interest	7	-	407	414
Total revenue	7	278,674	407	279,088
<b>Expenditures</b>				
Debt service:				
Principal	50,000	255,000	205,000	510,000
Interest expense	41,587	23,674	26,901	92,162
Total expenditures	91,587	278,674	231,901	602,162
Revenue under expenditures	(91,580)	-	(231,494)	(323,074)
<b>Other financing sources</b>				
Transfers in	92,563	-	231,652	324,215
Net changes in fund balances	983	-	158	1,141
Fund balances, beginning of year	12,476	250	142,306	155,032
<b>Fund balances, end of year</b>	<b>\$ 13,459</b>	<b>\$ 250</b>	<b>\$ 142,464</b>	<b>\$ 156,173</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2009**

	<b>Building Authority Thornapple Manor Construction</b>	<b>McKeown Bridge Construction</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 13	\$ -	\$ 13
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 69,950	\$ -	\$ 69,950
<b>Fund balances</b>			
Unreserved, undesignated (deficit)	(69,937)	-	(69,937)
<b>Total liabilities and fund balances</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ 13</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2009**

	<b>Building Authority Thornapple Manor Construction</b>	<b>McKeown Bridge Construction</b>	<b>Total</b>
<b>Revenue</b>			
Interest	\$ 9,567	\$ -	\$ 9,567
<b>Expenditures</b>			
Capital outlay	-	9,080	9,080
Revenue over (under) expenditures	9,567	(9,080)	487
<b>Other financing sources</b>			
Transfers in	-	9,080	9,080
Transfers out	(870,732)	-	(870,732)
Total other financing sources (uses)	(870,732)	9,080	(861,652)
Net changes in fund balances	(861,165)	-	(861,165)
Fund balances, beginning of year	791,228	-	791,228
<b>Fund balances (deficit), end of year</b>	<b>\$ (69,937)</b>	<b>\$ -</b>	<b>\$ (69,937)</b>



**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2009**

	<b>2005 Delinquent Tax Revolving</b>	<b>2006 Delinquent Tax Revolving</b>	<b>2007 Delinquent Tax Revolving</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 391,384
Accounts receivable	-	-	-
Delinquent taxes receivable	-	-	377,083
Due from other governments	-	-	-
Total current assets	-	-	768,467
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	-	-	768,467
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	-	7,112
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Total liabilities (all current)	-	-	7,112
<b>Net assets</b>			
Invested in capital assets	-	-	-
Unrestricted	-	-	761,355
Total net assets	\$ -	\$ -	\$ 761,355

<b>2009</b>					
<b>Delinquent</b>			<b>Jail</b>		
<b>Tax</b>			<b>Commissary</b>	<b>Transit</b>	<b>Total</b>
<b>Revolving</b>	<b>Foreclosure</b>				
\$ 27,253	\$ 296,483	\$ 16,469	\$ 1,279,047	\$ 2,010,636	
-	-	-	9,752	9,752	
5,691	-	-	-	382,774	
-	-	-	721,632	721,632	
32,944	296,483	16,469	2,010,431	3,124,794	
-	-	-	1,050,156	1,050,156	
32,944	296,483	16,469	3,060,587	4,174,950	
-	400	2,375	669,363	679,250	
-	-	-	23,520	23,520	
31,377	-	-	-	31,377	
31,377	400	2,375	692,883	734,147	
-	-	-	1,050,156	1,050,156	
1,567	296,083	14,094	1,317,548	2,390,647	
\$ 1,567	\$ 296,083	\$ 14,094	\$ 2,367,704	\$ 3,440,803	

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenses**  
**and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2009**

	<b>2005</b>		<b>2006</b>		<b>2007</b>
	<b>Delinquent</b>		<b>Delinquent</b>		<b>Delinquent</b>
	<b>Tax</b>		<b>Tax</b>		<b>Tax</b>
	<b>Revolving</b>		<b>Revolving</b>		<b>Revolving</b>
<b>Operating revenue</b>					
Charges for services	\$ -	\$	32,968	\$	95,735
Interest and penalties on delinquent taxes	-		7,363		190,323
Total operating revenue	-		40,331		286,058
<b>Operating expense</b>					
Operations	1		13,952		47,472
Depreciation	-		-		-
Total operating expense	1		13,952		47,472
Operating (loss) income	(1)		26,379		238,586
<b>Nonoperating revenue</b>					
Taxes	-		-		-
Intergovernmental	-		-		-
Interest revenue	-		546		247
Total nonoperating revenue	-		546		247
(Loss) income before transfers	(1)		26,925		238,833
<b>Transfers</b>					
Transfers out	(2,900)		(678,525)		-
Change in net assets	(2,901)		(651,600)		238,833
Net assets, beginning of year	2,901		651,600		522,522
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>761,355</b>

<b>2009 Delinquent Tax</b>		<b>Jail Commissary</b>		<b>Transit</b>	<b>Total</b>
<b>Revolving</b>	<b>Foreclosure</b>				
\$ 1,030	\$ 110,524	\$ 52,903	\$ 183,605	\$ 476,765	
533	-	-	-	198,219	
1,563	110,524	52,903	183,605	674,984	
-	5,666	52,827	816,641	936,559	
-	-	-	88,633	88,633	
-	5,666	52,827	905,274	1,025,192	
1,563	104,858	76	(721,669)	(350,208)	
-	-	-	462,857	462,857	
-	-	-	1,252,087	1,252,087	
4	294	-	16,279	17,370	
4	294	-	1,731,223	1,732,314	
1,567	105,152	76	1,009,554	1,382,106	
-	-	-	-	(681,425)	
1,567	105,152	76	1,009,554	700,681	
-	190,931	14,018	1,358,150	2,740,122	
\$ 1,567	\$ 296,083	\$ 14,094	\$ 2,367,704	\$ 3,440,803	

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2009**

	<b>2005</b>	<b>2006</b>	<b>2007</b>
	<b>Delinquent</b>	<b>Delinquent</b>	<b>Delinquent</b>
	<b>Tax</b>	<b>Tax</b>	<b>Tax</b>
	<b>Revolving</b>	<b>Revolving</b>	<b>Revolving</b>
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 2,901	\$ 383,244	\$ 1,895,621
Cash payments to suppliers for goods and services	(1)	(14,002)	(40,360)
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	<u>2,900</u>	<u>369,242</u>	<u>1,855,261</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers out	(2,900)	(678,525)	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Payments on long-term advances from other funds	-	-	(1,680,000)
Net cash (used in) provided by noncapital financing activities	<u>(2,900)</u>	<u>(678,525)</u>	<u>(1,680,000)</u>
<b>Cash flows from capital and related financing activities</b>			
Intergovernmental capital grants	-	-	-
Purchases of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest received	-	546	247
Net (decrease) increase in cash and cash equivalents	-	(308,737)	175,508
Cash and cash equivalents, beginning of year	-	308,737	215,876
<b>Cash and cash equivalents, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,384</u>

