

# COUNTY OF BARRY, MICHIGAN



## ANNUAL FINANCIAL REPORT

**For the Year Ended December 31, 2008**

**COUNTY OF BARRY, MICHIGAN**  
**Annual Financial Report**  
**For the Year Ended December 31, 2008**

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**INDEPENDENT AUDITORS' REPORT**

June 22, 2009

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, 2008, 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 72% and 72% 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 11% and 12% of the total assets and revenue, respectively, of the aggregate remaining fund information. Barry County Substance Abuse Services represents 0% and 5%, 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, 2008, 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 70 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, 2009, 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.

As described in Note IV.F. to the financial statements, beginning fund balance of the Commission on Aging special revenue fund and beginning net assets of governmental activities were both increased by \$22,839 to correct an error in the accrual of receivables from the prior year.

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

## **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, 2008. 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 \$43,639,463 (net assets). Of this amount, \$1,646,886 (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 \$319,252.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,499,712, as decrease of \$4,092,911 in comparison with the prior year. Approximately 99.8 percent of this total amount, or \$14,467,879, 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 \$1,805,000 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 and capital projects funds, 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 15-26 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, 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, 2007 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 27-30 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 31 and 32 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 35-68 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.

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 70-146 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 \$43,639,463 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	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and other assets	\$ 23,732,936	\$ 27,823,328	\$ 13,842,745	\$ 13,986,083	\$ 37,575,681	\$ 41,809,411
Capital assets, net	13,404,158	13,069,946	21,482,598	19,029,613	34,886,756	32,099,559
Total assets	37,137,094	40,893,274	35,325,343	33,015,696	72,462,437	73,908,970
<b>Liabilities</b>						
Long-term liabilities	21,380,736	22,257,887	800,000	1,725,000	22,180,736	23,982,887
Other liabilities	5,257,947	4,728,333	1,384,291	1,877,539	6,642,238	6,605,872
Total liabilities	26,638,683	26,986,220	2,184,291	3,602,539	28,822,974	30,588,759
<b>Net assets</b>						
Invested in capital assets, net of related debt	11,008,308	9,821,499	20,682,598	17,304,613	31,690,906	27,126,112
Restricted	10,301,671	13,982,107	-	-	10,301,671	13,982,107
Unrestricted (deficit)	(10,811,568)	(9,896,552)	12,458,454	12,108,544	1,646,886	2,211,992
Total net assets	\$ 10,498,411	\$ 13,907,054	\$ 33,141,052	\$ 29,413,157	\$ 43,639,463	\$ 43,320,211

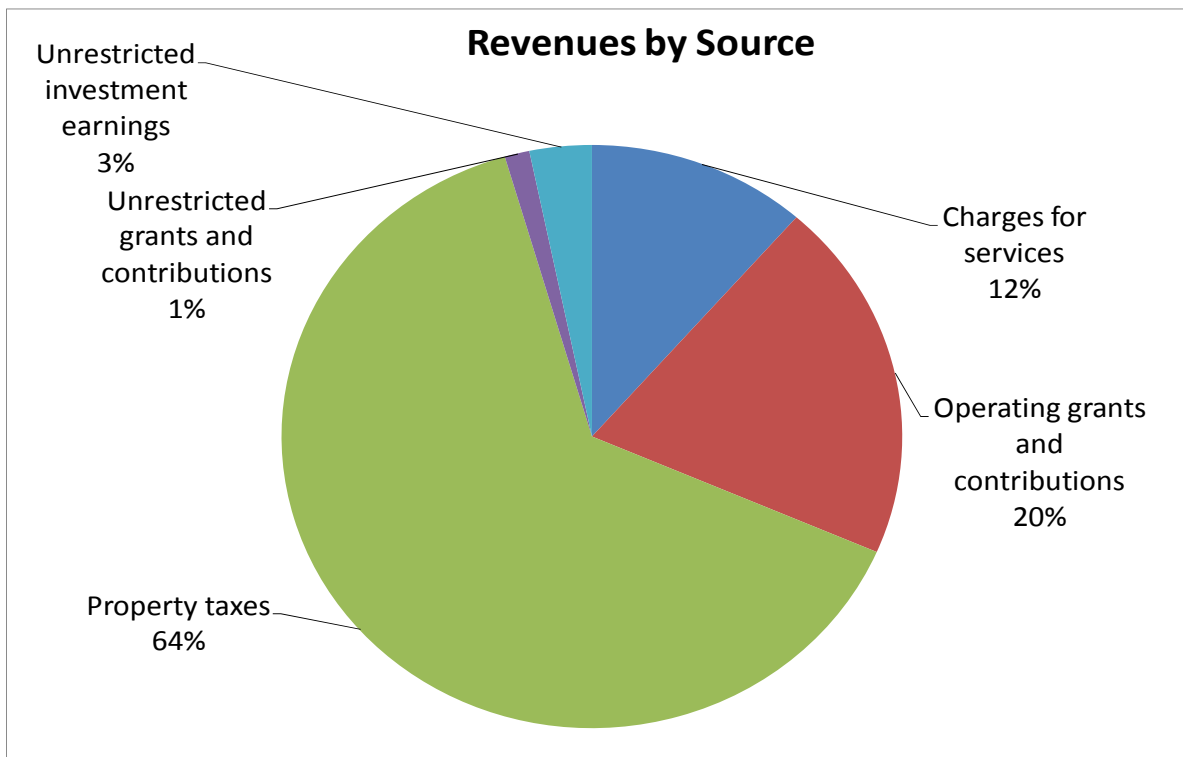
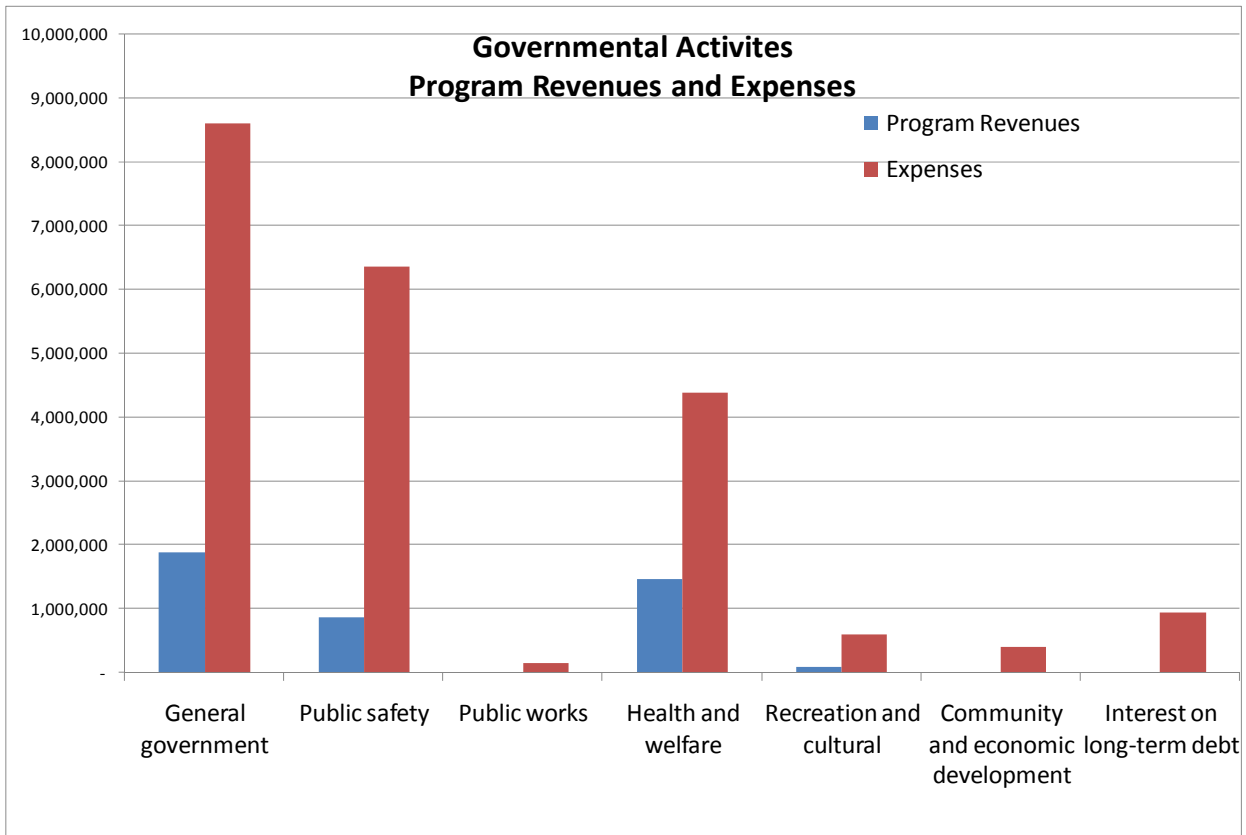
Net assets of the County increased by \$319,252. The governmental activities decreased by \$3,408,643 which is primarily due to the primary government's financing of the Thornapple Manor renovations for which it issued general obligation debt to be repaid over time through a special voted property tax levy. Similarly, the business-type activities increase of \$3,727,895 is primarily 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.

**Barry County's Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,469,266	\$ 2,674,210	\$ 13,415,248	\$ 11,557,760	\$ 15,884,514	\$ 14,231,970
Operating grants and contributions	4,318,522	4,343,808	550,615	406,766	4,869,137	4,750,574
Capital grants and contributions	25,875	-	542,980	56,837	568,855	56,837
General revenues:						
Property taxes	13,793,999	13,413,561	443,079	412,083	14,237,078	13,825,644
Grants and contributions not restricted to specific programs	279,241	366,657	-	-	279,241	366,657
Unrestricted investment earnings	697,070	1,482,754	290,351	293,245	987,421	1,775,999
<b>Total revenues</b>	<b>21,583,973</b>	<b>22,280,990</b>	<b>15,242,273</b>	<b>12,726,691</b>	<b>36,826,246</b>	<b>35,007,681</b>
<b>Expenses</b>						
General government	8,602,658	7,992,410	-	-	8,602,658	7,992,410
Public safety	6,360,887	6,321,244	-	-	6,360,887	6,321,244
Public works	154,447	107,595	-	-	154,447	107,595
Health and welfare	4,383,105	4,350,408	-	-	4,383,105	4,350,408
Recreation and cultural	603,597	484,479	-	-	603,597	484,479
Other governmental activities	410,287	363,646	-	-	410,287	363,646
Interest on long-term debt	941,261	1,027,524	-	-	941,261	1,027,524
Delinquent tax administration	-	-	72,644	65,714	72,644	65,714
Thornapple Manor	-	-	13,935,967	11,907,578	13,935,967	11,907,578
Other	-	-	1,042,141	962,182	1,042,141	962,182
<b>Total expenses</b>	<b>21,456,242</b>	<b>20,647,306</b>	<b>15,050,752</b>	<b>12,935,474</b>	<b>36,506,994</b>	<b>33,582,780</b>
Change in net assets before transfers and capital contributions	127,731	1,633,684	191,521	(208,783)	319,252	1,424,901
<b>Transfers</b>	<b>(3,536,374)</b>	<b>(14,847,151)</b>	<b>3,536,374</b>	<b>14,747,151</b>	<b>-</b>	<b>(100,000)</b>
Change in net assets	(3,408,643)	(13,213,467)	3,727,895	14,538,368	319,252	1,324,901
Net assets, beginning of year, as restated	13,907,054	27,120,521	29,413,157	14,874,789	43,320,211	41,995,310
<b>Net assets, end of year</b>	<b>\$ 10,498,411</b>	<b>\$ 13,907,054</b>	<b>\$ 33,141,052</b>	<b>\$ 29,413,157</b>	<b>\$ 43,639,463</b>	<b>\$ 43,320,211</b>

**Governmental activities**

During the year, the County invested \$8,602,658 or 40.1% of governmental activities expenses to general government activities. Public safety expenditures totaled \$6,360,887 or 29.6% of governmental activities expenses. Health and welfare was \$4,383,104 or 20.4%. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 9.9% of governmental activities expenses.



**Business-type activities.** Business-type activities increased the County's net assets by \$3,727,895. Key elements of this increase are as follows:

- Contributed capital assets from governmental activities to Thornapple Manor of over \$4 million.

### **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 \$14,499,712, a decrease of \$4,092,911, in comparison with the prior year. Approximately 99.8% of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for cemetery perpetual care (\$31,310), or 2) for inventory (\$523).

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 \$3,727,895. Key elements of this change have been addressed elsewhere in this analysis.

### **General Fund Budgetary Highlights**

- The original budget for federal grant was decreased substantially when it was determined that such revenue is more appropriately recorded in the Friend of the Court special revenue fund, where expenditures were being tracked.
- The original budget for interest revenue was decreased due to uncertainty regarding market conditions.
- 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 in the Clerk's office were less than budget due to prudent fiscal management by the department and a staffing vacancy that went unfilled.

- 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, 2008, amounted to \$34,886,756 (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			
	2008	2007	2008	2007	2008	2007
Land	\$3,096,056	\$ 2,990,956	\$ -	\$ -	\$ 3,096,056	\$ 2,990,956
Construction in progress	325,339	39,427	29,000	150,000	354,339	189,427
Land improvements	420,723	216,619	443,866	453,417	864,589	670,036
Buildings and improvements	7,844,148	7,892,386	18,150,107	16,100,024	25,994,255	23,992,410
Machinery and equipment	1,717,892	1,930,558	2,859,625	2,326,172	4,577,517	4,256,730
<b>Total</b>	<b>\$13,404,158</b>	<b>\$ 13,069,946</b>	<b>\$ 1,482,598</b>	<b>\$ 19,029,613</b>	<b>\$ 34,886,756</b>	<b>\$ 32,099,559</b>

Additional information on Barry County's capital assets can be found in Note III.E. on pages 50-53 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$22,163,982. Of this amount, \$21,363,982 was debt of governmental activities and \$800,000 was debt of business-type activities.

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Compensated absences	\$ 522,250	\$ 509,440	\$ -	\$ -	\$ 522,250	\$ 509,440
Bonds and notes payable	20,841,732	21,748,447	800,000	1,725,000	21,641,732	23,473,447
<b>Total</b>	<b>\$ 1,363,982</b>	<b>\$22,257,887</b>	<b>\$ 800,000</b>	<b>\$ 1,725,000</b>	<b>\$ 22,163,982</b>	<b>\$ 23,982,887</b>

Additional information on the County's long-term debt can be found in Note III.F. on pages 53-59 of this report.

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

The following factors were considered in preparing the County's budget for 2009:

In order to maintain financial stability over the long term, the budgeting practice in Barry County is to not only 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 continues to see property tax revenue growth, albeit at a rate less than in previous years. The County budget for 2009 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 multiple bargaining units expired December 31, 2008. The County began negotiating successor agreements last fall and is in the process of finalizing them.