2009 Delinquent Tax		Jail			
Revolving	Foreclosure	Commissary	Transit	Total	
\$ 27,249	\$ 110,524	\$ 52,903	\$ 185,944	\$ 2,658,386	
-	(5,666)	(52,297)	(409,328)	(521,654)	
-	-	-	(406,448)	(406,448)	
27,249	104,858	606	(629,832)	1,730,284	
-	-	-	-	(681,425)	
-	-	-	462,857	462,857	
-	-	-	553,096	553,096	
-	-	-	-	(1,680,000)	
-	-	-	1,015,953	(1,345,472)	
-	-	-	44,949	44,949	
-	-	-	(12,824)	(12,824)	
-	-	-	32,125	32,125	
4	294	-	16,279	17,370	
27,253	105,152	606	434,525	434,307	
-	191,331	15,863	844,522	1,576,329	
\$ 27,253	\$ 296,483	\$ 16,469	\$ 1,279,047	\$ 2,010,636	

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds (Concluded)**  
**For the Year Ended December 31, 2009**

	<b>2005</b>		<b>2006</b>		<b>2007</b>
	<b>Delinquent</b>		<b>Delinquent</b>		<b>Delinquent</b>
	<b>Tax</b>		<b>Tax</b>		<b>Tax</b>
	<b>Revolving</b>		<b>Revolving</b>		<b>Revolving</b>
<b>Cash flows from operating activities</b>					
Operating (loss) income	\$	(1)	\$	26,379	\$ 238,586
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense		-		-	-
Changes in:					
Accounts receivable		-		-	-
Taxes receivable		2,901		342,913	1,609,563
Accounts payable		-		(50)	7,112
Accrued liabilities		-		-	-
Due to other funds		-		-	-
 Net cash provided by (used in) operating activities	 \$	 2,900	 \$	 369,242	 \$ 1,855,261

<b>2009 Delinquent Tax</b>		<b>Jail</b>				
<b>Revolving</b>	<b>Foreclosure</b>	<b>Commissary</b>	<b>Transit</b>	<b>Total</b>		
\$ 1,563	\$ 104,858	\$ 76	\$ (721,669)	\$ (350,208)		
-	-	-	88,633	88,633		
-	-	-	2,339	2,339		
(5,691)	-	-	-	1,949,686		
-	-	530	311	7,903		
-	-	-	1,283	1,283		
31,377	-	-	(729)	30,648		
\$ 27,249	\$ 104,858	\$ 606	\$ (629,832)	\$ 1,730,284		



**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2009**

	<b>Data Processing</b>	<b>Telephone</b>	<b>Vehicle</b>	<b>Workers' Compensation</b>	<b>Health Insurance</b>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 470,569	\$ 95,620	\$ 602,289	\$ 182,986	\$ 647,416
Due from other funds	-	3,601	-	-	-
Total current assets	470,569	99,221	602,289	182,986	647,416
Noncurrent assets:					
Capital assets being depreciated, net	107,762	-	324,754	-	-
Total assets	578,331	99,221	927,043	182,986	647,416
<b>Liabilities</b>					
Current liabilities:					
Negative equity in pooled cash and cas	-	-	-	-	-
Accounts payable	5,889	-	10,091	-	98,127
Accrued liabilities	-	-	-	-	-
Total liabilities (all current)	5,889	-	10,091	-	98,127
<b>Net assets</b>					
Invested in capital assets	107,762	-	324,754	-	-
Unrestricted	464,680	99,221	592,198	182,986	549,289
Total net assets	\$ 572,442	\$ 99,221	\$ 916,952	\$ 182,986	\$ 549,289

<b>Disability</b>	<b>Fringe Benefits</b>	<b>Life Insurance</b>	<b>Retirement</b>	<b>Dental and Optical</b>	<b>Unemployment</b>	<b>Total</b>
\$ 69,760	\$ 497,258	\$ 6,375	\$ 187,660	\$ 27,382	\$ 28,875	\$ 2,816,190
-	2,811	-	-	73,604	-	80,016
69,760	500,069	6,375	187,660	100,986	28,875	2,896,206
-	-	-	-	-	-	432,516
69,760	500,069	6,375	187,660	100,986	28,875	3,328,722
-	-	-	-	-	-	-
-	-	-	-	-	-	114,107
2,394	-	-	-	-	-	2,394
2,394	-	-	-	-	-	116,501
-	-	-	-	-	-	432,516
67,366	500,069	6,375	187,660	100,986	28,875	2,779,705
\$ 67,366	\$ 500,069	\$ 6,375	\$ 187,660	\$ 100,986	\$ 28,875	\$ 3,212,221

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenses**  
**and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2009**

	<b>Data</b>			<b>Workers'</b>	<b>Health</b>
	<b>Processing</b>	<b>Telephone</b>	<b>Vehicle</b>	<b>Compensation</b>	<b>Insurance</b>
<b>Operating revenue</b>					
Charges for services	\$ 16,193	\$ 70,089	\$ -	\$ 119,775	\$ 1,616,870
Other revenue	-	-	24,780	1,199	-
Total operating revenue	16,193	70,089	24,780	120,974	1,616,870
<b>Operating expense</b>					
Operations	175,442	51,571	19,258	182,973	1,785,115
Depreciation	35,227	-	111,756	-	-
Other expense	983	-	-	-	-
Total operating expense	211,652	51,571	131,014	182,973	1,785,115
Operating (loss) income	(195,459)	18,518	(106,234)	(61,999)	(168,245)
<b>Nonoperating revenue</b>					
Interest revenue	-	-	-	-	-
Loss on disposal of capital assets	(841)	-	-	-	-
Total nonoperating revenue	(841)	-	-	-	-
(Loss) income before transfers	(196,300)	18,518	(106,234)	(61,999)	(168,245)
<b>Transfers</b>					
Transfers in	265,307	-	265,307	-	-
Change in net assets	69,007	18,518	159,073	(61,999)	(168,245)
Net assets, beginning of year	503,435	80,703	757,879	244,985	717,534
<b>Net assets, end of year</b>	<b>\$ 572,442</b>	<b>\$ 99,221</b>	<b>\$ 916,952</b>	<b>\$ 182,986</b>	<b>\$ 549,289</b>

<b>Disability</b>	<b>Fringe Benefits</b>	<b>Life Insurance</b>	<b>Retirement</b>	<b>Dental and Optical</b>	<b>Unemployment</b>	<b>Total</b>
\$ 90,625	\$ 135,020	\$ 17,419	\$ 1,986,654	\$ 61,827	\$ 17,863	\$ 4,132,335
-	-	-	-	-	-	25,979
90,625	135,020	17,419	1,986,654	61,827	17,863	4,158,314
104,062	37,455	17,998	2,643,929	66,677	21,530	5,106,010
-	-	-	-	-	-	146,983
-	-	-	-	-	-	983
104,062	37,455	17,998	2,643,929	66,677	21,530	5,253,976
(13,437)	97,565	(579)	(657,275)	(4,850)	(3,667)	(1,095,662)
-	11,168	-	-	-	-	11,168
-	-	-	-	-	-	(841)
-	11,168	-	-	-	-	10,327
(13,437)	108,733	(579)	(657,275)	(4,850)	(3,667)	(1,085,335)
20,000	-	-	-	-	-	550,614
6,563	108,733	(579)	(657,275)	(4,850)	(3,667)	(534,721)
60,803	391,336	6,954	844,935	105,836	32,542	3,746,942
\$ 67,366	\$ 500,069	\$ 6,375	\$ 187,660	\$ 100,986	\$ 28,875	\$ 3,212,221

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2009**

	<b>Data</b>			<b>Workers'</b>
	<b>Processing</b>	<b>Telephone</b>	<b>Vehicle</b>	<b>Compensation</b>
<b>Cash flows from operating activities</b>				
Cash received from interfund services	\$ 16,193	\$ 70,089	\$ 24,780	\$ 120,974
Cash payments to suppliers for goods and services	(172,333)	(2,890)	10,091	11,550
Cash payments to employees for services	-	(51,571)	(19,258)	(184,920)
Net cash (used in) provided by operating activities	(156,140)	15,628	15,613	(52,396)
<b>Cash flows from non-capital financing activities</b>				
Transfers in	265,307	-	265,307	-
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(63,889)	-	(119,167)	-
<b>Cash flows from investing activities</b>				
Interest income received	-	-	-	-
Net increase (decrease) in cash and cash equivalents	45,278	15,628	161,753	(52,396)
Cash and cash equivalents, beginning of year	425,291	79,992	440,536	235,382
<b>Cash and cash equivalents, end of year</b>	<b>\$ 470,569</b>	<b>\$ 95,620</b>	<b>\$ 602,289</b>	<b>\$ 182,986</b>
<b>Cash flows from operating activities</b>				
Operating (loss) income	\$ (195,459)	\$ 18,518	\$ (106,234)	\$ (61,999)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation expense	35,227	-	111,756	-
(Increase) decrease in:				
Accounts receivable	-	-	-	11,550
Accounts payable	4,092	(2,890)	10,091	(1,947)
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Net cash (used in) provided by operating activities	\$ (156,140)	\$ 15,628	\$ 15,613	\$ (52,396)

<b>Health Insurance</b>	<b>Disability</b>	<b>Fringe Benefits</b>	<b>Life Insurance</b>	<b>Retirement</b>	<b>Dental and Optical</b>	<b>Unemployment</b>	<b>Total</b>
\$ 1,616,870	\$ 90,625	\$ 130,520	\$ 17,419	\$ 1,986,654	\$ 56,027	\$ 17,863	\$ 4,148,014
4,424	-	-	-	-	-	-	(149,158)
(1,785,115)	(101,668)	(37,455)	(17,998)	(2,643,929)	(66,677)	(21,530)	(4,930,121)
(163,821)	(11,043)	93,065	(579)	(657,275)	(10,650)	(3,667)	(931,265)
-	20,000	-	-	-	-	-	550,614
-	-	-	-	-	-	-	(183,056)
-	-	11,168	-	-	-	-	11,168
(163,821)	8,957	104,233	(579)	(657,275)	(10,650)	(3,667)	(552,539)
811,237	60,803	393,025	6,954	844,935	38,032	32,542	3,368,729
\$ 647,416	\$ 69,760	\$ 497,258	\$ 6,375	\$ 187,660	\$ 27,382	\$ 28,875	\$ 2,816,190
\$ (168,245)	\$ (13,437)	\$ 97,565	\$ (579)	\$ (657,275)	\$ (4,850)	\$ (3,667)	\$ (1,095,662)
-	-	-	-	-	-	-	146,983
-	-	-	-	-	-	-	11,550
4,424	-	-	-	-	-	-	13,770
-	2,394	-	-	-	-	-	2,394
-	-	(4,500)	-	-	(5,800)	-	(10,300)
\$ (163,821)	\$ (11,043)	\$ 93,065	\$ (579)	\$ (657,275)	\$ (10,650)	\$ (3,667)	\$ (931,265)

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2009**

	<b>Trust and Agency</b>	<b>Library</b>	<b>Inmate Trust</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 347,335	\$ 56,464	\$ 7,654	\$ 411,453
Due from other governments	11	-	-	11
<hr/>				
Total assets	<u>\$ 347,346</u>	<u>\$ 56,464</u>	<u>\$ 7,654</u>	<u>\$ 411,464</u>
<b>Liabilities</b>				
Accounts payable	\$ 138,259	\$ -	\$ 7,654	\$ 145,913
Due to other governments	156,078	-	-	156,078
Undistributed receipts	53,009	56,464	-	109,473
<hr/>				
Total liabilities	<u>\$ 347,346</u>	<u>\$ 56,464</u>	<u>\$ 7,654</u>	<u>\$ 411,464</u>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Private Purpose Trust Funds**  
**December 31, 2009**

	<b>Cooperative Extension 4H</b>	<b>Norris Road Trees</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 22,760	\$ 7,438	\$ 30,198
<b>Liabilities</b>			
Accounts payable	1,990	-	1,990
<b>Net assets</b>			
Held in trust for private purposes	\$ 20,770	\$ 7,438	\$ 28,208



**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Changes in Net Assets**  
**Private Purpose Trust Funds**  
**For the Year Ended December 31, 2009**

	<b>Cooperative Extension 4H</b>	<b>Norris Road Trees</b>	<b>Total</b>
<b>Additions</b>			
Intergovernmental	\$ 46,617	\$ -	\$ 46,617
<b>Deductions</b>			
Services to beneficiaries	42,710	-	42,710
Change in net assets	3,907	-	3,907
Net assets, beginning of year	16,863	7,438	24,301
<b>Net assets, end of year</b>	\$ 20,770	\$ 7,438	\$ 28,208

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Drainage Districts Component Unit**  
**December 31, 2009**

	Debt Service	Capital Projects		Total
	Algonquin Lake Dam Project	Regular Drain	Revolving Drain Maintenance	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 192,965	\$ 9,950	\$ 202,915
Investments	-	44,251	582	44,833
Special assessments receivable	-	359,965	-	359,965
Due from other funds	102,682	-	-	102,682
Total assets	<u>\$ 102,682</u>	<u>\$ 597,181</u>	<u>\$ 10,532</u>	<u>\$ 710,395</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 1,634	\$ -	\$ -	\$ 1,634
Due to other funds	-	102,682	-	102,682
Deferred revenue	-	262,822	-	262,822
Total liabilities	1,634	365,504	-	367,138
<b>Fund balances</b>				
Unreserved, undesignated	101,048	231,677	10,532	343,257
<b>Total liabilities and fund balances</b>	<u>\$ 102,682</u>	<u>\$ 597,181</u>	<u>\$ 10,532</u>	<u>\$ 710,395</u>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**on the Statement of Net Assets**  
**Drainage Districts Component Unit**  
**December 31, 2009**

Fund balances - total governmental funds	\$ 343,257
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add: capital assets not being depreciated	31,565
Add: capital assets being depreciated, net	1,647,983

Certain assets, such as special assessments receivable, are not due and payable in the current period and therefore are not reported in the funds.