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, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 8,757,713	\$ 7,342,191	\$ 16,099,904	\$ 2,364,535
Investments	9,011,412	3,113,563	12,124,975	52,564
Receivables	5,722,542	3,534,440	9,256,982	8,521,156
Internal balances	240,746	(240,746)	-	-
Inventories	523	-	523	1,104,697
Prepays and other assets	-	93,297	93,297	-
Capital assets not being depreciated	3,421,395	29,000	3,450,395	14,656,035
Capital assets being depreciated, net	9,982,763	21,453,598	31,436,361	13,456,916
<b>Total assets</b>	<b>37,137,094</b>	<b>35,325,343</b>	<b>72,462,437</b>	<b>40,155,903</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	976,667	1,384,291	2,360,958	238,339
Unearned revenue	4,281,280	-	4,281,280	-
Long-term liabilities:				
Due within one year	1,225,946	150,000	1,375,946	1,580,221
Due in more than one year	20,138,036	650,000	20,788,036	5,751,608
Net other postemployment benefit obligation	16,754	-	16,754	-
<b>Total liabilities</b>	<b>26,638,683</b>	<b>2,184,291</b>	<b>28,822,974</b>	<b>7,570,168</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	11,008,308	20,682,598	31,690,906	28,112,951
Restricted for:				
Property tax acceleration	4,043,831	-	4,043,831	-
Health and welfare programs	2,497,003	-	2,497,003	-
Public safety programs	1,756,835	-	1,756,835	-
Public works programs	138,634	-	138,634	-
Recreation and cultural programs	199,763	-	199,763	-
Other state mandated programs	843,067	-	843,067	-
Capital projects	791,228	-	791,228	-
Cemetery perpetual care:				
Nonexpendable	29,425	-	29,425	-
Expendable	1,885	-	1,885	-
Unrestricted (deficit)	(10,811,568)	12,458,454	1,646,886	4,472,784
<b>Total net assets</b>	<b>\$ 10,498,411</b>	<b>\$ 33,141,052</b>	<b>\$ 43,639,463</b>	<b>\$ 32,585,735</b>

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

**BARRY COUNTY, MICHIGAN**  
**Statement of Activities**  
**For the Year Ended December 31, 2008**

<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	\$ 8,602,658	\$ 1,720,239	\$ 1,890,028	\$ -	\$ (4,992,391)
Public safety	6,360,887	237,119	868,933	-	(5,254,835)
Public works	154,447	37,404	-	-	(117,043)
Health and welfare	4,383,105	338,833	1,463,340	-	(2,580,932)
Recreation and cultural	603,597	127,711	96,221	25,875	(353,790)
Community and economic development	410,287	7,960	-	-	(402,327)
Interest on long-term debt	941,261	-	-	-	(941,261)
Total governmental activities	<u>21,456,242</u>	<u>2,469,266</u>	<u>4,318,522</u>	<u>25,875</u>	<u>(14,642,579)</u>
Business-type activities:					
Delinquent tax administration	72,644	796,064	-	-	723,420
Thornapple Manor	13,935,967	12,377,261	-	504,702	(1,054,004)
Other	1,042,141	241,923	550,615	38,278	(211,325)
Total business-type activities	<u>15,050,752</u>	<u>13,415,248</u>	<u>550,615</u>	<u>542,980</u>	<u>(541,909)</u>
Total primary government	<u>\$ 36,506,994</u>	<u>\$ 15,884,514</u>	<u>\$ 4,869,137</u>	<u>\$ 568,855</u>	<u>\$ (15,184,488)</u>
<b>Component units</b>					
Road Commission	\$ 7,095,078	\$ 32,651	\$ 4,547,317	\$ 2,730,916	\$ 215,806
Drainage Districts	105,390	798,864	70,000	-	763,474
Board of Public Works	322,338	106,862	239,026	-	23,550
Economic Development Board	89,000	-	89,000	-	-
Airport Commission	376,333	143,829	114,138	1,312,152	1,193,786
Total component units	<u>\$ 7,988,139</u>	<u>\$ 1,082,206</u>	<u>\$ 5,059,481</u>	<u>\$ 4,043,068</u>	<u>\$ 2,196,616</u>

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**BARRY COUNTY, MICHIGAN**  
**Statement of Activities (Concluded)**  
**For the Year Ended December 31, 2008**

<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	\$ (14,642,579)	\$ (541,909)	\$ (15,184,488)	\$ 2,196,616
General revenue:				
Property taxes	13,793,999	443,079	14,237,078	-
Grants and contributions not restricted to specific programs	279,241	-	279,241	211,100
Unrestricted investment earnings	697,070	290,351	987,421	16,275
Transfers - internal activities	(3,536,374)	3,536,374	-	-
Total general revenue and transfers	11,233,936	4,269,804	15,503,740	227,375
Change in net assets	(3,408,643)	3,727,895	319,252	2,423,991
Net assets, beginning of year, as restated	13,907,054	29,413,157	43,320,211	30,161,744
<b>Net assets, end of year</b>	<b>\$ 10,498,411</b>	<b>\$ 33,141,052</b>	<b>\$ 43,639,463</b>	<b>\$ 32,585,735</b>

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

## **FUND FINANCIAL STATEMENTS**

# BARRY COUNTY, MICHIGAN

## Balance Sheet

### Governmental Funds

December 31, 2008

	General	Central Dispatch	Commission on Aging	Revenue Sharing Reserve
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 961,060	\$ 665,777	\$ 2,265,346
Investments	7,219,376	806,592	-	-
Receivables:				
Accounts	64,196	-	-	-
Taxes	194,671	1,505,500	844,279	-
Leases	-	-	-	-
Due from other governments	133,851	-	34,320	-
Due from other funds	335,486	-	10,300	1,778,485
Inventories	-	-	-	-
	<b>Total assets</b>	<b>\$ 3,273,152</b>	<b>\$ 1,554,676</b>	<b>\$ 4,043,831</b>
 <b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 3,597,672	\$ -	\$ -	\$ -
Accounts payable	96,639	18,257	-	-
Accrued liabilities	178,260	36,144	-	-
Due to other funds	1,865,896	1,006	5,800	-
Deferred revenue	63,196	1,639,887	919,649	-
	<b>Total liabilities</b>	<b>1,695,294</b>	<b>925,449</b>	<b>-</b>
 <b>Fund balances</b>				
Reserved for inventories	-	-	-	-
Reserved for cemetery perpetual care:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unreserved:				
Undesignated	2,145,917	1,577,858	629,227	4,043,831
Undesignated, reported in nonmajor:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
	<b>Total fund balances</b>	<b>1,577,858</b>	<b>629,227</b>	<b>4,043,831</b>
	<b>Total liabilities and fund balances</b>	<b>\$ 3,273,152</b>	<b>\$ 1,554,676</b>	<b>\$ 4,043,831</b>

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

<b>Building Authority</b>			
<b>Thornapple Manor Addition</b>	<b>Nonmajor</b>		
<b>Debt</b>	<b>Capital</b>	<b>Governmental</b>	
<b>Service</b>	<b>Projects</b>	<b>Funds</b>	<b>Totals</b>
\$ 99,126	\$ 1,386	\$ 5,058,436	\$ 9,051,131
-	954,214	31,230	9,011,412
-	-	50,094	114,290
1,203,420	-	388,702	4,136,572
-	-	768,904	768,904
-	-	523,055	691,226
-	-	11,613	2,135,884
-	-	523	523
<b>\$ 1,302,546</b>	<b>\$ 955,600</b>	<b>\$ 6,832,557</b>	<b>\$ 25,909,942</b>

\$ -	\$ -	\$ 64,475	\$ 3,662,147
-	141,850	130,364	387,110
-	-	68,335	282,739
-	22,522	69,630	1,964,854
1,289,822	-	1,200,826	5,113,380
<b>1,289,822</b>	<b>164,372</b>	<b>1,533,630</b>	<b>11,410,230</b>
-	-	523	523
-	-	29,425	29,425
-	-	1,885	1,885
12,724	791,228	-	9,200,785
-	-	5,112,062	5,112,062
-	-	155,032	155,032
<b>12,724</b>	<b>791,228</b>	<b>5,298,927</b>	<b>14,499,712</b>
<b>\$ 1,302,546</b>	<b>\$ 955,600</b>	<b>\$ 6,832,557</b>	<b>\$ 25,909,942</b>

**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, 2008**

Fund balances - total governmental funds \$ 14,499,712

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	3,407,516
Add: capital assets being depreciated, net	9,599,358

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 leases receivable	768,904
Add: other long-term receivables	63,196

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	3,746,942
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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	(20,841,732)
Subtract: compensated absences	(522,250)
Subtract: accrued interest on long-term liabilities	(206,481)
Subtract: net other postemployment benefits obligation	(16,754)
	(22,327,217)

Net assets of governmental activities	<u><u>\$ 10,498,411</u></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, 2008**

	<b>General</b>	<b>Central Dispatch</b>	<b>Commission on Aging</b>	<b>Revenue Sharing Reserve</b>
<b>Revenue</b>				
Taxes	\$ 9,966,884	\$ 1,349,626	\$ 873,985	\$ -
Intergovernmental	1,080,325	161,019	366,735	-
Licenses and permits	128,149	-	-	-
Charges for services	1,445,094	-	132,232	-
Fines and forfeits	25,293	-	-	-
Interest and rentals	342,273	47,803	-	82,486
Other revenue	203,095	280	40,088	-
	<hr/>			
Total revenue	13,191,113	1,558,728	1,413,040	82,486
<hr/>				
<b>Expenditures</b>				
Current:				
General government	5,505,488	-	-	-
Public safety	4,316,575	1,254,615	-	-
Public works	54	-	-	-
Health and welfare	903,660	-	1,211,549	-
Community and economic development	389,365	-	-	-
Recreation and cultural	-	-	-	-
Other	295,771	-	-	-
Debt service:				
Principal	27,239	-	-	-
Interest expense	32,265	-	-	-
Capital outlay	42,621	24,216	812	-
	<hr/>			
Total expenditures	11,513,038	1,278,831	1,212,361	-
	<hr/>			
Revenue over (under) expenditures	1,678,075	279,897	200,679	82,486
<hr/>				
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	-	-	-
Transfers in	1,083,740	-	15,000	-
Transfers (out)	(2,761,815)	-	-	(1,068,709)
	<hr/>			
Total other financing sources (uses)	(1,678,075)	-	15,000	(1,068,709)
	<hr/>			
Net change in fund balances	-	279,897	215,679	(986,223)
	<hr/>			
Fund balances, beginning of year, as restated	2,145,917	1,297,961	413,548	5,030,054
	<hr/>			
<b>Fund balances, end of year</b>	<b>\$ 2,145,917</b>	<b>\$ 1,577,858</b>	<b>\$ 629,227</b>	<b>\$ 4,043,831</b>

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

<b>Building Authority</b>			
<b>Thornapple Manor Addition</b>	<b>Nonmajor</b>		
<b>Debt</b>	<b>Capital</b>	<b>Governmental</b>	
<b>Service</b>	<b>Projects</b>	<b>Funds</b>	<b>Totals</b>
\$ 1,196,882	\$ -	\$ 406,622	\$ 13,793,999
-	-	2,899,572	4,507,651
-	-	-	128,149
-	-	522,569	2,099,895
-	-	317	25,610
7,017	116,183	11,999	607,761
-	-	48,147	291,610
<b>1,203,899</b>	<b>116,183</b>	<b>3,889,226</b>	<b>21,454,675</b>
826	-	1,643,570	7,149,884
-	-	561,148	6,132,338
-	-	588,606	588,660
-	-	1,751,630	3,866,839
-	-	-	389,365
-	-	764,779	764,779
-	-	-	295,771
400,000	-	490,848	918,087
809,000	-	105,662	946,927
-	-	75,900	143,549
<b>1,209,826</b>	<b>-</b>	<b>5,982,143</b>	<b>21,196,199</b>
<b>(5,927)</b>	<b>116,183</b>	<b>(2,092,917)</b>	<b>258,476</b>
-	-	11,372	11,372
-	-	2,074,895	3,173,635
-	(3,536,374)	(169,496)	(7,536,394)
<b>-</b>	<b>(3,536,374)</b>	<b>1,916,771</b>	<b>(4,351,387)</b>
<b>(5,927)</b>	<b>(3,420,191)</b>	<b>(176,146)</b>	<b>(4,092,911)</b>
<b>18,651</b>	<b>4,211,419</b>	<b>5,475,073</b>	<b>18,592,623</b>
<b>\$ 12,724</b>	<b>\$ 791,228</b>	<b>\$ 5,298,927</b>	<b>\$ 14,499,712</b>

**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, 2008**

Net change in fund balances - total governmental funds \$ (4,092,911)

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	1,033,012
Add: donated capital assets	25,875
Subtract: depreciation expense	(778,793)

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	918,087
Subtract: issuance of long-term debt	(11,372)

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	(235,979)
Add: change in accrued interest on bonds	5,666
Subtract: change in the accrual of compensated absences	(12,810)
Subtract: change in net other postemployment benefits obligation	(16,754)

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	103,423
Add: transfers into internal service funds	826,385
Subtract: net operating loss from governmental activities accounted for in internal service funds	(1,172,472)

Change in net assets of governmental activities \$ (3,408,643)

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, 2008**

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>				
<b>Taxes</b>				
Real and personal property taxes	\$ 9,867,245	\$ 9,854,945	\$ 9,957,999	\$ 103,054
Other taxes	9,000	9,000	8,885	(115)
Total taxes	9,876,245	9,863,945	9,966,884	102,939
<b>Intergovernmental</b>				
Federal grants	761,795	194,971	234,078	39,107
State grants	647,530	843,557	846,247	2,690
Total intergovernmental	1,409,325	1,038,528	1,080,325	41,797
<b>Licenses and permits</b>				
Gun permits	4,500	8,500	9,178	678
Dog licenses	90,700	78,700	78,969	269
Marriage license fees	8,250	8,250	7,677	(573)
Planning services	40,000	34,000	32,325	(1,675)
Total licenses and permits	143,450	129,450	128,149	(1,301)
<b>Charges for services</b>				
Circuit Court	621,140	182,290	192,949	10,659
District Court	79,000	541,000	541,674	674
Friend of the Court	45,000	49,000	50,804	1,804
Probate Court	25,000	25,000	29,009	4,009
County Treasurer	1,460	2,160	3,154	994
County Clerk	61,400	72,100	71,394	(706)
Register of Deeds	249,200	162,728	165,869	3,141
Real estate transfer tax	225,000	151,387	152,340	953
Mapping department	5,000	7,500	7,960	460
Juvenile Court	20,140	27,140	28,412	1,272
Sheriff Department	97,900	88,400	76,647	(11,753)
Record copying	77,200	68,000	69,545	1,545
Pay phone commissions	15,000	19,000	20,216	1,216
Other	20,100	34,450	35,121	671
Total charges for services	1,542,540	1,430,155	1,445,094	14,939
<b>Fines and forfeits</b>				
Bond forfeitures	6,000	6,000	9,695	3,695
Ordinance fines and costs	14,000	14,000	15,598	1,598
Total fines and forfeits	20,000	20,000	25,293	5,293
<b>Interest and rentals</b>				
Interest revenue	351,000	276,000	328,159	52,159
Rentals	5,000	13,700	14,114	414
Total interest and rentals	356,000	289,700	342,273	52,573