Add: deferred special assessments receivable	262,822
--	---------

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

Subtract: bonds and loans payable	(244,577)
Subtract: accrued interest payable	(6,124)

Net assets	\$ 2,034,926
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**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**Drainage Districts Component Unit**  
**For the Year Ended December 31, 2009**

	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Total</u>
	<u>Algonquin Lake Dam Project</u>	<u>Regular Drain</u>	<u>Revolving Drain Maintenance</u>	
<b>Revenue</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Special assessments	-	212,603	-	212,603
Interest	1	660	100	761
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	1	213,263	100	213,364
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current:				
Public works	714	90,806	-	91,520
Debt service:				
Principal	-	79,270	-	79,270
Interest	-	11,893	-	11,893
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	714	181,969	-	182,683
	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(713)	31,294	100	30,681
Fund balances, beginning of year	101,761	200,383	10,432	312,576
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances, end of year</b>	<u>\$ 101,048</u>	<u>\$ 231,677</u>	<u>\$ 10,532</u>	<u>\$ 343,257</u>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of the Statement of Revenue, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**on the Statement of Activities**  
**Drainage District Component Unit**  
**For the Year Ended December 31, 2009**

Net change in fund balances - total governmental funds	\$	30,681
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Amounts reported for *governmental activities* in the statement of activities are different

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.

Add: capital outlay		31,565
Subtract: depreciation expense		(38,415)

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

Add: principal payments on long-term liabilities		79,270
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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.

Subtract: change in deferred special assessments receivable		(183,008)
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Some expenses recorded in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Add: change in accrued interest payable		1,706
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Change in net assets	\$	<u>(78,201)</u>
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**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet - Governmental Funds**  
**Board of Public Works Component Unit**  
**December 31, 2009**

**Debt Service**

	<b>Fawn Lake Sewer Debt</b>	<b>Southwest Barry/Fair Lake Sewer</b>	<b>1994 Middleville Sewer</b>	<b>1999 Middleville Sewer</b>	<b>2004 Southwest Barry County Sewer</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 357	\$ 59	\$ 50	\$ -	\$ 862
Special assessments receivable	-	-	-	-	-
Leases receivable	429,448	524,122	-	657,575	854,463
Due from other governments	-	-	-	300	-
<b>Total assets</b>	<b>\$ 429,805</b>	<b>\$ 524,181</b>	<b>\$ 50</b>	<b>\$ 657,875</b>	<b>\$ 855,325</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 109	\$ -
Deferred revenue	429,448	524,122	-	657,575	854,463
<b>Total liabilities</b>	<b>429,448</b>	<b>524,122</b>	<b>-</b>	<b>657,684</b>	<b>854,463</b>
<b>Fund balances</b>					
Unreserved, undesignated	357	59	50	191	862
<b>Total liabilities and fund balances</b>	<b>\$ 429,805</b>	<b>\$ 524,181</b>	<b>\$ 50</b>	<b>\$ 657,875</b>	<b>\$ 855,325</b>

Debt Service					Capital Projects	
2003 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	2006 Middleville Water System	Fawn Lake Sewer Construction
\$ 3,370	\$ 466	\$ 3,420	\$ 5,495	\$ 1,436	\$ -	\$ -
-	-	-	-	-	-	-
990,794	516,489	412,178	960,073	175,930	-	-
-	-	-	-	-	-	-
<u>\$ 994,164</u>	<u>\$ 516,955</u>	<u>\$ 415,598</u>	<u>\$ 965,568</u>	<u>\$ 177,366</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
990,794	516,489	412,178	960,073	175,930	-	-
990,794	516,489	412,178	960,073	175,930	-	-
3,370	466	3,420	5,495	1,436	-	-
<u>\$ 994,164</u>	<u>\$ 516,955</u>	<u>\$ 415,598</u>	<u>\$ 965,568</u>	<u>\$ 177,366</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet - Governmental Funds (Concluded)**  
**Board of Public Works Component Unit**  
**December 31, 2009**

	<b>Capital Projects</b>				<b>Total</b>
	<b>Yankee Springs Water Tower</b>	<b>Gun Lake Weed Assessment</b>	<b>Yankee Springs Arsenic Construction</b>	<b>Leach - Middle Sewer Construction</b>	
<b>Assets</b>					
Cash and cash equivalents	\$ 52	\$ 269,825	\$ -	\$ -	\$ 285,392
Special assessments receivable	-	85,484	-	-	85,484
Leases receivable	-	-	-	-	5,521,072
Due from other governments	-	-	-	-	300
<b>Total assets</b>	<b>\$ 52</b>	<b>\$ 355,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,892,248</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 26,494	\$ 26,603
Deferred revenue	-	-	-	-	5,521,072
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,494</b>	<b>5,547,675</b>
<b>Fund balances</b>					
Unreserved, undesignated (deficit)	52	355,309	-	(26,494)	344,573
<b>Total liabilities and fund balances</b>	<b>\$ 52</b>	<b>\$ 355,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,892,248</b>



**BARRY COUNTY, MICHIGAN**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**on the Statement of Net Assets**  
**Board of Public Works Component Unit**  
**December 31, 2009**

Fund balances - total governmental funds	\$ 344,573
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds	
Add: deferred leases receivable	5,521,072
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Subtract: bonds and loans payable	(5,483,281)
Subtract: accrued interest payable	<u>(37,791)</u>
Net assets	<u><u>\$ 344,573</u></u>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
**Board of Public Works Component Unit**  
**For the Year Ended December 31, 2009**

	Debt Service				
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1994 Middleville Sewer	1999 Middleville Sewer	2004 Southwest Barry County Sewer
<b>Revenue</b>					
Intergovernmental - local	\$ 38,206	\$ 91,211	\$ -	\$ 82,750	\$ 827,986
Interest	2	4	-	24	862
Special assessments	-	-	-	-	-
Total revenue	38,208	91,215	-	82,774	828,848
<b>Expenditures</b>					
Current:					
Public works	321	-	-	-	-
Debt service:					
Principal	20,000	65,000	-	50,000	800,000
Interest	18,206	26,511	-	32,750	38,375
Total expenditures	38,527	91,511	-	82,750	838,375
Revenue over (under) expenditures	(319)	(296)	-	24	(9,527)
<b>Other financing sources (uses)</b>					
Transfers in	7	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	7	-	-	-	-
Net changes in fund balances	(312)	(296)	-	24	(9,527)
Fund balances, beginning of year	669	355	50	167	10,389
<b>Fund balances, end of year</b>	<b>\$ 357</b>	<b>\$ 59</b>	<b>\$ 50</b>	<b>\$ 191</b>	<b>\$ 862</b>

Debt Service					Capital Projects	
2003 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	2006 Middleville Water System	Fawn Lake Sewer Construction
\$ 229,895	\$ 43,582	\$ 29,137	\$ 65,166	\$ 13,931	\$ -	\$ -
144	15	11	30	4	3	18
-	-	-	-	-	-	-
230,039	43,597	29,148	65,196	13,935	3	18
250	-	-	-	-	-	33,309
190,000	30,000	20,000	45,000	10,000	-	-
39,895	13,582	9,138	20,166	3,931	-	-
230,145	43,582	29,138	65,166	13,931	-	33,309
(106)	15	10	30	4	3	(33,291)
-	-	488	3,911	917	-	-
-	-	(19)	-	-	(4,828)	(7)
-	-	469	3,911	917	(4,828)	(7)
(106)	15	479	3,941	921	(4,825)	(33,298)
3,476	451	2,941	1,554	515	4,825	33,298
\$ 3,370	\$ 466	\$ 3,420	\$ 5,495	\$ 1,436	\$ -	\$ -

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures**  
**and Changes in Fund Balances - Governmental Funds (Concluded)**  
**Board of Public Works Component Unit**  
**For the Year Ended December 31, 2009**

	<b>Capital Projects</b>				<b>Total</b>
	<b>Yankee Springs Water Tower</b>	<b>Gun Lake Weed Assessment</b>	<b>Yankee Springs Arsenic Construction</b>	<b>Leach - Middle Sewer Construction</b>	
<b>Revenue</b>					
Intergovernmental - local	\$ -	\$ -	\$ -	\$ -	\$ 1,421,864
Interest	-	6,515	-	-	7,632
Special assessments	-	99,937	-	-	99,937
<b>Total revenue</b>	<b>-</b>	<b>106,452</b>	<b>-</b>	<b>-</b>	<b>1,529,433</b>
<b>Expenditures</b>					
Current:					
Public works	1,473	124,287	19	26,494	186,153
Debt service:					
Principal	-	-	-	-	1,230,000
Interest	-	-	-	-	202,554
<b>Total expenditures</b>	<b>1,473</b>	<b>124,287</b>	<b>19</b>	<b>26,494</b>	<b>1,618,707</b>
Revenue over (under) expenditures	(1,473)	(17,835)	(19)	(26,494)	(89,274)
<b>Other financing sources (uses)</b>					
Transfers in	-	-	19	-	5,342
Transfers out	-	-	(488)	-	(5,342)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(469)</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(1,473)	(17,835)	(488)	(26,494)	(89,274)
Fund balances, beginning of year	1,525	373,144	488	-	433,847
<b>Fund balances, end of year</b>	<b>\$ 52</b>	<b>\$ 355,309</b>	<b>\$ -</b>	<b>\$ (26,494)</b>	<b>\$ 344,573</b>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of the Statement of Revenue, Expenditures**  
**and Changes in Fund Balances for Governmental Funds**  
**on the Statement of Activities**  
**Board of Public Works Component Unit**  
**For the Year Ended December 31, 2009**

Net change in fund balances - total governmental funds	\$ (89,274)
Amounts reported for <i>governmental activities</i> in the statement of activities are different	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-	
Add: principal payments on long-term liabilities	1,230,000
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.	
Subtract: change in deferred leases receivable	<u>(1,230,000)</u>
Change in net assets	<u><u>\$ (89,274)</u></u>

**BARRY COUNTY, MICHIGAN**  
**Balance Sheet**  
**Economic Development Board Component Unit**  
**December 31, 2009**

**Assets**

Cash and cash equivalents	\$ -
---------------------------	------

**Liabilities and fund balance**

**Liabilities**

Accounts payable	\$ -
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**Fund balance**

Unreserved, undesignated	-
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<b>Total liabilities and fund balance</b>	<b>\$ -</b>
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**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures**  
**and Changes in Fund Balance**  
**Economic Development Board Component Unit**  
**For the Year Ended December 31, 2009**

<b>Revenue</b>		
Intergovernmental	\$	89,000
<b>Expenditures</b>		
Current:		
Community and economic development		89,000
Net changes in fund balances		-
Fund balance, beginning of year		-
<b>Fund balance, end of year</b>	<b>\$</b>	<b>-</b>

**BARRY COUNTY, MICHIGAN**  
**Balance Sheet**  
**Airport Commission Component Unit**  
**December 31, 2009**

**Assets**

Cash and cash equivalents	\$	72,574
Inventories		<u>16,694</u>
 Total assets	 \$	 <u><u>89,268</u></u>

**Liabilities and fund balance**

**Liabilities**

Accounts payable	\$	<u>1,293</u>
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**Fund balance**

Reserved for inventories		16,694
Unreserved, undesignated		<u>71,281</u>
 Total fund balance		 <u>87,975</u>

<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>89,268</u></u></b>
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**BARRY COUNTY, MICHIGAN**  
**Reconciliation of Fund Balance on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**on the Statement of Net Assets**  
**Airport Commission Component Unit**  
**December 31, 2009**

Fund balances - total governmental fund	\$ 87,975
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Amounts reported for *governmental activities* in the statement of net assets are

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

Add: capital assets not being depreciated	285,000
Add: capital assets being depreciated, net	1,299,783

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

Subtract: loan payable	(23,751)
Subtract: accrued interest payable	(364)
	(24,115)

Net assets	\$ 1,648,643
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**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Change in**  
**Funds Balance**  
**Airport Commission Component Unit**  
**For the Year Ended December 31, 2009**

<b>Revenue</b>	
Intergovernmental	\$ 83,082
Charges for services	93,406
Donations	<u>5,000</u>
Total revenue	<u>181,488</u>
<b>Expenditures</b>	
Current:	
Public works	114,822
Debt service:	
Principal	11,097
Interest	<u>1,603</u>
Total expenditures	<u>127,522</u>
Revenue over expenditures	53,966
<b>Other financing sources</b>	
Proceeds from sale of capital assets	<u>17,000</u>
Net change in fund balance	70,966
Fund balance, beginning of year	<u>17,009</u>
<b>Fund balance, end of year</b>	<u><u>\$ 87,975</u></u>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of the Statement of Revenue, Expenditures**  
**and Changes in Fund Balance of Governmental Funds**  
**on the Statement of Activities**  
**Airport Commission Component Unit**  
**For the Year Ended December 31, 2009**

Net change in fund balance - total governmental funds \$ 70,966

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.