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, 2008**

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue (continued)</b>				
<b>Other revenue</b>				
Reimbursements and refunds	\$ 236,903	\$ 272,703	\$ 201,218	\$ (71,485)
Other	1,500	2,800	1,877	(923)
Total other revenue	238,403	275,503	203,095	(72,408)
<b>Total revenue</b>	13,585,963	13,047,281	13,191,113	143,832
<b>Expenditures</b>				
<b>General government</b>				
Board of commissioners	210,350	217,542	212,247	(5,295)
Trial court	1,553,672	1,547,368	1,401,759	(145,609)
Jury board	4,225	4,225	607	(3,618)
Probate court	704,701	707,653	719,702	12,049
Adult probation	13,080	13,080	12,259	(821)
County administrator	269,982	262,394	259,776	(2,618)
Elections	108,900	108,900	69,632	(39,268)
Legal counsel	60,000	60,000	53,072	(6,928)
Clerk	479,055	446,831	328,118	(118,713)
Equalization	212,060	210,326	188,022	(22,304)
Prosecuting attorney	731,875	698,409	643,899	(54,510)
Register of deeds	187,136	191,131	178,569	(12,562)
Land information services	275,499	274,645	264,697	(9,948)
Treasurer	199,471	200,916	196,920	(3,996)
Cooperative extension	146,190	149,331	141,646	(7,685)
Courthouse and grounds	512,961	504,104	427,334	(76,770)
Drain commissioner	131,949	133,247	134,914	1,667
Other	211,680	272,680	272,315	(365)
Total general government	6,012,786	6,002,782	5,505,488	(497,294)
<b>Public safety</b>				
Sheriff	2,290,315	2,292,541	2,257,647	(34,894)
Secondary Road Patrol	85,116	85,116	74,377	(10,739)
Highway safety grant	15,540	25,516	22,294	(3,222)
Marine safety	110,887	110,887	88,304	(22,583)
Emergency services	80,295	90,295	84,242	(6,053)
Jail	1,710,412	1,689,062	1,576,490	(112,572)
Animal control	243,844	234,938	213,221	(21,717)
Total public safety	4,536,409	4,528,355	4,316,575	(211,780)
<b>Public works</b>				
Department of Public Works	2,500	2,500	54	(2,446)

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, 2008**

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
<b>Health and welfare</b>				
District health department	\$ 443,574	\$ 443,574	\$ 431,593	\$ (11,981)
Health department building	115,715	113,636	104,071	(9,565)
Soldiers' and sailors' relief	40,000	40,000	39,992	(8)
Medical examiner	122,830	123,205	102,976	(20,229)
Substance abuse	-	-	3,272	3,272
Veterans' counselor	37,150	40,597	37,356	(3,241)
Veterans' burials	41,966	41,966	29,900	(12,066)
Mental health	154,500	154,500	154,500	-
Total health and welfare	<u>955,735</u>	<u>957,478</u>	<u>903,660</u>	<u>(53,818)</u>
<b>Community and economic development</b>				
Appropriation to Economic Development Board	89,000	89,000	89,000	-
Appropriation to Airport Commission	21,350	76,221	78,403	2,182
Planning and zoning	276,728	272,372	221,962	(50,410)
Total community and economic development	<u>387,078</u>	<u>437,593</u>	<u>389,365</u>	<u>(48,228)</u>
<b>Other</b>				
Insurance and bonds	466,934	300,771	295,771	(5,000)
<b>Debt service</b>				
Principal	-	-	27,239	27,239
Interest expense	-	-	32,265	32,265
Total debt service	<u>-</u>	<u>-</u>	<u>59,504</u>	<u>59,504</u>
<b>Capital outlay</b>				
	89,274	149,234	42,621	(106,613)
Total expenditures	<u>12,450,716</u>	<u>12,378,713</u>	<u>11,513,038</u>	<u>(865,675)</u>
Revenue over expenditures	<u>1,135,247</u>	<u>668,568</u>	<u>1,678,075</u>	<u>1,009,507</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,048,709	1,048,709	1,083,740	35,031
Transfers (out)	(2,183,956)	(1,671,673)	(2,761,815)	(1,090,142)
Total other financing (uses)	<u>(1,135,247)</u>	<u>(622,964)</u>	<u>(1,678,075)</u>	<u>(1,055,111)</u>
Net change in fund balance	-	45,604	-	(45,604)
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>\$ 2,145,917</u>	<u>\$ 2,191,521</u>	<u>\$ 2,145,917</u>	<u>\$ (45,604)</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, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Taxes	\$ 1,325,973	\$ 1,325,973	\$ 1,349,626	\$ 23,653
Intergovernmental	147,500	147,500	161,019	13,519
Interest and rentals	35,000	35,000	47,803	12,803
Other revenue	150	150	280	130
<b>Total revenue</b>	<b>1,508,623</b>	<b>1,508,623</b>	<b>1,558,728</b>	<b>50,105</b>
<b>Expenditures</b>				
Current:				
Public safety	1,503,900	1,514,100	1,254,615	(259,485)
Capital outlay	740,000	129,800	24,216	(105,584)
<b>Total expenditures</b>	<b>2,243,900</b>	<b>1,643,900</b>	<b>1,278,831</b>	<b>(365,069)</b>
Net change in fund balance	(735,277)	(135,277)	279,897	415,174
Fund balances, beginning of year	1,297,961	1,297,961	1,297,961	-
<b>Fund balances, end of year</b>	<b>\$ 562,684</b>	<b>\$ 1,162,684</b>	<b>\$ 1,577,858</b>	<b>\$ 415,174</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, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Taxes	\$ 857,739	\$ 857,739	\$ 873,985	\$ 16,246
Intergovernmental	324,451	328,451	366,735	38,284
Charges for services	109,713	109,713	132,232	22,519
Interest and rentals	-	980	-	(980)
Other revenue	48,105	55,105	40,088	(15,017)
<b>Total revenue</b>	<b>1,340,008</b>	<b>1,351,988</b>	<b>1,413,040</b>	<b>61,052</b>
<b>Expenditures</b>				
Current:				
Health and welfare	1,099,797	1,229,795	1,211,549	(18,246)
Capital outlay	5,000	5,000	812	(4,188)
<b>Total expenditures</b>	<b>1,104,797</b>	<b>1,234,795</b>	<b>1,212,361</b>	<b>(22,434)</b>
Revenue over expenditures	235,211	117,193	200,679	83,486
<b>Other financing sources</b>				
Transfers in	15,000	15,000	15,000	-
Net change in fund balance	250,211	132,193	215,679	83,486
Fund balances, beginning of year, as restated	413,548	413,548	413,548	-
<b>Fund balances, end of year</b>	<b>\$ 663,759</b>	<b>\$ 545,741</b>	<b>\$ 629,227</b>	<b>\$ 83,486</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, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Interest	\$ -	\$ -	\$ 82,486	\$ 82,486
<b>Other financing uses</b>				
Transfers out	(1,068,709)	(1,068,709)	(1,068,709)	-
Net change in fund balance	(1,068,709)	(1,068,709)	(986,223)	82,486
Fund balances, beginning of year	5,030,054	5,030,054	5,030,054	-
<b>Fund balances end of year</b>	<b>\$ 3,961,345</b>	<b>\$ 3,961,345</b>	<b>\$ 4,043,831</b>	<b>\$ 82,486</b>

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

**BARRY COUNTY, MICHIGAN**

**Statement of Net Assets**

**Proprietary Funds**

**December 31, 2008**

	Business-type Activities - Enterprise Funds				Governmental	
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2007	Thornapple Manor	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 3,519,291	\$ 215,876	\$ 2,199,210	\$ 1,407,814	\$ 7,342,191	\$ 3,368,729
Investments	3,113,563	-	-	-	3,113,563	-
Receivables:						
Accounts	530	-	1,031,238	12,091	1,043,859	11,550
Taxes	11,928	1,986,646	-	424,417	2,422,991	-
Due from other governments	-	-	-	67,590	67,590	-
Due from other funds	1,680,000	-	22,522	-	1,702,522	80,016
Prepays and other assets	-	-	93,297	-	93,297	-
Total current assets	<u>8,325,312</u>	<u>2,202,522</u>	<u>3,346,267</u>	<u>1,911,912</u>	<u>15,786,013</u>	<u>3,460,295</u>
Noncurrent assets:						
Capital assets not being depreciated	-	-	29,000	-	29,000	13,879
Capital assets being depreciated, net	-	-	20,990,151	463,447	21,453,598	383,405
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>21,019,151</u>	<u>463,447</u>	<u>21,482,598</u>	<u>397,284</u>
Total assets	<u>8,325,312</u>	<u>2,202,522</u>	<u>24,365,418</u>	<u>2,375,359</u>	<u>37,268,611</u>	<u>3,857,579</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	3,402	-	921,455	8,829	933,686	100,337
Accrued liabilities	-	-	427,639	22,966	450,605	-
Due to other funds	140,081	1,680,000	-	123,187	1,943,268	10,300
Current portion of long-term debt	-	-	150,000	-	150,000	-
Total current liabilities	<u>143,483</u>	<u>1,680,000</u>	<u>1,499,094</u>	<u>154,982</u>	<u>3,477,559</u>	<u>110,637</u>
Long-term liabilities:						
Long-term debt, net of current portion	-	-	650,000	-	650,000	-
Total liabilities	<u>143,483</u>	<u>1,680,000</u>	<u>2,149,094</u>	<u>154,982</u>	<u>4,127,559</u>	<u>110,637</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	-	-	20,219,151	463,447	20,682,598	397,284
Unrestricted	8,181,829	522,522	1,997,173	1,756,930	12,458,454	3,349,658
Total net assets	<u>\$ 8,181,829</u>	<u>\$ 522,522</u>	<u>\$22,216,324</u>	<u>\$ 2,220,377</u>	<u>\$33,141,052</u>	<u>\$ 3,746,942</u>

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, 2008**

	Business-type Activities - Enterprise Funds					Governmental
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2007	Thornapple Manor	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 748	\$ 199,186	\$ 12,367,048	\$ 356,909	\$ 12,923,891	\$ 4,224,425
Interest and penalties on delinquent taxes	2,141	318,175	-	160,828	481,144	-
Other	-	-	10,213	-	10,213	27
Total operating revenues	2,889	517,361	12,377,261	517,737	13,415,248	4,224,452
<b>Operating expenses</b>						
Operations	-	2,271	12,447,714	974,873	13,424,858	5,337,937
Depreciation	-	-	618,720	132,682	751,402	58,085
Other	4,959	-	-	-	4,959	902
Total operating expenses	4,959	2,271	13,066,434	1,107,555	14,181,219	5,396,924
Operating (loss) income	(2,070)	515,090	(689,173)	(589,818)	(765,971)	(1,172,472)
<b>Nonoperating revenue (expenses)</b>						
Taxes	-	-	-	443,079	443,079	-
Intergovernmental	-	-	-	567,319	567,319	-
Interest revenue	148,645	3,779	125,094	34,407	311,925	103,423
Interest expense	-	-	(105,850)	-	(105,850)	-
Loss on disposal of capital assets	-	-	(763,683)	-	(763,683)	-
Total nonoperating revenue (expenses)	148,645	3,779	(744,439)	1,044,805	452,790	103,423
Income (loss) before transfers and capital contributions	146,575	518,869	(1,433,612)	454,987	(313,181)	(1,069,049)
<b>Transfers in (out)</b>						
Transfers in	583,484	-	3,536,374	-	4,119,858	826,385
Transfers (out)	-	-	-	(583,484)	(583,484)	-
Total transfers	583,484	-	3,536,374	(583,484)	3,536,374	826,385
<b>Capital contributions</b>	-	-	504,702	-	504,702	-
Change in net assets	730,059	518,869	2,607,464	(128,497)	3,727,895	(242,664)
Net assets, beginning of year	7,451,770	3,653	19,608,860	2,348,874	29,413,157	3,989,606
<b>Net assets, end of year</b>	<u>\$ 8,181,829</u>	<u>\$ 522,522</u>	<u>\$ 22,216,324</u>	<u>\$ 2,220,377</u>	<u>\$ 33,141,052</u>	<u>\$ 3,746,942</u>

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, 2008**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2007	Thornapple Manor	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities</b>						
Cash received from customers and users	\$ 7,726	\$ 3,383,765	\$ 12,285,389	\$ 2,113,049	\$ 17,789,929	\$ -
Cash received from interfund services	-	-	-	-	-	4,224,452
Cash payments to suppliers for goods and services	(4,879)	(2,271)	(12,655,438)	(508,838)	(13,171,426)	(5,689)
Cash payments to employees for services	-	-	-	(458,490)	(458,490)	(5,303,901)
Cash payments to purchase delinquent taxes	-	(4,909,818)	-	-	(4,909,818)	-
Net cash provided by (used in) operating activities	2,847	(1,528,324)	(370,049)	1,145,721	(749,805)	(1,085,138)
<b>Cash flows from non-capital financing activities</b>						
Transfers in	583,484	-	-	-	583,484	826,385
Transfers out	-	-	-	(583,484)	(583,484)	-
Taxes	-	-	-	443,079	443,079	-
Intergovernmental revenue	-	-	-	538,659	538,659	-
Long-term advances to other funds	(1,680,000)	-	-	-	(1,680,000)	-
Long-term advances from other funds	-	1,680,000	-	-	1,680,000	-
Payments on long-term advances to other funds	1,300,000	-	-	-	1,300,000	-
Payments on long-term advances from other funds	-	-	-	(1,300,000)	(1,300,000)	-
Net cash provided by (used in) non-capital financing activities	203,484	1,680,000	-	(901,746)	981,738	826,385
<b>Cash flows from capital and related financing activities</b>						
Principal payments on long-term debt	-	-	(925,000)	-	(925,000)	-
Interest payments on long-term debt	-	-	(105,850)	-	(105,850)	-
Intergovernmental capital grants	-	-	-	4,179	4,179	-
Purchases of capital assets	-	-	(38,716)	(38,278)	(76,994)	(112,203)
Net cash used in capital and related financing activities	-	-	(1,069,566)	(34,099)	(1,103,665)	(112,203)
<b>Cash flows from investing activities</b>						
Purchase of investments	(377,406)	-	-	-	(377,406)	-
Resident trust withdrawals	-	-	(179)	-	(179)	-
Interest received	148,645	3,779	125,094	34,407	311,925	103,423
Net cash (used in) provided by investing activities	(228,761)	3,779	124,915	34,407	(65,660)	103,423
Net (decrease) increase in cash and cash equivalents	(22,430)	155,455	(1,314,700)	244,283	(937,392)	(267,533)
Cash and cash equivalents, beginning of year	3,541,721	60,421	3,513,910	1,163,531	8,279,583	3,636,262
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,519,291</b>	<b>\$ 215,876</b>	<b>\$ 2,199,210</b>	<b>\$ 1,407,814</b>	<b>\$ 7,342,191</b>	<b>\$ 3,368,729</b>