Add: capital outlay	6,095
Subtract: depreciation expense	(172,199)
Subtract: proceeds from sale of capital assets	(17,000)
Add: gain on sale of capital assets	1,100

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

Add: principal payments on long-term debt	11,097
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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.

Add: change in accrued interest payable	170
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Change in net assets	<u>\$ (99,771)</u>
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# COUNTY OF BARRY, MICHIGAN



## SINGLE AUDIT ACT COMPLIANCE

**For the Year Ended December 31, 2009**



**BARRY COUNTY, MICHIGAN  
SINGLE AUDIT ACT COMPLIANCE**

**Table of Contents  
For the Year Ended December 31, 2009**

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	<u>PAGE</u>
Schedule of Expenditures of Federal Awards.....	1-2
Notes to Schedule of Expenditures of Federal Awards .....	3
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 <i>Government Auditing Standards</i> .....	4-5
Independent Auditors' Report on Compliance with Requirements Applicable to Major Programs and Internal Control over Compliance in Accordance with OMB Circular A-133 .....	6-7
Independent Auditors' Report on Schedule of Expenditures of Federal Awards.....	8
Schedule of Findings and Questioned Costs.....	9-15

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**BARRY COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2009**

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through the State Department of Office on Services to the Aging and Region III-B Area Agency on Aging:			
08/09 Food Donation	10.565	09BCCOA1	\$ 46,202
09/10 Food Donation	10.565	10BCCOA1	<u>14,115</u>
<b>Total U.S. Department of Agriculture</b>			<u>60,317</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through the Michigan State Housing Development Authority:			
Community Development Block Grant	14.228	MSC-2009-0769-HOA	61,209
Home Investment Partnership Program (HOME)	14.239	M-2007-0769	9,861
Home Investment Partnership Program (HOME)	14.239	M-2007-0769-02	<u>180,593</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>251,663</u>
<b>U.S. Department of Justice</b>			
Passed through the Michigan Department of Community Health and the State Office of Drug Control Policy:			
Edward Byrne Memorial Justice Assistance Grant Program:			
Adult Felony Drug Court	16.738	SCAO-2009-010	41,907
Juvenile Drug Court	16.738	SCAO-2009-051	41,868
Southwest Enforcement Team	16.738	70888-1-09-B	7,562
ARRA - Grants to Units of Local Government	16.804	2009-SB-B9-1916	<u>19,635</u>
<b>Total U.S. Department of Justice</b>			<u>110,972</u>
<b>U.S. Department of Transportation</b>			
Passed through the Michigan State Police:			
State and Community Highway Safety	20.600	PT-09-06	10,085
State and Community Highway Safety	20.600	PT-10-24	990
Alcohol Impaired Driving Countermeasures	20.601	PT-09-06	5,126
Occupant Protection Incentive	20.602	PT-09-06	<u>3,993</u>
<b>Total U.S. Department of Transportation</b>			<u>20,194</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Michigan Office of Services to the Aging and Region III-B Area Agency on Aging:			
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:			
08/09	93.044	09BCCOA1	14,676
09/10	93.044	10BCCOA1	<u>4,979</u>

continued...

**BARRY COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards (Concluded)**  
**For the Year Ended December 31, 2009**

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (concluded)</b>			
Passed through the Michigan Office of Services to the Aging and Region III-B Area Agency on Aging (concluded):			
Title III-C Special Programs for the Aging, Nutrition Services:			
08/09 Nutrition Congregate	93.045	09BCC0A1	\$ 53,818
09/10 Nutrition Congregate	93.045	10BCC0A1	16,068
08/09 Nutrition Home Delivered Meals	93.045	09BCC0A1	36,448
09/10 Nutrition Home Delivered Meals	93.045	10BCC0A1	2,255
08/09 Title IIIE/National Family Caregiver Support Program	93.052	SFSC-04-09001-5	16,479
09/10 Title IIIE/National Family Caregiver Support Program	93.052	SFSC-04-10001-5	3,510
Passed through the Michigan Department of Human Services:			
Building Strong Families	93.556	SFSC 09-08001	38,246
Promoting Safe and Stable Families	93.556	WRAP-08-08001	24,541
Temporary Assistance for Needy Families	93.558	WRAP-08-08001	24,541
Child Support Enforcement:			
08/09 Friend of the Court	93.563	CS/FOC-09-08001	410,442
09/10 Friend of the Court	93.563	CS/FOC-10-08001	155,002
Incentive Payments	93.563	-n/a-	84,879
08/09 Prosecuting Attorney	93.563	CS/PA-09-08002	25,866
09/10 Prosecuting Attorney	93.563	CS/PA-10-08002	8,369
Passed through the Michigan State Court Administrative Office:			
Access and Visitation Grant	93.597	-n/a-	<u>450</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>920,569</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the Michigan Department of Human Resources:			
Boating Safety Financial Assistance	97.012	-n/a-	78,340
Passed through the Michigan State Police:			
2008 Emergency Management Performance Grant	97.042	-n/a-	26,500
Public Assistance Grant - Historic Charlton Park	97.036	FEMA-1777-DR	2,865
Hazard Mitigation Program - Jordan Lake Structure Elevation	97.039	FEMA-1527-DR	72,765
Homeland Security Grant	97.067	-n/a-	2,035
Passed through the United Way:			
Emergency Food and Shelter Program	97.114	464600-013	<u>1,000</u>
<b>Total U.S. Department of Homeland Security</b>			<u>183,505</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,547,220</u></u>

See accompanying notes to this Schedule.

# BARRY COUNTY, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

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### 1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal awards programs of Barry County, Michigan (the "County"). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule.

The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### 2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note I of the County's financial statements.

Amounts presented on the Schedule agree with or reconcile to amounts presented in the financial statements.

\* \* \* \* \*



**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, 2010

To the Board of Commissioners  
of Barry County, Michigan  
Hastings, 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 Barry, Michigan*, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements, and have issued our report thereon dated June 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, the Barry County Transit enterprise fund, or the Barry County Substance Abuse Services special revenue fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our report on these financial statements insofar as it related to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), the Barry County Transit, and Barry County Substance Abuse Services was based solely on the reports of other auditors. The financial statements of the Barry County Medical Care Facility (Thornapple Manor) were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a material weakness.

A *significant deficiency* is 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-2 and 2009-3 to be significant deficiencies.

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the County of Barry, Michigan in a separate letter dated June 22, 2010.

The County of Barry, Michigan's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Barry, Michigan's responses, and accordingly, we express no opinion on them.

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



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

June 22, 2010

To the Board of Commissioners  
of Barry County, Michigan  
Hastings, Michigan

**Compliance**

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

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

In our opinion, the County of Barry, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-4 and 2009-5.

## **Internal Control Over Compliance**

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

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

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

The County of Barry, Michigan's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Barry, Michigan's responses, and accordingly, we express no opinion on the responses.

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

A handwritten signature in cursive script that reads "Lehmann Lohman".