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**BARRY COUNTY, MICHIGAN**  
**Statement of Cash Flows**  
**Proprietary Funds (Concluded)**  
**For the Year Ended December 31, 2008**

	Business-type Activities - Enterprise Funds					Governmental
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2006	Thornapple Manor	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities</b>						
Operating (loss) income	\$ (2,070)	\$ 515,090	\$ (689,173)	\$ (589,818)	\$ (765,971)	\$ (1,172,472)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:						
Depreciation	-	-	618,720	132,682	751,402	58,085
Provision for bad debts	-	-	57,921	-	57,921	-
Changes in:						
Accounts receivable	(530)	-	(427,588)	(2,253)	(430,371)	(11,550)
Taxes receivable	5,027	(1,841,469)	-	1,474,596	(361,846)	-
Interest receivable	340	-	-	-	340	-
Due from other funds	-	-	325,253	-	325,253	-
Prepays and other assets	-	-	(15,200)	-	(15,200)	1,102
Negative equity in cash and cash equivalents	-	-	-	-	-	(37,175)
Accounts payable	80	-	(39,867)	156	(39,631)	77,429
Accrued liabilities	-	-	(200,115)	7,171	(192,944)	(557)
Due to other funds	-	(201,945)	-	123,187	(78,758)	-
Net cash provided by (used in) operating activities	<u>\$ 2,847</u>	<u>\$ (1,528,324)</u>	<u>\$ (370,049)</u>	<u>\$ 1,145,721</u>	<u>\$ (749,805)</u>	<u>\$ (1,085,138)</u>

**Non-cash transactions**

During the year ended December 31, 2008, governmental activities transferred \$3,536,374 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, 2008**

	<b>Agency Funds</b>	<b>Private Purpose Trust Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 318,074	\$ 24,301
Due from other governments	11	-
	<b>\$ 318,085</b>	<b>24,301</b>
Total assets	<b>\$ 318,085</b>	<b>24,301</b>
 <b>Liabilities</b>		
Accounts payable	\$ 87,579	-
Due to other governments	97,495	-
Undistributed receipts	133,011	-
	<b>\$ 318,085</b>	<b>-</b>
Total liabilities	<b>\$ 318,085</b>	<b>-</b>
 <b>Net assets</b>		
Held in trust for private purposes		<b>\$ 24,301</b>

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, 2008**

<b>Additions</b>	
Intergovernmental	\$ 43,131
<b>Deductions</b>	
Services to beneficiaries	<u>47,127</u>
Change in net assets	(3,996)
Net assets, beginning of year	<u>28,297</u>
Net assets, end of year	<u><u>\$ 24,301</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, 2008**

	<b>Road Commission</b>	<b>Drainage Districts</b>	<b>Board of Public Works</b>	<b>Economic Development Board</b>	<b>Airport Commission</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,954,252	\$ 69,388	\$ 333,547	\$ -	\$ 7,348	\$ 2,364,535
Investments	-	52,564	-	-	-	52,564
Receivables	1,026,784	636,454	6,857,918	-	-	8,521,156
Inventories	1,087,688	-	-	-	17,009	1,104,697
Capital assets not being depreciated	14,371,035	-	-	-	285,000	14,656,035
Capital assets being depreciated, net	10,288,731	1,686,398	-	-	1,481,787	13,456,916
<b>Total assets</b>	<b>28,728,490</b>	<b>2,444,804</b>	<b>7,191,465</b>	<b>-</b>	<b>1,791,144</b>	<b>40,155,903</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	178,290	7,830	44,337	-	7,882	238,339
Long-term liabilities:						
Due within one year	259,853	79,271	1,230,000	-	11,097	1,580,221
Due in more than one year	-	244,576	5,483,281	-	23,751	5,751,608
<b>Total liabilities</b>	<b>438,143</b>	<b>331,677</b>	<b>6,757,618</b>	<b>-</b>	<b>42,730</b>	<b>7,570,168</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	24,659,766	1,362,551	-	-	1,731,939	27,754,256
Unrestricted	3,630,581	750,576	433,847	-	16,475	4,831,479
<b>Total net assets</b>	<b>\$ 28,290,347</b>	<b>\$ 2,113,127</b>	<b>\$ 433,847</b>	<b>\$ -</b>	<b>\$ 1,748,414</b>	<b>\$32,585,735</b>

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

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2008**

	<b>Road Commission</b>	<b>Drainage Districts</b>	<b>Board of Public Works</b>	<b>Economic Development Board</b>	<b>Airport Commission</b>	<b>Total</b>
<b>Expenses</b>						
Road Commission	\$ 7,095,078	\$ -	\$ -	\$ -	\$ -	\$ 7,095,078
Economic Development Board	-	-	-	89,000	-	89,000
Airport Commission	-	-	-	-	376,333	376,333
Board of Public Works	-	-	322,338	-	-	322,338
Drainage Districts	-	105,390	-	-	-	105,390
<b>Total expenses</b>	<b>7,095,078</b>	<b>105,390</b>	<b>322,338</b>	<b>89,000</b>	<b>376,333</b>	<b>7,988,139</b>
<b>Program revenue</b>						
Charges for services	32,651	798,864	106,862	-	143,829	1,082,206
Operating grants and contributions	4,547,317	70,000	239,026	89,000	114,138	5,059,481
Capital grants and contributions	2,730,916	-	-	-	1,312,152	4,043,068
<b>Total program revenue</b>	<b>7,310,884</b>	<b>868,864</b>	<b>345,888</b>	<b>89,000</b>	<b>1,570,119</b>	<b>10,184,755</b>
<b>Net revenue (expenses)</b>	<b>215,806</b>	<b>763,474</b>	<b>23,550</b>	<b>-</b>	<b>1,193,786</b>	<b>2,196,616</b>
<b>General revenues</b>						
Unrestricted investment earnings	-	3,780	12,495	-	-	16,275
Other revenue	211,100	-	-	-	-	211,100
<b>Total general revenues</b>	<b>211,100</b>	<b>3,780</b>	<b>12,495</b>	<b>-</b>	<b>-</b>	<b>227,375</b>
<b>Change in net assets</b>	<b>426,906</b>	<b>767,254</b>	<b>36,045</b>	<b>-</b>	<b>1,193,786</b>	<b>2,423,991</b>
<b>Net assets, beginning of year</b>	<b>27,863,441</b>	<b>1,345,873</b>	<b>397,802</b>	<b>-</b>	<b>554,628</b>	<b>30,161,744</b>
<b>Net assets, end of year</b>	<b>\$ 28,290,347</b>	<b>\$ 2,113,127</b>	<b>\$ 433,847</b>	<b>\$ -</b>	<b>\$ 1,748,414</b>	<b>\$ 32,585,735</b>

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

# COUNTY OF BARRY, MICHIGAN

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### Notes to Financial Statements

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# 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, 2008.

#### *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, 2008 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, 2008. 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 governed by an eight-member Board of Directors, of which two members are County Commissioners and six members are from the community at large. Funding for the Barry County Substance Abuse Service comes from a contract with Kalamazoo Community Mental Health and Substance Abuse Services, which is charged with funding and overseeing services in Barry, Branch, Kalamazoo, and St. Joseph counties.

### *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.

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 commissioner 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.

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

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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 addition 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 *building authority Thornapple Manor addition capital projects fund* was established to account for the issuance of bonds and construction of improvements 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 *2007 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2007.

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.

*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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### **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.”

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

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.

### **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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

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

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### *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.

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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### **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 the 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

### C. Excess of expenditures over budget

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

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, 2008 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:			
General government – probate court	\$ 707,653	\$ 719,702	\$ 12,049
General government – drain commissioner	133,247	134,901	1,667
Health and welfare – substance abuse	-	3,272	3,272
Debt service	-	59,504	59,504
Transfers out	1,671,673	2,761,815	1,090,142
Charlton Park special revenue fund:			
Recreation and cultural	660,889	680,296	19,407
Friend of the Court special revenue fund:			
Capital outlay	500	579	79
Register of deeds automation special revenue fund:			
Capital outlay	61,000	72,341	11,341
School liason special revenue fund:			
Public safety	133,942	136,305	2,363
CDBG housing special revenue fund:			
Transfers out	-	15,700	15,700
MSHDA Home Program special revenue fund:			
Health and welfare	156,000	167,408	11,408
Transfers out	-	18,171	18,171

### 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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2008:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 2,685	\$ 500	\$ 3,185
Checking and savings accounts	13,722,096	2,416,599	16,138,695
Certificates of deposit – all due within one year	2,348,764	-	2,348,764
Investments	<u>12,493,709</u>	<u>-</u>	<u>12,493,709</u>
<b>Total</b>	<b><u>\$ 28,567,254</u></b>	<b><u>\$ 2,417,099</u></b>	<b><u>\$ 30,984,353</u></b>
<b>Statement of net assets</b>			
Cash and cash equivalents	\$ 16,099,904	\$ 2,364,535	\$ 18,464,439
Investments	<u>12,124,975</u>	<u>52,564</u>	<u>12,177,539</u>
	<u>28,224,879</u>	<u>2,417,099</u>	<u>30,641,978</u>
<b>Statement of fiduciary net assets</b>			
Cash and cash equivalents – agency funds	318,074	-	318,074
Cash and cash equivalents – private purpose trust funds	<u>24,301</u>	<u>-</u>	<u>24,301</u>
	<u>342,375</u>	<u>-</u>	<u>342,375</u>
<b>Total</b>	<b><u>\$ 28,567,254</u></b>	<b><u>\$ 2,417,099</u></b>	<b><u>\$ 30,984,353</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, \$11,948,962 of the County's bank balance of \$17,468,854 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.

*Custodial Credit Risk – Investments.* Following is a summary of the County's investments as of December 31, 2008:

U.S. agencies	\$ 8,185,031
Money market funds	<u>4,308,678</u>
	<b><u>\$ 12,493,709</u></b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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	\$ 2,377,773
S&P AAA	8,185,031
S&P AAA-V1	1,930,905
	<u>\$ 12,493,709</u>

*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	\$ 4,308,678
Less than one year	127,735
1 - 5 years	1,107,149
6 - 10 years	2,413,020
11 - 15 years	769,245
16 - 20 years	2,209,140
21 - 24 years	653,088
25 - 30 years	905,654
	<u>\$ 12,493,709</u>

*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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### 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)	\$ 4,136,572	\$ -	\$ -
Taxes (delinquent)	-	2,422,991	-
Accounts	125,840	1,043,859	984,784
Due from other governments	691,226	67,590	42,300
Special assessments	-	-	736,454
Leases	768,904	-	6,757,618
	<b>\$ 5,722,542</b>	<b>\$ 3,534,440</b>	<b>\$ 8,521,156</b>

Of the amounts detailed above, \$445,830 and \$5,843,281 of special assessments receivable and leases receivable, 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	\$ -	\$ 4,272,730	\$ 4,272,730
Leases receivable	768,904	-	768,904
Other	63,196	8,550	71,746
	<b>\$ 832,100</b>	<b>\$ 4,281,280</b>	<b>\$ 5,113,380</b>

### C. Accounts payable and accrued liabilities

Payables are comprised of the following at year-end:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Units</b>
Accounts	\$ 487,447	\$ 933,686	\$ 61,157
Accrued liabilities	282,739	450,605	124,481
Accrued interest on long-term debt	206,481	-	52,701
	<b>\$ 976,667</b>	<b>\$ 1,384,291</b>	<b>\$ 238,339</b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### D. Interfund receivables and payables and transfers

The composition of interfund balances as of December 31, 2008, was as follows:

#### Due to and from primary government funds

	<u>Due from fund</u>	<u>Due to fund</u>
General fund	\$ 335,486	\$ 1,865,896
Central dispatch	-	1,006
Commission on aging	10,300	5,800
Revenue sharing reserve	1,778,485	-
Building authority Thornapple Manor capital projects	-	22,522
Nonmajor governmental funds	11,613	69,630
Internal service funds	80,016	10,300
Delinquent tax umbrella	1,680,000	140,081
2007 delinquent tax	-	1,680,000
Thornapple Manor	22,522	-
Nonmajor enterprise funds	-	123,187
	<u>\$ 3,918,422</u>	<u>\$ 3,918,422</u>

#### Due to and from drainage district funds

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

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

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

For the year ended December 31, 2008, interfund transfers consisted of the following:

Transfers out	Transfers in						Totals
	General Fund	Commission on Aging	Nonmajor Governmental Funds	Internal Service Funds	Delinquent Tax Umbrella	Thornapple Manor	
General fund	\$ -	\$ 15,000	\$ 1,919,800	\$ 826,385	\$ -	\$ -	\$ 2,761,185
Revenue sharing reserve fund	1,068,709	-	-	-	-	-	1,068,709
Building authority Thornapple							
Manor addition capital projects	-	-	-	-	-	3,536,374	3,536,374
Nonmajor governmental funds	15,031	-	154,465	-	-	-	169,496
Nonmajor enterprise funds	-	-	-	-	583,484	-	583,484
<b>Totals</b>	<b>\$ 1,083,740</b>	<b>\$ 15,000</b>	<b>\$ 2,074,265</b>	<b>\$ 826,385</b>	<b>\$ 583,484</b>	<b>\$ 3,536,374</b>	<b>\$ 8,119,248</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.

### E. Capital assets

Capital asset activity for the primary government for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,990,956	\$ 105,100	\$ -	\$ 3,096,056
Construction in progress	39,427	325,339	(39,427)	325,339
Total capital assets not being depreciated	3,030,383	430,439	(39,427)	3,421,395
Capital assets being depreciated:				
Land improvements	670,781	233,284	-	904,065
Buildings	12,244,763	278,769	-	12,523,532
Equipment	4,860,992	268,025	(45,160)	5,083,857
Total capital assets being depreciated	17,776,536	780,078	(45,160)	18,511,454
Less accumulated depreciation for:				
Land improvements	454,162	29,180	-	483,342
Buildings	4,352,377	327,007	-	4,679,384
Equipment	2,930,434	480,691	(45,160)	3,365,965
Total accumulated depreciation	7,736,973	836,878	(45,160)	8,528,691
Total capital assets being depreciated, net	10,039,563	(56,800)	-	9,982,763
<b>Capital assets, net</b>	<b>\$ 13,069,946</b>	<b>\$ 373,639</b>	<b>\$ (39,427)</b>	<b>\$ 13,404,158</b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

At December 31, 2008, the County had outstanding commitments through a construction contract at Thornapple Manor for approximately \$1,475,000.