**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

June 22, 2010

To the Board of Commissioners  
of Barry County, Michigan  
Hastings, Michigan**Schedule of Expenditures of Federal Awards**

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 Barry, Michigan*, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements, and have issued our report thereon dated June 22, 2010. We did not audit the financial statements of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, the Barry County Transit enterprise fund, or the Barry County Substance Abuse Services special revenue fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our report on these financial statements insofar as it related to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), the Barry County Transit, and Barry County Substance Abuse Services was based solely on the reports of other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Barry County, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.





**BARRY COUNTY, MICHIGAN**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 2009**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)**

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	Home Investment Partnerships Program
93.563	Child Support Enforcement Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?        yes   X   no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2009-1                      Material Audit Adjustments**  
**Material Weakness in Internal Control over Financial Reporting**

**Criteria:** Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

**Condition:** During our audit, we identified and proposed certain adjustments, which were approved and posted by management. Of these adjustments, certain amounts were material to the financial statements, and others were significant, but not material.

**Cause:** This condition was caused by various oversights in decentralized locations in identifying relevant financial information and providing documentation to the County's outsourced accountants.

**Effect:** As a result of this condition, the County's accounting records were initially misstated by amounts material to the financial statements.

**Recommendation:** The adjustments noted above have been reviewed by management, posted to the County's records, and are reported correctly in the audited financial statements. Accordingly, no further corrective action is needed. However, we recommend that the County continue to strengthen its financial reporting processes in each of its department in order to minimize such occurrences in the future.

**View of Responsible Officials:** The County's outside accountant will continue to assist the various departments with the financial reporting process including but not limited to (1) implementing new internal control processes, (2) strengthening internal control processes currently in place, (3) proper recording of financial transactions and (4) verifying that all subsequent events have been properly accounted for.

**BARRY COUNTY, MICHIGAN**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 2009**

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**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding 2009-**

**Segregation of Incompatible Duties  
Significant Deficiency in Internal Control over Financial Reporting**

**Criteria:**

Management is responsible for establishing and maintaining effective internal controls in order to safeguard the assets of the County. A key element of internal control is the segregation of incompatible duties within the accounting function.

**Condition:**

The County has several transaction cycles that are performed by the same individual or are not subject to independent review and approval, including: (1) physically receiving cash, recording cash receipts, balancing the cash drawers, and reconciling accounts receivable, (2) reconciling bank statements and processing cash receipts and disbursements, (3) initiating, evaluating, and approving investment transactions and maintaining/reconciling the general ledger for such accounts, (4) processing/approving the final payroll register prior to the release of checks, and (5) initiating and approving non-routine transactions, such as general journal entries.

**Cause:**

This condition is the result of staffing constraints typical of smaller governmental units.

**Effect:**

As a result of this condition, the County is exposed to increased risk that misstatement (whether caused by error or fraud) may occur and not be detected by management on a timely basis.

**Recommendation:**

While there are, of course, no easy answers to the challenge of balancing the costs and benefits of internal controls and the segregation of incompatible duties, we would nevertheless encourage management to actively seek ways to further strengthen its internal control structure by requiring as much independent review, reconciliation, and approval of accounting functions by qualified members of management as possible.

**View of Responsible  
Officials:**

Management will evaluate the internal controls for each of these areas including contracting with an outside accountant to perform various functions to provide greater independent review.





**BARRY COUNTY, MICHIGAN**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 2009**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2009-4**

**Eligibility Determinations**  
**U.S. Department of Health and Human Services**  
**CFDA #93.563 – Child Support Enforcement Program**  
**Immaterial Noncompliance**

- Criteria:** Grant recipients are required to have a process for determining whether individuals receiving assistance with such funding meet eligibility requirements as set by the grantor agency. In the case of this program, the number of eligible individuals directly affects the reimbursement received by the County. Individuals receiving services may not be included in the case count used for reimbursement until all required eligibility documentation is obtained.
- Condition:** During our audit, we selected a sample of 40 individuals receiving assistance under the Title IV-D program. Of this sample, one file lacked evidence of eligibility.
- Cause:** This condition was caused by control deficiency identified in the prior year whereby cases were considered eligible under Title IV-D prior to receipt of a signed application (in anticipation that it would be forthcoming). In the current year, the County made a significant effort to develop policies and procedures and to review all active case files for completeness. The case in question appears to have been an inadvertently overlooked in this process.
- Effect:** As a result of this condition, the case counts used as the basis for the County's reimbursement requests were misstated by an immaterial amount.
- Questioned Costs:** No costs were questioned as a result of this finding, inasmuch as the error in the eligible case count resulted in an inconsequential over-reimbursement to the County for the period audited.
- Recommendation:** As noted previously, the County has already developed policies and procedures to address this issue. We recommend that program management continue to review case files periodically to determine whether appropriate documentation of eligibility exists.
- View of Responsible Officials:** The Friend of the Court office will continue to critique the processes in place to ensure that (1) case files contain appropriate documentation to support eligibility and (2) individuals are not included in the case count for eligible services prior to the documentation being obtained and filed.

**BARRY COUNTY, MICHIGAN**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended December 31, 2009**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concluded)**

**Finding 2009-5**

**Timeliness of Reporting**  
**U.S. Department of Health and Human Services**  
**CFDA #93.563 – Child Support Enforcement Program**  
**Immaterial Noncompliance**

**Criteria:** Recipients of federal awards are required to submit timely and accurate reports to the awarding agency in accordance with federal compliance requirements and/or pass-through agency agreements.

**Condition:** While the County did, in fact, file all required reports for this program with the Michigan Department of Human Services, certain reports required under the provisions of the grant agreement were not filed by the stated due dates.

**Cause:** This condition was caused by change in personnel at the third-party provider to which the County outsources the preparation of these reports.

**Effect:** As a result of this condition, the County failed to fully comply with the reporting requirements of this program.

**Questioned Costs:** No costs were questioned as a result of this condition as all reports were eventually submitted.

**Recommendation:** We recommend that the County reiterate to its third-party provider the importance of having timely reports available. A management-level individual should be assigned the responsibility for monitoring the report due dates and ensuring that each report is submitted by the stated deadline.

**View of Responsible Officials:** A management level individual will continually monitor the performance of the third-party provider to ensure that reports are submitted to the State on a timely basis. In conjunction with reiterating the importance of timely reporting to the third-party provider, management will also explore other means of compiling the reports for submission to the State.

**SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS**

**Finding 2008-1**

**Material Audit Adjustments**  
Finding was repeated for unrelated audit adjustments. Refer to Finding 2009-1.

**Finding 2008-2**

**Segregation of Incompatible Duties**  
While certain changes were made in 2009, corrective action was not complete. Refer to Finding 2009-2.

**Finding 2008-3**

**Unreconciled/Unsupported Agency Fund Liabilities**  
While progress was made in 2009, corrective action was not complete. Refer to Finding 2009-3.