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 150,000	\$ 29,000	\$ (150,000)	\$ 29,000
Capital assets being depreciated:				
Land improvements	582,828	72,862	(102,255)	553,435
Buildings	18,443,624	3,191,335	(2,015,034)	19,619,925
Vehicles	1,159,622	-	-	1,159,622
Equipment	2,966,452	786,595	(395,555)	3,357,492
Shop equipment	31,377	38,278	-	69,655
Total capital assets being depreciated	23,183,903	4,089,070	(2,512,844)	24,760,129
Less accumulated depreciation for:				
Land improvements	129,411	38,869	(58,711)	109,569
Buildings	2,343,600	459,787	(1,333,569)	1,469,818
Vehicles	892,777	90,216	-	982,993
Equipment	907,282	160,849	(356,881)	711,250
Shop equipment	31,220	1,681	-	32,901
Total accumulated depreciation	4,304,290	751,402	(1,749,161)	3,306,531
Total capital assets being depreciated, net	18,879,613	3,337,668	(763,683)	21,453,598
<b>Capital assets, net</b>	<b>\$ 19,029,613</b>	<b>\$ 3,366,668</b>	<b>\$ (913,683)</b>	<b>\$ 21,482,598</b>

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

Depreciation of governmental activities by function:	
General government	\$ 494,455
Public safety	138,267
Health and welfare	146,071
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	58,085
	<b>\$ 836,878</b>
Depreciation of business-type activities by function:	
Thornapple Manor	\$ 618,720
Transit	132,682
	<b>\$ 751,402</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, 2008, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Component Units</b>				
<b>Road Commission</b>				
Capital assets not being depreciated:				
Land	\$ 85,433	\$ -	\$ -	\$ 85,433
Land improvements	14,110,934	60,002	-	14,170,936
Right-of-ways	65,204	49,462	-	114,666
<b>Total capital assets not being depreciated</b>	<b>14,261,571</b>	<b>109,464</b>	<b>-</b>	<b>14,371,035</b>
Capital assets being depreciated:				
Land improvements	214,808	-	-	214,808
Building	740,948	-	-	740,948
Road equipment	7,121,437	95,164	(448)	7,216,153
Shop equipment	115,520	-	-	115,520
Office equipment	84,559	14,878	(9,589)	89,848
Engineering equipment	117,338	-	-	117,338
Yard and storage equipment	103,147	-	-	103,147
Pit depletion	564,051	16,795	-	580,846
Infrastructure - bridges	2,664,876	592,675	-	3,257,551
Infrastructure - roads	12,120,314	861,139	(1,170,006)	11,811,447
<b>Total capital assets being depreciated</b>	<b>23,846,998</b>	<b>1,580,651</b>	<b>(1,180,043)</b>	<b>24,247,606</b>
Less accumulated depreciation for:				
Land improvements	73,111	10,740	-	83,851
Building	515,988	13,850	-	529,838
Road equipment	6,368,812	313,344	(448)	6,681,708
Shop equipment	113,988	564	-	114,552
Office equipment	65,929	8,144	(9,589)	64,484
Engineering equipment	93,938	9,728	-	103,666
Yard and storage equipment	103,147	-	-	103,147
Pit depletion	141,315	5,655	-	146,970
Infrastructure - bridges	907,832	74,225	-	982,057
Infrastructure - roads	5,546,862	771,746	(1,170,006)	5,148,602
<b>Total accumulated depreciated</b>	<b>13,930,922</b>	<b>1,207,996</b>	<b>(1,180,043)</b>	<b>13,958,875</b>
<b>Total capital assets being depreciated, net</b>	<b>9,916,076</b>	<b>372,655</b>	<b>-</b>	<b>10,288,731</b>
<b>Capital assets, net</b>	<b>\$ 24,177,647</b>	<b>\$ 482,119</b>	<b>\$ -</b>	<b>\$ 24,659,766</b>

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Component Units (continued)</b>				
<b>Drainage Districts</b>				
Capital assets being depreciated:				
Drain infrastructure	\$ 2,035,637	\$ 439,074	\$ -	\$ 2,474,711
Less accumulated depreciation for:				
Drain infrastructure	(749,898)	(38,415)	-	(788,313)
Capital assets, net	\$ 1,285,739	\$ 400,659	\$ -	\$ 1,686,398
<b>Airport Commission</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ 285,000	\$ -	\$ 285,000
Capital assets being depreciated:				
Land improvements	2,345,903	1,027,152	-	3,373,055
Buildings	238,800	-	-	238,800
Equipment	47,500	-	-	47,500
Total capital assets being depreciated	2,632,203	1,027,152	-	3,659,355
Less accumulated depreciation for:				
Land improvements	(1,844,364)	(142,434)	-	(1,986,798)
Buildings	(139,560)	(3,680)	-	(143,240)
Equipment	(47,500)	-	-	(47,500)
Total accumulated depreciation	(2,031,424)	(146,114)	-	(2,177,538)
Capital assets being depreciated, net	600,779	881,038	-	1,481,817
Capital assets, net	\$ 600,779	\$ 1,166,038	\$ -	\$ 1,766,817

### 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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary government</b>					
<b>Governmental activities</b>					
General obligation bonds	\$ 21,435,000	\$ -	\$ 880,000	\$ 20,555,000	\$ 1,010,000
Capital leases	313,447	11,372	38,087	286,732	39,270
Subtotal	21,748,447	11,372	918,087	20,841,732	1,049,270
Compensated absences	509,440	190,164	177,354	522,250	176,676
Total governmental activities	\$ 22,257,887	\$ 201,536	\$ 1,095,441	\$ 21,363,982	\$ 1,225,946
<b>Business-type activities</b>					
General obligation bonds	\$ 1,725,000	\$ -	\$ 925,000	\$ 800,000	\$ 150,000
<b>Component units</b>					
<b>Road Commission</b>					
Compensated absences	\$ 251,296	\$ 259,853	\$ 251,296	\$ 259,853	\$ 259,853
<b>Drainage Districts</b>					
Drain notes and other debt	\$ 307,883	\$ 232,000	\$ 216,036	\$ 323,847	\$ 79,271
<b>Board of Public Works</b>					
Water and sewer bonds	\$ 7,908,281	\$ -	\$ 1,195,000	\$ 6,713,281	\$ 1,230,000
<b>Airport Commission</b>					
Loan payable	\$ 45,457	\$ -	\$ 10,609	\$ 34,848	\$ 11,097

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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, 2008 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.	\$ 915,000
\$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.	765,000
\$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.	775,000
\$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.	<u>18,100,000</u>
Total general obligation debt – governmental activities	<u><b>\$ 20,555,000</b></u>

*Prior Year Advance Refunding.* In 2003, the County refunded certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding resulted in a defeasance of the bonds. As a result of this advance refunding, the trust account assets and the liability for the defeased bonds are not included in these financial statements. At December 31, 2008, \$2,540,000 of Building Authority bonds are considered defeased.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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Capital leases for governmental activities are as follows:

Barry County Substance Abuse has entered into two lease purchase agreements to finance the acquisition of office furniture and equipment. The cost of the office furniture and equipment amounted to \$43,100. The noninterest bearing capital lease has been recorded at the present value of future minimum lease payments as of the date of their inception. \$ 21,676

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% 265,056

Total capital leases – governmental activities \$ 286,732

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. \$ 800,000

### *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.

Notes payable and amounts owed to other governmental units at December 31, 2008 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

#### **Drain Notes**

\$11,000 Coats Grove Drain note dated October 25, 2006, due in annual installments of \$3,667 through June 1, 2009, with interest at 4.35%, payable annually. \$ 3,666

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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\$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	\$ 9,480
\$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.	57,333
\$77,700 Jordon Lake special assessment district note dated June 19, 2007, due in annual installments of \$38,850 through June 1, 2009, with interest payable at 4.29% per annum. Barry county is liable for 55% (principal amount of \$42,735) and Ionia County is liable for the remaining 45%	21,368
\$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>232,000</u>
Total notes payable – Drainage Districts	<u>\$ 323,847</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, 2008, 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.	\$ 1,650,000
\$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.	1,175,000

# 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.	\$ 585,000
\$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.	700,000
\$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.	543,281
\$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.	1,000,000
\$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.	185,000
\$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.	445,000
\$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>430,000</u>
Total bonds payable – Board of Public Works	<u><b>\$ 6,713,281</b></u>

*Prior Year Advance Refunding.* In 2004, the Board of Public Works refunded certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding resulted in a defeasance of the bonds. As a result of this advance refunding, the trust account assets and the liability for the defeased bonds are not included in these financial statements. At December 31, 2008, \$3,300,000 of Board of Public Works bonds are considered defeased.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### 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.

**\$ 34,848**

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
2008	\$ 1,049,270	\$ 895,782	\$ 150,000	\$ 45,600	\$ 1,320,368	\$ 217,585
2009	1,108,444	854,467	150,000	37,375	1,345,844	175,654
2010	1,192,986	470,615	150,000	29,000	487,713	145,064
2011	1,022,289	761,575	175,000	20,475	500,570	127,573
2012	783,692	723,684	175,000	10,325	488,200	109,228
2013-2017	5,010,051	3,009,332	-	-	1,671,000	310,807
2018-2022	7,225,000	1,634,176	-	-	770,000	114,962
2023-2027	3,450,000	156,375	-	-	488,281	23,229
Total	<b><u>\$ 20,841,732</u></b>	<b><u>\$ 8,506,006</u></b>	<b><u>\$ 800,000</u></b>	<b><u>\$ 142,775</u></b>	<b><u>\$ 7,071,976</u></b>	<b><u>\$ 1,224,102</u></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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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).

Changes in the estimated claims liability are as follows:

	<u>2008</u>	<u>2007</u>
Unpaid claims, beginning of year	\$ 85,594	\$ 129,910
Incurred claims	1,965,679	1,991,715
Claim payments	<u>(1,957,570)</u>	<u>(2,036,031)</u>
<b>Unpaid claims, end of year</b>	<b><u>\$ 93,703</u></b>	<b><u>\$ 85,594</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 (MMRMA). 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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

At December 31, 2008, the County has funds on deposit of \$199,223 with the Authority and reserves for reported claims of \$95,812. 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, 2008.

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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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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.

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, 2008, 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.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

### Funding policy

The County is required to contribute at an actuarially determined rate; the current rate for the County is 5.29% to 39.01% of annual covered payroll depending on the employee group. Participating employees are required to contribute -% 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.

For the year ended December 31, 2008, the annual pension cost of \$1,807,135 was equal to the required and actual contributions of the County. Member contributions for the same period totaled \$181,422. The required contributions were determined as part of the December 31, 2006 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, 2007.

### 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>
2006	\$ 1,499,340	100%	\$ -
2007	1,679,165	100	-
2008	1,807,135	100	-

### Schedule of Funding Progress

<u>Actuarial Valuation Date 12/31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAL as a Percentage of Covered Payroll</u>
2005	\$ 24,516,645	\$ 35,111,319	\$ 10,594,674	70%	\$ 12,327,804	86%
2006	26,855,177	37,797,384	10,942,207	71	13,218,976	83
2007	29,427,062	40,693,355	11,266,293	72	13,845,563	81

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### *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.

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, 2008, the outstanding loan balances were \$142,723. Employee and employer contributions are paid to the plan on each payroll date (bi-weekly) and for the year ended December 31, 2008 employee and employer contributions totaled \$154,308 and \$169,517, 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, 2008, the County contributed \$53,060 to the Plan, all of which was to fund current year benefits. Retirees receiving benefits contributed \$61,747, or approximately 54 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	\$ 69,814
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	69,814
Contributions made	53,060
	<hr/>
Increase in net OPEB obligation	16,754
Net OPEB obligation, beginning of year	-
	<hr/>
Net OPEB obligation, end of year	<u>\$ 16,754</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2008 was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
2008	\$ 69,814	76%	\$ 16,754

*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.

The County also pays the life insurance premium for those retirees who ask for coverage under a \$5,000 policy. The total monthly premium was \$1.90 until the cost increases to \$5 per month at which time the retiree must absorb the difference. In 2008, fifty-five (55) retirees were covered at a cost of \$1,122 to the County. Expenditures are recognized as the insurance premiums become due.

### *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. Four (4) current employees and one (1) who retired during the year ended December 31, 2003 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, 2008, the Road Commission expended \$135,189 for 22 participants currently eligible to receive benefits.

*Funding progress.* For the year beginning January 1, 2008 the Road Commission has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2008. 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	\$ 135,189
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Net OPEB cost (expense)	135,189
Contributions made	135,189
	<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 \$135,189, of which the Road Commission contributed 100%.

The actuarial accrued liability at December 31, 2008, the date of the most recent actuarial valuation was \$2,257,074, all of which was unfunded. The ratio of the unfunded actuarial accrued liability to covered payroll was 113.61%.

*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, 2008, 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, 2008, was 25 years.

# BARRY COUNTY, MICHIGAN

## Notes to Financial Statements

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### **F. Restatement**

Beginning fund balance of the Commission on Aging special revenue fund was increased by \$22,839 to correct an error in the accrual of receivables from the prior year. Beginning net assets of governmental activities was increased by the same amount.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

**BARRY COUNTY, MICHIGAN**  
**Required Supplementary Information**  
**Other Postemployment Benefits**

**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

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

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2008**

	Special Revenue	Debt Service	Permanent Fund Cemetery Perpetual Care	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 4,903,574	\$ 154,782	\$ 80	\$ 5,058,436
Investments	-	-	31,230	31,230
Receivables:				
Accounts	50,094	-	-	50,094
Taxes	388,702	-	-	388,702
Leases	-	768,904	-	768,904
Due from other governments	522,805	250	-	523,055
Due from other funds	11,613	-	-	11,613
Inventories	523	-	-	523
<b>Total assets</b>	<b>\$ 5,877,311</b>	<b>\$ 923,936</b>	<b>\$ 31,310</b>	<b>\$ 6,832,557</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 64,475	\$ -	\$ -	\$ 64,475
Accounts payable	130,364	-	-	130,364
Accrued liabilities	68,335	-	-	68,335
Due to other funds	69,630	-	-	69,630
Deferred revenue	431,922	768,904	-	1,200,826
<b>Total liabilities</b>	<b>764,726</b>	<b>768,904</b>	<b>-</b>	<b>1,533,630</b>
<b>Fund balances</b>				
Reserved for inventories	523	-	-	523
Reserved for cemetery perpetual care:				
Nonexpendable	-	-	29,425	29,425
Expendable	-	-	1,885	1,885
Unreserved, undesignated	5,112,062	155,032	-	5,267,094
<b>Total fund balances</b>	<b>5,112,585</b>	<b>155,032</b>	<b>31,310</b>	<b>5,298,927</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,877,311</b>	<b>\$ 923,936</b>	<b>\$ 31,310</b>	<b>\$ 6,832,557</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2008**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Permanent Fund Cemetery Perpetual Care</b>	<b>Totals</b>
<b>Revenue</b>				
Taxes	\$ 406,622	\$ -	\$ -	\$ 406,622
Intergovernmental	2,635,273	264,299	-	2,899,572
Charges for services	522,569	-	-	522,569
Fines and forfeits	317	-	-	317
Interest and rentals	10,532	1,467	-	11,999
Other revenue	47,000	250	897	48,147
<b>Total revenue</b>	<b>3,622,313</b>	<b>266,016</b>	<b>897</b>	<b>3,889,226</b>
<b>Expenditures</b>				
Current:				
General government	1,643,570	-	-	1,643,570
Public safety	561,148	-	-	561,148
Public works	588,606	-	-	588,606
Health and welfare	1,751,630	-	-	1,751,630
Recreation and cultural	764,779	-	-	764,779
Debt service:				
Principal	10,848	480,000	-	490,848
Interest expense	-	105,662	-	105,662
Capital outlay	75,900	-	-	75,900
<b>Total expenditures</b>	<b>5,396,481</b>	<b>585,662</b>	<b>-</b>	<b>5,982,143</b>
Revenue (under) over expenditures	(1,774,168)	(319,646)	897	(2,092,917)
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	11,372	-	-	11,372
Transfers in	1,739,795	335,100	-	2,074,895
Transfers (out)	(169,496)	-	-	(169,496)
<b>Total other financing sources (uses)</b>	<b>1,581,671</b>	<b>335,100</b>	<b>-</b>	<b>1,916,771</b>
Net changes in fund balances	(192,497)	15,454	897	(176,146)
Fund balances, beginning of year	5,305,082	139,578	30,413	5,475,073
<b>Fund balances, end of year</b>	<b>\$ 5,112,585</b>	<b>\$ 155,032</b>	<b>\$ 31,310</b>	<b>\$ 5,298,927</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2008**

	<b>Charlton Park</b>	<b>Friend of the Court</b>	<b>Local Corrections Officer Training</b>	<b>Solid Waste</b>	<b>Animal Shelter Donation</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 227,425	\$ 4,897	\$ 35,378	\$ 124,411	\$ 257,075
Receivables:					
Accounts	-	-	-	15,038	-
Taxes	388,702	-	-	-	-
Due from other governments	-	224,017	-	-	-
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
 Total assets	 \$ 616,127	 \$ 228,914	 \$ 35,378	 \$ 139,449	 \$ 257,075
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	9,039	-	815	-
Accrued liabilities	-	20,615	-	-	-
Due to other funds	1,800	6,514	-	-	-
Deferred revenue	423,372	-	-	-	-
 Total liabilities	 425,172	 36,168	 -	 815	 -
<b>Fund balances</b>					
Reserved for inventories	-	-	-	-	-
Unreserved, undesignated	190,955	192,746	35,378	138,634	257,075
 Total fund balances	 190,955	 192,746	 35,378	 138,634	 257,075
 <b>Total liabilities and fund balances</b>	 <b>\$ 616,127</b>	 <b>\$ 228,914</b>	 <b>\$ 35,378</b>	 <b>\$ 139,449</b>	 <b>\$ 257,075</b>

<b>Community Resource Network</b>	<b>Abstract</b>	<b>Remonu- mentation</b>	<b>Commission on Aging Building</b>	<b>Building Rehabilitation</b>	<b>Parks and Recreation</b>	<b>Register of Deeds Automation</b>	<b>Budget Stabilization</b>
\$ 7,106	\$ 268,590	\$ -	\$ 12,066	\$ 1,552,848	\$ 8,829	\$ 178,079	\$ 135,363
-	-	-	-	-	-	-	-
-	-	38,810	-	-	-	-	-
-	-	5,345	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 7,106</b>	<b>\$ 268,590</b>	<b>\$ 44,155</b>	<b>\$ 12,066</b>	<b>\$ 1,552,848</b>	<b>\$ 8,829</b>	<b>\$ 178,079</b>	<b>\$ 135,363</b>
\$ -	\$ -	\$ 39,360	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,196	-	72,433	21	33,750	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	40,556	-	72,433	21	33,750	-
-	-	-	-	-	-	-	-
7,106	268,590	3,599	12,066	1,480,415	8,808	144,329	135,363
7,106	268,590	3,599	12,066	1,480,415	8,808	144,329	135,363
<b>\$ 7,106</b>	<b>\$ 268,590</b>	<b>\$ 44,155</b>	<b>\$ 12,066</b>	<b>\$ 1,552,848</b>	<b>\$ 8,829</b>	<b>\$ 178,079</b>	<b>\$ 135,363</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**December 31, 2008**

	<b>Victim Services Unit</b>	<b>School Liason</b>	<b>Drug Law Enforcement</b>	<b>Special Investigation</b>	<b>Crime Victims' Rights Week</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 16,970	\$ 18,189	\$ 21,053	\$ 20,805	\$ 79,424
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	12,037
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
<b>Total assets</b>	<b>\$ 16,970</b>	<b>\$ 18,189</b>	<b>\$ 21,053</b>	<b>\$ 20,805</b>	<b>\$ 91,461</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Accrued liabilities	-	3,829	-	-	1,252
Due to other funds	-	637	-	-	52,347
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>4,466</b>	<b>-</b>	<b>-</b>	<b>53,599</b>
<b>Fund balances</b>					
Reserved for inventories	-	-	-	-	-
Unreserved, undesignated	16,970	13,723	21,053	20,805	37,862
<b>Total fund balances</b>	<b>16,970</b>	<b>13,723</b>	<b>21,053</b>	<b>20,805</b>	<b>37,862</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,970</b>	<b>\$ 18,189</b>	<b>\$ 21,053</b>	<b>\$ 20,805</b>	<b>\$ 91,461</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>	<b>Healthy Start</b>	<b>Community Corrections</b>
\$ 19,602	\$ 8,228	\$ 5,299	\$ 8,550	\$ 27,196	\$ 2,500	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	21,262	-	-	-	-	19,249
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 19,602</b>	<b>\$ 8,228</b>	<b>\$ 26,561</b>	<b>\$ 8,550</b>	<b>\$ 27,196</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 19,249</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,591
-	-	304	-	525	-	-	-
-	-	6,190	-	971	-	-	977
-	-	1,356	-	-	-	-	-
-	-	-	8,550	-	-	-	-
-	-	7,850	8,550	1,496	-	-	18,568
-	-	-	-	-	-	-	-
19,602	8,228	18,711	-	25,700	2,500	-	681
19,602	8,228	18,711	-	25,700	2,500	-	681
<b>\$ 19,602</b>	<b>\$ 8,228</b>	<b>\$ 26,561</b>	<b>\$ 8,550</b>	<b>\$ 27,196</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 19,249</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Concluded)**  
**December 31, 2008**

	<b>Adult Drug Court</b>	<b>Juvenile Drug Court</b>	<b>Michigan Justice Training</b>	<b>Social Welfare</b>	<b>Child Care</b>
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 115,414	\$ 13,794	\$ 180,870	\$ 1,291,432
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	101,069	14,514	-	-	74,932
Due from other funds	-	4,153	-	-	-
Inventories	-	-	-	-	-
 Total assets	 \$ 101,069	 \$ 134,081	 \$ 13,794	 \$ 180,870	 \$ 1,366,364
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ 7,524	\$ -	\$ -	\$ -	\$ -
Accounts payable	5,775	-	-	-	-
Accrued liabilities	6,242	2,240	-	-	7,445
Due to other funds	65	655	-	-	6,256
Deferred revenue	-	-	-	-	-
 Total liabilities	 19,606	 2,895	 -	 -	 13,701
<b>Fund balances</b>					
Reserved for inventories	-	-	-	-	-
Unreserved, undesignated	81,463	131,186	13,794	180,870	1,352,663
 Total fund balances	 81,463	 131,186	 13,794	 180,870	 1,352,663
 <b>Total liabilities and fund balances</b>	 <b>\$ 101,069</b>	 <b>\$ 134,081</b>	 <b>\$ 13,794</b>	 <b>\$ 180,870</b>	 <b>\$ 1,366,364</b>

<b>Veterans' Trust</b>	<b>Diverted Felons</b>	<b>Master Land Use Plan</b>	<b>County Agriculture Preservation</b>	<b>Substance Abuse</b>	<b>Bench Warrant</b>	<b>Total</b>
\$ 397	\$ 239,006	\$ 6,589	\$ 7,801	\$ 6,866	\$ 1,522	\$ 4,903,574
-	-	-	-	35,056	-	50,094
-	-	-	-	-	-	388,702
-	-	-	-	11,594	5,321	522,805
2,115	-	-	-	-	-	11,613
-	-	-	-	523	-	523
<b>\$ 2,512</b>	<b>\$ 239,006</b>	<b>\$ 6,589</b>	<b>\$ 7,801</b>	<b>\$ 54,039</b>	<b>\$ 6,843</b>	<b>\$ 5,877,311</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,475
-	-	4,567	-	1,939	-	130,364
-	-	-	-	18,574	-	68,335
-	-	-	-	-	-	69,630
-	-	-	-	-	-	431,922
-	-	4,567	-	20,513	-	764,726
-	-	-	-	523	-	523
2,512	239,006	2,022	7,801	33,003	6,843	5,112,062
2,512	239,006	2,022	7,801	33,526	6,843	5,112,585
<b>\$ 2,512</b>	<b>\$ 239,006</b>	<b>\$ 6,589</b>	<b>\$ 7,801</b>	<b>\$ 54,039</b>	<b>\$ 6,843</b>	<b>\$ 5,877,311</b>

concluded...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2008**

	<b>Charlton Park</b>	<b>Friend of the Court</b>	<b>Local Corrections Officer Training</b>	<b>Solid Waste</b>	<b>Animal Shelter Donation</b>
<b>Revenue</b>					
Taxes	\$ 406,622	\$ -	\$ -	\$ -	\$ -
Intergovernmental	18,365	604,636	2,073	-	-
Charges for services	127,711	-	10,405	37,404	-
Fines and forfeits	-	-	-	-	-
Interest and rentals	-	-	-	-	4,987
Other revenue	-	23	-	18,392	453
<b>Total revenue</b>	<b>552,698</b>	<b>604,659</b>	<b>12,478</b>	<b>55,796</b>	<b>5,440</b>
<b>Expenditures</b>					
Current:					
General government	-	877,225	-	-	-
Public safety	-	-	560	-	-
Public works	-	-	-	62,278	-
Health and welfare	-	-	-	-	-
Recreation and cultural	680,296	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Capital outlay	-	579	-	-	2,705
<b>Total expenditures</b>	<b>680,296</b>	<b>877,804</b>	<b>560</b>	<b>62,278</b>	<b>2,705</b>
Revenue (under) over expenditures	(127,598)	(273,145)	11,918	(6,482)	2,735
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	-	-	-	-
Transfers in	96,583	319,545	-	1,500	-
Transfers (out)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>96,583</b>	<b>319,545</b>	<b>-</b>	<b>1,500</b>	<b>-</b>
Net changes in fund balances	(31,015)	46,400	11,918	(4,982)	2,735
Fund balances (deficits), beginning of year	221,970	146,346	23,460	143,616	254,340
<b>Fund balances, end of year</b>	<b>\$ 190,955</b>	<b>\$ 192,746</b>	<b>\$ 35,378</b>	<b>\$ 138,634</b>	<b>\$ 257,075</b>

<b>Community Resource Network</b>	<b>Abstract</b>	<b>Remonu- mentation</b>	<b>Commission on Aging Building</b>	<b>Building Rehabilitation</b>	<b>Parks and Recreation</b>	<b>Register of Deeds Automation</b>	<b>Budget Stabilization</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,574	-	64,810	-	-	-	-	-
-	50,200	-	-	-	-	56,332	-
-	-	-	-	-	-	-	-
101	-	-	408	-	-	-	2,915
-	-	-	-	350	-	-	-
2,675	50,200	64,810	408	350	-	56,332	2,915
-	262,323	77,948	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	526,328	-	-	-
2,940	-	-	-	-	-	-	-
-	-	-	-	-	3,648	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	275	72,341	-
2,940	262,323	77,948	-	526,328	3,923	72,341	-
(265)	(212,123)	(13,138)	408	(525,978)	(3,923)	(16,009)	2,915
-	-	-	-	-	-	-	-
-	-	16,737	-	432,606	8,000	-	-
-	-	-	-	(96,583)	(42)	-	-
-	-	16,737	-	336,023	7,958	-	-
(265)	(212,123)	3,599	408	(189,955)	4,035	(16,009)	2,915
7,371	480,713	-	11,658	1,670,370	4,773	160,338	132,448
\$ 7,106	\$ 268,590	\$ 3,599	\$ 12,066	\$ 1,480,415	\$ 8,808	\$ 144,329	\$ 135,363

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, 2008**

	Victim Services Unit	School Liason	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
<b>Revenue</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	823	75,000	-	-	47,687
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	63	254	-
Interest and rentals	223	-	-	444	-
Other revenue	737	7,432	-	-	-
Total revenue	1,783	82,432	63	698	47,687
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	4,580	136,305	1,716	10,146	46,708
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Recreation and cultural	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	4,580	136,305	1,716	10,146	46,708
Revenue (under) over expenditures	(2,797)	(53,873)	(1,653)	(9,448)	979
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	-	-	-	-
Transfers in	-	49,504	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	49,504	-	-	-
Net changes in fund balances	(2,797)	(4,369)	(1,653)	(9,448)	979
Fund balances (deficits), beginning of year	19,767	18,092	22,706	30,253	36,883
<b>Fund balances, end of year</b>	<b>\$ 16,970</b>	<b>\$ 13,723</b>	<b>\$ 21,053</b>	<b>\$ 20,805</b>	<b>\$ 37,862</b>

Law Library	CDBG Housing	Middleville Police Services	MSHDA Home Grant	Job Skills Training Program	Gypsy Moth Fund	Healthy Start	Community Corrections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,500	22,447	249,221	165,089	705	-	-	101,219
-	25,458	-	4,790	587	-	-	-
-	-	-	-	-	-	-	-
-	34	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,500	47,939	249,221	169,879	1,292	-	-	101,219
13,852	-	-	-	-	-	-	-
-	-	252,986	-	-	-	-	101,923
-	-	-	-	-	-	-	-
-	99,985	-	167,408	11,792	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,852	99,985	252,986	167,408	11,792	-	-	101,923
(7,352)	(52,046)	(3,765)	2,471	(10,500)	-	-	(704)
-	-	-	-	-	-	-	-
-	18,171	-	15,700	36,200	2,500	-	-
-	(15,700)	-	(18,171)	-	-	-	-
-	2,471	-	(2,471)	36,200	2,500	-	-
(7,352)	(49,575)	(3,765)	-	25,700	2,500	-	(704)
26,954	57,803	22,476	-	-	-	-	1,385
\$ 19,602	\$ 8,228	\$ 18,711	\$ -	\$ 25,700	\$ 2,500	\$ -	\$ 681