**BARRY COUNTY, MICHIGAN**  
**Schedule of Findings and Questioned Costs (Concluded)**  
**For the Year Ended December 31, 2009**

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**SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS (CONCLUDED)**

**Finding 2008-4**

**Internal Controls over Eligibility**

**CFDA# 93.563 – Child Support Enforcement Program**

Appropriate internal controls were developed and put in place during 2009. However, one additional instance of noncompliance was noted in the current year. Refer to Finding 2009-4.

**Finding 2008-5**

**Activities Allowed or Unallowed**

**CFDA# 14.239 – Home Investment Partnership Program**

Corrective action was sufficient.

\* \* \* \* \*

June 22, 2010

To the Board of Commissioners  
County of Barry  
Hastings, 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 Barry, Michigan* (the "County") for the year ended December 31, 2009, and have issued our report thereon dated June 22, 2010. We did not audit the financial statements of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, the Barry County Transit enterprise fund, or the Barry County Substance Abuse Services special revenue fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our report on these financial statements insofar as it related to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), the Barry County Transit, and Barry County Substance Abuse Services was based solely on the reports of other auditors. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133**

As stated in our engagement letter dated February 10, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements 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 responsibilities.

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

### **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 our meeting about planning matters on June 22, 2010.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive 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.

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

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule (Attachment B) summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, we identified certain material adjustments, which were approved by management and posted to the County's accounting records, as described in the Schedule of Findings and Questioned Costs in the County's Single Audit report.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated June 22, 2010.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the County 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 cursive script that reads "Lehmann Johnson".



## Barry County, Michigan

### Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended December 31, 2009

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In planning and performing our audit of the financial statements of the Barry County as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. The deficiencies we noted that we consider to be material weaknesses are described in the Schedule of Findings and Questioned Costs in the County's Single Audit report.

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. The deficiencies we noted that we consider to be significant deficiencies are described in the Schedule of Findings and Questioned Costs in the County's Single Audit report.

#### **Other Matters**

##### *Stagnant Balance Sheet Accounts*

During our audit, we noted several instances in which balance sheet accounts remained unchanged from the previous year(s) and the amount could not be substantiated. While the amounts were immaterial both individually and in the aggregate, we recommend that the County write-off or escheat unreconciled amounts prior to the next financial statement audit.

## Barry County, Michigan

### Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended December 31, 2009

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#### *Documented Review and Approval of Invoices*

During our audit, we noted one instance in which an elected official's expense report was approved for payment by the individual requesting reimbursement. The County currently has no process in place requiring independent review and approval of expense reimbursements for department heads or elected officials. We recommend that the County extend its current policy of independent review and approval of expense reports to also include department heads and elected officials.

#### *Controls over Procurement with Suspended or Debarred Parties (Repeat Comment)*

When contracting with another party for goods or services to be funded by a federal grant, the County is required by OMB Circular A-133 to perform certain procedures. If the amount expected to be paid to the vendor in a given year is at least \$25,000 (whether through one or multiple transactions), the County must determine whether the vendor has been suspended or debarred from doing business with the federal government. Such information can be built into contracts or agreements, or can be obtained from the Excluded Parties List System ([www.epls.gov](http://www.epls.gov)). The County currently has no such procedure in place. Since performing procedures to ensure contracts are not made with suspended or debarred parties is a general federal requirement, we encourage the County to implement an appropriate system to ensure compliance in the future.

#### *Charging of Personnel Costs to Federal Grants - Title IV-D Child Support Enforcement*

During our testing of the Title IV-D Cooperative Reimbursement Program, we noted that longevity pay for a certain employee was allocated to multiple departments based on the estimated time distribution in place as of the initial date of hire. The expense allocation did not agree with the actual time incurred by the employee in recent periods. While the dollar amounts were inconsequential and this matter was not required to be reported as a single audit finding, we recommend that all fringe benefit charges to federal awards based on budgeted figures be compared to actual and adjusted in the general ledger at least quarterly, following the guidance from OMB Circular A-87.

## Barry County, Michigan

### Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended December 31, 2009

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#### *Identification of Capital Assets Purchased with Federal Funds*

One requirement of the OMB Circular A-133 Compliance Supplement is that capital assets purchased with federal funds be separately identifiable within the entity's records. Details such as the federal agency involved and whether any portion of the cost was locally funded should be included. Such information is necessary in future years when the asset is no longer needed, to ensure that the sale or disposal is made in accordance with federal and/or pass-through agency specifications. While the County did not purchase any capital assets with federal funds tested as major programs as part of the current year single audit, the County does have assets that were funded, at least in part, by federal grants. We recommend that a centralized system for tracking this required information be developed and updated at least annually.

\* \* \* \* \*

Barry County  
Attachment B - Schedule of Adjustments Passed (SOAP)  
For the December 31, 2009 Audit

In accordance with the provisions of SAS 107, *Audit Risk and Materiality*, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. Also in accordance with SAS 107, we are providing this schedule to both management and the audit committee to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Fund Balance	Revenue	Expenses/ Expenditures
<b>General fund</b>					
Effect of not accruing the December portion of a utility bill from the prior year	\$ -	\$ -	\$ 15,009	\$ -	\$ 15,009
Prior year variance between certificate of deposit and general ledger	-	-	(3,515)	3,515	-
Effect of not recording accrued interest receivable on certificates of deposit in the prior year	-	-	(2,925)	2,925	-
Prior year error in recording revenue for State and Federal grants:					
EMP grant	-	-	(4,106)	4,106	-
Marine safety grant	-	-	6,700	(6,700)	-
Current year variance between grants receivable subledger and amount recorded in the trial balance	(4,000)	-	-	(4,000)	-
Total general fund	(4,000)	-	11,163	(154)	15,009
<b>Nonmajor governmental funds</b>					
Current and prior year errors in recording revenue for State and Federal grants:					
Title IV-D friend of the court	-	-	(16,244)	16,244	-
Adult felony drug court	-	-	(7,321)	7,321	-
Juvenile drug court	-	-	(11,397)	11,397	-
Total nonmajor governmental funds	-	-	(34,962)	34,962	-
<b>Internal service funds</b>					
Effect of recording unemployment claims when the invoice is received instead of when the claim is incurred.	-	-	21,530	-	21,530
<b>Governmental activities</b>					
Effect of items in governmental and internal service funds, listed above	(4,000)	-	(2,269)	34,808	36,539
Projected misstatement in compensated absences payable based on sampling errors found	-	10,016	-	-	10,016
Total governmental activities	\$ (4,000)	\$ 10,016	\$ (2,269)	\$ 34,808	\$ 46,555
<b>Nonmajor enterprise funds/business type activities</b>					
Prior year variance between delinquent tax rolls and general ledger	\$ -	\$ -	\$ (7,000)	\$ -	\$ (7,000)