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Concluded)**  
**For the Year Ended December 31, 2008**

	<b>Adult Drug Court</b>	<b>Juvenile Drug Court</b>	<b>Michigan Justice Training</b>	<b>Social Welfare</b>	<b>Child Care</b>
<b>Revenue</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	188,011	139,095	6,946	6,350	424,162
Charges for services	33,916	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interest and rentals	-	-	-	1,420	-
Other revenue	-	63	-	-	-
<b>Total revenue</b>	<b>221,927</b>	<b>139,158</b>	<b>6,946</b>	<b>7,770</b>	<b>424,162</b>
<b>Expenditures</b>					
Current:					
General government	280,666	97,226	-	-	-
Public safety	-	-	6,224	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	10,849	911,620
Recreation and cultural	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>280,666</b>	<b>97,226</b>	<b>6,224</b>	<b>10,849</b>	<b>911,620</b>
Revenue (under) over expenditures	(58,739)	41,932	722	(3,079)	(487,458)
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	-	-	-	-
Transfers in	41,000	78,816	-	8,500	536,547
Transfers (out)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>41,000</b>	<b>78,816</b>	<b>-</b>	<b>8,500</b>	<b>536,547</b>
Net changes in fund balances	(17,739)	120,748	722	5,421	49,089
Fund balances (deficits), beginning of year	99,202	10,438	13,072	175,449	1,303,574
<b>Fund balances, end of year</b>	<b>\$ 81,463</b>	<b>\$ 131,186</b>	<b>\$ 13,794</b>	<b>\$ 180,870</b>	<b>\$ 1,352,663</b>

<b>Veterans' Trust</b>	<b>Diverted Felons</b>	<b>Master Land Use Plan</b>	<b>County Agriculture Preservation</b>	<b>Substance Abuse</b>	<b>Bench Warrant</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 406,622
5,740	96,832	6,000	77,856	317,811	5,321	2,635,273
-	-	-	-	175,766	-	522,569
-	-	-	-	-	-	317
-	-	-	-	-	-	10,532
-	-	-	-	19,550	-	47,000
5,740	96,832	6,000	77,856	513,127	5,321	3,622,313
-	-	31,611	-	-	2,719	1,643,570
-	-	-	-	-	-	561,148
-	-	-	-	-	-	588,606
5,668	8,179	-	-	533,189	-	1,751,630
-	-	-	80,835	-	-	764,779
-	-	-	-	10,848	-	10,848
-	-	-	-	-	-	75,900
5,668	8,179	31,611	80,835	544,037	2,719	5,396,481
72	88,653	(25,611)	(2,979)	(30,910)	2,602	(1,774,168)
-	-	-	-	11,372	-	11,372
-	-	-	-	77,886	-	1,739,795
-	(39,000)	-	-	-	-	(169,496)
-	(39,000)	-	-	89,258	-	1,581,671
72	49,653	(25,611)	(2,979)	58,348	2,602	(192,497)
2,440	189,353	27,633	10,780	(24,822)	4,241	5,305,082
\$ 2,512	\$ 239,006	\$ 2,022	\$ 7,801	\$ 33,526	\$ 6,843	\$ 5,112,585

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, 2008**

	<b>Charlton Park</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ 400,620	\$ 406,622	\$ 6,002
Intergovernmental	13,500	18,365	4,865
Charges for services	143,700	127,711	(15,989)
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	<u>557,820</u>	<u>552,698</u>	<u>(5,122)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	660,889	680,296	19,407
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>660,889</u>	<u>680,296</u>	<u>19,407</u>
Revenue (under) over expenditures	<u>(103,069)</u>	<u>(127,598)</u>	<u>(24,529)</u>
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	100,000	96,583	(3,417)
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>96,583</u>	<u>(3,417)</u>
Net changes in fund balances	(3,069)	(31,015)	(27,946)
Fund balances (deficits), beginning of year	<u>221,970</u>	<u>221,970</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 218,901</u>	<u>\$ 190,955</u>	<u>\$ (27,946)</u>

<b>Friend of the Court</b>			<b>Local Corrections Officer Training</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
589,050	604,636	15,586	-	2,073	2,073
-	-	-	12,000	10,405	(1,595)
-	-	-	-	-	-
-	-	-	-	-	-
-	23	23	-	-	-
589,050	604,659	15,609	12,000	12,478	478
953,839	877,225	(76,614)	-	-	-
-	-	-	2,500	560	(1,940)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500	579	79	-	-	-
954,339	877,804	(76,535)	2,500	560	(1,940)
(365,289)	(273,145)	92,144	9,500	11,918	2,418
-	-	-	-	-	-
269,117	319,545	50,428	-	-	-
-	-	-	-	-	-
269,117	319,545	50,428	-	-	-
(96,172)	46,400	142,572	9,500	11,918	2,418
146,346	146,346	-	23,460	23,460	-
\$ 50,174	\$ 192,746	\$ 142,572	\$ 32,960	\$ 35,378	\$ 2,418

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, 2008**

	<b>Solid Waste</b>		<b>Actual Over (Under) Final Budget</b>
	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	25,000	37,404	12,404
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	25,000	18,392	(6,608)
<b>Total revenue</b>	<b>50,000</b>	<b>55,796</b>	<b>5,796</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	68,100	62,278	(5,822)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>68,100</b>	<b>62,278</b>	<b>(5,822)</b>
Revenue over (under) expenditures	(18,100)	(6,482)	11,618
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
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	(16,600)	(4,982)	11,618
Fund balances (deficits), beginning of year	143,616	143,616	-
<b>Fund balances, end of year</b>	<b>\$ 127,016</b>	<b>\$ 138,634</b>	<b>\$ 11,618</b>

<b>Animal Shelter Donation</b>			<b>Community Resource Network</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	2,574	1,574
-	-	-	-	-	-
-	-	-	-	-	-
7,000	4,987	(2,013)	-	101	101
5,000	453	(4,547)	-	-	-
12,000	5,440	(6,560)	1,000	2,675	1,675
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,000	2,940	(1,060)
-	-	-	-	-	-
-	-	-	-	-	-
3,000	2,705	(295)	-	-	-
3,000	2,705	(295)	4,000	2,940	(1,060)
9,000	2,735	(6,265)	(3,000)	(265)	2,735
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,000	2,735	(6,265)	(3,000)	(265)	2,735
254,340	254,340	-	7,371	7,371	-
\$ 263,340	\$ 257,075	\$ (6,265)	\$ 4,371	\$ 7,106	\$ 2,735

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, 2008**

	Abstract		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	65,000	50,200	(14,800)
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
 Total revenue	 65,000	 50,200	 (14,800)
<b>Expenditures</b>			
Current:			
General government	317,735	262,323	(55,412)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
 Total expenditures	 317,735	 262,323	 (55,412)
 Revenue over (under) expenditures	 (252,735)	 (212,123)	 40,612
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
 Total other financing sources (uses)	 -	 -	 -
 Net changes in fund balances	 (252,735)	 (212,123)	 40,612
Fund balances (deficits), beginning of year	480,713	480,713	-
<b>Fund balances, end of year</b>	<b>\$ 227,978</b>	<b>\$ 268,590</b>	<b>\$ 40,612</b>

<b>Remonumentation</b>			<b>Commission on Aging Building</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65,000	64,810	(190)	-	-	-
-	-	-	-	-	-
-	-	-	-	408	408
-	-	-	-	-	-
65,000	64,810	(190)	-	408	408
81,737	77,948	(3,789)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
81,737	77,948	(3,789)	-	-	-
(16,737)	(13,138)	3,599	-	408	408
-	-	-	-	-	-
16,737	16,737	-	-	-	-
-	-	-	-	-	-
16,737	16,737	-	-	-	-
-	3,599	3,599	-	408	408
-	-	-	11,658	11,658	-
\$ -	\$ 3,599	\$ 3,599	\$ 11,658	\$ 12,066	\$ 408

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, 2008**

	<b>Building Rehabilitation</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	-	-	-
Interest and rentals	-	-	-
Other revenue	-	350	350
<b>Total revenue</b>	<b>-</b>	<b>350</b>	<b>350</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	857,267	526,328	(330,939)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>857,267</b>	<b>526,328</b>	<b>(330,939)</b>
Revenue over (under) expenditures	(857,267)	(525,978)	331,289
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	205,203	432,606	227,403
Transfers (out)	(100,000)	(96,583)	3,417
<b>Total other financing sources (uses)</b>	<b>105,203</b>	<b>336,023</b>	<b>230,820</b>
Net changes in fund balances	(752,064)	(189,955)	562,109
Fund balances (deficits), beginning of year	1,670,370	1,670,370	-
<b>Fund balances, end of year</b>	<b>\$ 918,306</b>	<b>\$ 1,480,415</b>	<b>\$ 562,109</b>

<b>Parks and Recreation</b>			<b>Register of Deeds Automation</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	80,000	56,332	(23,668)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	80,000	56,332	(23,668)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,000	3,648	(4,352)	-	-	-
-	-	-	-	-	-
1,000	275	(725)	61,000	72,341	11,341
9,000	3,923	(5,077)	61,000	72,341	11,341
(9,000)	(3,923)	5,077	19,000	(16,009)	(35,009)
-	-	-	-	-	-
8,000	8,000	-	-	-	-
(500)	(42)	458	-	-	-
7,500	7,958	458	-	-	-
(1,500)	4,035	5,535	19,000	(16,009)	(35,009)
4,773	4,773	-	160,338	160,338	-
\$ 3,273	\$ 8,808	\$ 5,535	\$ 179,338	\$ 144,329	\$ (35,009)

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, 2008**

	<b>Budget Stabilization</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	-	-	-
Interest and rentals	2,000	2,915	915
Other revenue	-	-	-
<b>Total revenue</b>	<b>2,000</b>	<b>2,915</b>	<b>915</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue over (under) expenditures</b>	<b>2,000</b>	<b>2,915</b>	<b>915</b>
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>2,000</b>	<b>2,915</b>	<b>915</b>
Fund balances (deficits), beginning of year	132,448	132,448	-
<b>Fund balances, end of year</b>	<b>\$ 134,448</b>	<b>\$ 135,363</b>	<b>\$ 915</b>

<b>Victim Services Unit</b>			<b>School Liason</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
900	823	(77)	75,000	75,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	223	223	-	-	-
1,000	737	(263)	7,000	7,432	432
1,900	1,783	(117)	82,000	82,432	432
-	-	-	-	-	-
7,400	4,580	(2,820)	133,942	136,305	2,363
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,400	4,580	(2,820)	133,942	136,305	2,363
(5,500)	(2,797)	2,703	(51,942)	(53,873)	(1,931)
-	-	-	-	-	-
-	-	-	49,504	49,504	-
-	-	-	-	-	-
-	-	-	49,504	49,504	-
(5,500)	(2,797)	2,703	(2,438)	(4,369)	(1,931)
19,767	19,767	-	18,092	18,092	-
\$ 14,267	\$ 16,970	\$ 2,703	\$ 15,654	\$ 13,723	\$ (1,931)

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, 2008**

	<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	-	63	63
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>63</b>	<b>63</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	2,500	1,716	(784)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>2,500</b>	<b>1,716</b>	<b>(784)</b>
Revenue over (under) expenditures	(2,500)	(1,653)	847
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(2,500)	(1,653)	847
Fund balances (deficits), beginning of year	22,706	22,706	-
<b>Fund balances, end of year</b>	<b>\$ 20,206</b>	<b>\$ 21,053</b>	<b>\$ 847</b>

<b>Special Investigation</b>			<b>Crime Victims' Rights Week</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	46,100	47,687	1,587
-	-	-	-	-	-
10,000	254	(9,746)	-	-	-
1,250	444	(806)	-	-	-
500	-	(500)	-	-	-
<b>11,750</b>	<b>698</b>	<b>(11,052)</b>	<b>46,100</b>	<b>47,687</b>	<b>1,587</b>
-	-	-	-	-	-
21,000	10,146	(10,854)	48,252	46,708	(1,544)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>21,000</b>	<b>10,146</b>	<b>(10,854)</b>	<b>48,252</b>	<b>46,708</b>	<b>(1,544)</b>
<b>(9,250)</b>	<b>(9,448)</b>	<b>(198)</b>	<b>(2,152)</b>	<b>979</b>	<b>3,131</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>(9,250)</b>	<b>(9,448)</b>	<b>(198)</b>	<b>(2,152)</b>	<b>979</b>	<b>3,131</b>
<b>30,253</b>	<b>30,253</b>	<b>-</b>	<b>36,883</b>	<b>36,883</b>	<b>-</b>
<b>\$ 21,003</b>	<b>\$ 20,805</b>	<b>\$ (198)</b>	<b>\$ 34,731</b>	<b>\$ 37,862</b>	<b>\$ 3,131</b>

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, 2008**

	<b>Law Library</b>		<b>Actual Over (Under) Final Budget</b>
	<b>Final Budget</b>	<b>Actual</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	17,500	13,852	(3,648)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>17,500</b>	<b>13,852</b>	<b>(3,648)</b>
Revenue over (under) expenditures	(17,500)	(7,352)	10,148
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
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	(11,000)	(7,352)	3,648
Fund balances (deficits), beginning of year	26,954	26,954	-
<b>Fund balances, end of year</b>	<b>\$ 15,954</b>	<b>\$ 19,602</b>	<b>\$ 3,648</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105,000	22,447	(82,553)	283,415	249,221	(34,194)
20,000	25,458	5,458	-	-	-
-	-	-	-	-	-
200	34	(166)	-	-	-
25,000	-	(25,000)	-	-	-
150,200	47,939	(102,261)	283,415	249,221	(34,194)
-	-	-	-	-	-
-	-	-	256,138	252,986	(3,152)
-	-	-	-	-	-
140,000	99,985	(40,015)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	32,000	-	(32,000)
140,000	99,985	(40,015)	288,138	252,986	(35,152)
10,200	(52,046)	(62,246)	(4,723)	(3,765)	958
-	-	-	-	-	-
-	18,171	18,171	-	-	-
-	(15,700)	(15,700)	-	-	-
-	2,471	2,471	-	-	-
10,200	(49,575)	(59,775)	(4,723)	(3,765)	958
57,803	57,803	-	22,476	22,476	-
\$ 68,003	\$ 8,228	\$ (59,775)	\$ 17,753	\$ 18,711	\$ 958

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, 2008**

	<b>MSHDA Home Program</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	141,000	165,089	24,089
Charges for services	-	4,790	4,790
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	141,000	169,879	28,879
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	156,000	167,408	11,408
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
Total expenditures	156,000	167,408	11,408
Revenue over (under) expenditures	(15,000)	2,471	17,471
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	15,000	15,700	700
Transfers (out)	-	(18,171)	(18,171)
Total other financing sources (uses)	15,000	(2,471)	(17,471)
Net changes in fund balances	-	-	-
Fund balances (deficits), beginning of year	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	705	705	-	-	-
-	587	587	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,292	1,292	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,200	11,792	(24,408)	2,500	-	(2,500)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,200	11,792	(24,408)	2,500	-	(2,500)
(36,200)	(10,500)	25,700	(2,500)	-	2,500
-	-	-	-	-	-
36,200	36,200	-	2,500	2,500	-
-	-	-	-	-	-
36,200	36,200	-	2,500	2,500	-
-	25,700	25,700	-	2,500	2,500
-	-	-	-	-	-
\$ -	\$ 25,700	\$ 25,700	\$ -	\$ 2,500	\$ 2,500

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, 2008**

	<b>Healthy Start</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	48,734	-	(48,734)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>48,734</b>	<b>-</b>	<b>(48,734)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	48,734	-	(48,734)
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>48,734</b>	<b>-</b>	<b>(48,734)</b>
Revenue over (under) expenditures	-	-	-
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	-	-	-
Fund balances (deficits), beginning of year	-	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Community Corrections</b>			<b>Adult Drug Court</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135,137	101,219	(33,918)	185,000	188,011	3,011
-	-	-	31,600	33,916	2,316
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
135,137	101,219	(33,918)	216,600	221,927	5,327
-	-	-	295,816	280,666	(15,150)
135,137	101,923	(33,214)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
135,137	101,923	(33,214)	295,816	280,666	(15,150)
-	(704)	(704)	(79,216)	(58,739)	20,477
-	-	-	-	-	-
6,000	-	(6,000)	41,000	41,000	-
-	-	-	-	-	-
6,000	-	(6,000)	41,000	41,000	-
6,000	(704)	(6,704)	(38,216)	(17,739)	20,477
1,385	1,385	-	99,202	99,202	-
\$ 7,385	\$ 681	\$ (6,704)	\$ 60,986	\$ 81,463	\$ 20,477

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, 2008**

	<b>Juvenile Drug Court</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	101,058	139,095	38,037
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	63	63
<b>Total revenue</b>	<b>101,058</b>	<b>139,158</b>	<b>38,100</b>
<b>Expenditures</b>			
Current:			
General government	158,969	97,226	(61,743)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>158,969</b>	<b>97,226</b>	<b>(61,743)</b>
Revenue over (under) expenditures	(57,911)	41,932	99,843
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	57,911	78,816	20,905
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>57,911</b>	<b>78,816</b>	<b>20,905</b>
Net changes in fund balances	-	120,748	120,748
Fund balances (deficits), beginning of year	10,438	10,438	-
<b>Fund balances, end of year</b>	<b>\$ 10,438</b>	<b>\$ 131,186</b>	<b>\$ 120,748</b>

<b>Michigan Justice Training</b>			<b>Social Welfare</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,000	6,946	(54)	-	6,350	6,350
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,420	1,420
-	-	-	-	-	-
7,000	6,946	(54)	-	7,770	7,770
-	-	-	-	-	-
7,500	6,224	(1,276)	-	-	-
-	-	-	-	-	-
-	-	-	13,000	10,849	(2,151)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,500	6,224	(1,276)	13,000	10,849	(2,151)
(500)	722	1,222	(13,000)	(3,079)	9,921
-	-	-	-	-	-
-	-	-	8,500	8,500	-
-	-	-	-	-	-
-	-	-	8,500	8,500	-
(500)	722	1,222	(4,500)	5,421	9,921
13,072	13,072	-	175,449	175,449	-
\$ 12,572	\$ 13,794	\$ 1,222	\$ 170,949	\$ 180,870	\$ 9,921

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, 2008**

	<b>Child Care</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	126,290	424,162	297,872
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
 Total revenue	 126,290	 424,162	 297,872
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	1,238,452	911,620	(326,832)
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
 Total expenditures	 1,238,452	 911,620	 (326,832)
 Revenue over (under) expenditures	 (1,112,162)	 (487,458)	 624,704
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	544,547	536,547	(8,000)
Transfers (out)	-	-	-
 Total other financing sources (uses)	 544,547	 536,547	 (8,000)
 Net changes in fund balances	 (567,615)	 49,089	 616,704
Fund balances (deficits), beginning of year	1,303,574	1,303,574	-
 <b>Fund balances, end of year</b>	 \$ 735,959	 \$ 1,352,663	 \$ 616,704

Veterans' Trust			Diverted Felons		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,545	5,740	(6,805)	96,831	96,832	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,545	5,740	(6,805)	96,831	96,832	1
-	-	-	-	-	-
-	-	-	-	-	-
12,545	5,668	(6,877)	8,178	8,179	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	19,428	-	(19,428)
12,545	5,668	(6,877)	27,606	8,179	(19,427)
-	72	72	69,225	88,653	19,428
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(45,000)	(39,000)	6,000
-	-	-	(45,000)	(39,000)	6,000
-	72	72	24,225	49,653	25,428
2,440	2,440	-	189,353	189,353	-
\$ 2,440	\$ 2,512	\$ 72	\$ 213,578	\$ 239,006	\$ 25,428

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, 2008**

	<b>Master Land Use Plan</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	6,000	6,000	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
General government	33,633	31,611	(2,022)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>33,633</b>	<b>31,611</b>	<b>(2,022)</b>
Revenue over (under) expenditures	(27,633)	(25,611)	2,022
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(27,633)	(25,611)	2,022
Fund balances (deficits), beginning of year	27,633	27,633	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 2,022</b>	<b>\$ 2,022</b>

<b>County Agriculture Preservation</b>			<b>Substance Abuse</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77,856	77,856	-	361,770	317,811	(43,959)
-	-	-	165,824	175,766	9,942
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	16,707	19,550	2,843
77,856	77,856	-	544,301	513,127	(31,174)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	533,453	533,189	(264)
87,459	80,835	(6,624)	-	-	-
-	-	-	10,848	10,848	-
-	-	-	-	-	-
87,459	80,835	(6,624)	544,301	544,037	(264)
(9,603)	(2,979)	6,624	-	(30,910)	(30,910)
-	-	-	-	11,372	11,372
-	-	-	-	77,886	77,886
-	-	-	-	-	-
-	-	-	-	89,258	89,258
(9,603)	(2,979)	6,624	-	58,348	58,348
10,780	10,780	-	(24,822)	(24,822)	-
\$ 1,177	\$ 7,801	\$ 6,624	\$ (24,822)	\$ 33,526	\$ 58,348

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, 2008**

	<b>Bench Warrant</b>		<b>Actual Over (Under) Final Budget</b>
	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	5,321	5,321
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>5,321</b>	<b>5,321</b>
<b>Expenditures</b>			
Current:			
General government	4,241	2,719	(1,522)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Debt service:			
Principal	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>4,241</b>	<b>2,719</b>	<b>(1,522)</b>
Revenue over (under) expenditures	(4,241)	2,602	6,843
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(4,241)	2,602	6,843
Fund balances (deficits), beginning of year	4,241	4,241	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 6,843</b>	<b>\$ 6,843</b>

<b>Total</b>		
<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
\$ 400,620	\$ 406,622	\$ 6,002
2,478,186	2,635,273	157,087
543,124	522,569	(20,555)
10,000	317	(9,683)
10,450	10,532	82
80,207	47,000	(33,207)
<hr/>	<hr/>	<hr/>
3,522,587	3,622,313	99,726
<hr/>	<hr/>	<hr/>
1,863,470	1,643,570	(219,900)
614,369	561,148	(53,221)
925,367	588,606	(336,761)
2,193,062	1,751,630	(441,432)
756,348	764,779	8,431
10,848	10,848	-
116,928	75,900	(41,028)
<hr/>	<hr/>	<hr/>
6,480,392	5,396,481	(1,083,911)
<hr/>	<hr/>	<hr/>
(2,957,805)	(1,774,168)	1,183,637
<hr/>	<hr/>	<hr/>
-	11,372	11,372
1,368,219	1,739,795	371,576
(145,500)	(169,496)	(23,996)
<hr/>	<hr/>	<hr/>
1,222,719	1,581,671	358,952
<hr/>	<hr/>	<hr/>
(1,735,086)	(192,497)	1,542,589
5,305,082	5,305,082	-
<hr/>	<hr/>	<hr/>
\$ 3,569,996	\$ 5,112,585	\$ 1,542,589

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2008**

		<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	\$ 12,476	\$ -	\$ 142,306	\$	154,782
Leases receivable	-	768,904	-	\$	768,904
Due from other governments	-	250	-	\$	250
<b>Total assets</b>	<b>\$ 12,476</b>	<b>\$ 769,154</b>	<b>\$ 142,306</b>	<b>\$</b>	<b>923,936</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Deferred revenue	\$ -	\$ 768,904	\$ -	\$	768,904
<b>Fund balances</b>					
Unreserved, undesignated	12,476	250	142,306	\$	155,032
<b>Total liabilities and fund balances</b>	<b>\$ 12,476</b>	<b>\$ 769,154</b>	<b>\$ 142,306</b>	<b>\$</b>	<b>923,936</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2008**

	Friend of the Court Renovation	Building Authority		Total
		Kellogg Community College	Courts and Law	
<b>Revenue</b>				
Intergovernmental	\$ -	\$ 264,299	\$ -	\$ 264,299
Interest	155	-	1,312	1,467
Other revenue	-	250	-	250
Total revenue	155	264,549	1,312	266,016
<b>Expenditures</b>				
Debt service:				
Principal	35,000	235,000	210,000	480,000
Interest and fiscal charges	43,819	29,549	32,294	105,662
Total expenditures	78,819	264,549	242,294	585,662
Revenue under expenditures	(78,664)	-	(240,982)	(319,646)
<b>Other financing sources</b>				
Transfers in	79,575	-	255,525	335,100
Net changes in fund balances	911	-	14,543	15,454
Fund balances, beginning of year	11,565	250	127,763	139,578
<b>Fund balances, end of year</b>	<b>\$ 12,476</b>	<b>\$ 250</b>	<b>\$ 142,306</b>	<b>\$ 155,032</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2008**

	<b>2005</b>	<b>2006</b>	<b>2008</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>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 308,737	\$ 47,361
Accounts receivable	-	-	-
Delinquent taxes receivable	2,901	342,913	78,603
Due from other governments	-	-	-
<b>Total current assets</b>	<b>2,901</b>	<b>651,650</b>	<b>125,964</b>
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<b>2,901</b>	<b>651,650</b>	<b>125,964</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	50	-
Accrued liabilities	-	-	-
Due to other funds	-	-	123,187
<b>Total liabilities (all current)</b>	<b>-</b>	<b>50</b>	<b>123,187</b>
<b>Net assets</b>			
Invested in capital assets	-	-	-
Unrestricted	2,901	651,600	2,777
<b>Total net assets</b>	<b>\$ 2,901</b>	<b>\$ 651,600</b>	<b>\$ 2,777</b>

<b>Foreclosure</b>	<b>Jail Commissary</b>	<b>Transit</b>	<b>Total</b>
\$ 191,331	\$ 15,863	\$ 844,522	\$ 1,407,814
-	-	12,091	12,091
-	-	-	424,417
-	-	67,590	67,590
191,331	15,863	924,203	1,911,912
-	-	463,447	463,447
191,331	15,863	1,387,650	2,375,359
400	1,845	6,534	8,829
-	-	22,966	22,966
-	-	-	123,187
400	1,845	29,500	154,982
-	-	463,447	463,447
190,931	14,018	894,703	1,756,930
\$ 190,931	\$ 14,018	\$ 1,358,150	\$ 2,220,377

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenses**  
**and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2008**

	<b>2005</b>		<b>2006</b>		<b>2008</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	\$ 23,349	\$	89,853	\$	1,784
Interest and penalties on delinquent taxes	6,466		153,397		965
Total operating revenue	29,815		243,250		2,749
<b>Operating expense</b>					
Operations	6,516		48,591		-
Depreciation	-		-		-
Total operating expense	6,516		48,591		-
Operating income (loss)	23,299		194,659		2,749
<b>Nonoperating revenue</b>					
Taxes	-		-		-
Intergovernmental	-		-		-
Interest revenue	7,681		1,870		28
Total nonoperating revenue	7,681		1,870		28
Income (loss) before transfers	30,980		196,529		2,777
<b>Transfers</b>					
Transfers (out)	(583,484)		-		-
Change in net assets	(552,504)		196,529		2,777
Net assets, beginning of year	555,405		455,071		-
<b>Net assets, end of year</b>	<b>\$ 2,901</b>	<b>\$</b>	<b>651,600</b>	<b>\$</b>	<b>2,777</b>

	<b>Jail</b>			
<b>Foreclosure</b>	<b>Commissary</b>	<b>Transit</b>	<b>Total</b>	
\$	-	\$ 53,254	\$ 188,669	\$ 356,909
	-	-	-	160,828
	-	53,254	188,669	517,737
10,307	59,847	849,612	974,873	
-	-	132,682	132,682	
10,307	59,847	982,294	1,107,555	
(10,307)	(6,593)	(793,625)	(589,818)	
-	-	443,079	443,079	
-	-	567,319	567,319	
3,254	-	21,574	34,407	
3,254	-	1,031,972	1,044,805	
(7,053)	(6,593)	238,347	454,987	
-	-	-	(583,484)	
(7,053)	(6,593)	238,347	(128,497)	
197,984	20,611	1,119,803	2,348,874	
\$ 190,931	\$ 14,018	\$ 1,358,150	\$ 2,220,377	

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2008**

	<b>2005</b>	<b>2006</b>	<b>2008</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	\$ 265,855	\$ 1,560,409	\$ 47,333
Cash payments to suppliers for goods and services	(6,851)	(48,541)	-
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	259,004	1,511,868	47,333
<b>Cash flows from non-capital financing activities</b>			
Transfers out	(583,484)	-	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Payments on long-term advances from other funds	(10,000)	(1,290,000)	-
Net cash (used in) provided by non-capital financing activities	(593,484)	(1,290,000)	-
<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	-	-	-
<b>Cash flows from investing activities</b>			
Interest received	7,681	1,870	28
Net (decrease) increase in cash and cash equivalents	(326,799)	223,738	47,361
Cash and cash equivalents, beginning of year	326,799	84,999	-
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ 308,737</b>	<b>\$ 47,361</b>

<b>Foreclosure</b>	<b>Jail Commissary</b>	<b>Transit</b>	<b>Total</b>
\$ -	\$ 53,254	\$ 186,198	\$ 2,113,049
(9,907)	(58,952)	(384,587)	(508,838)
-	-	(458,490)	(458,490)
(9,907)	(5,698)	(656,879)	1,145,721
-	-	-	(583,484)
-	-	443,079	443,079
-	-	538,659	538,659
-	-	-	(1,300,000)
-	-	981,738	(901,746)
-	-	4,179	4,179
-	-	(38,278)	(38,278)
-	-	(34,099)	(34,099)
3,254	-	21,574	34,407
(6,653)	(5,698)	312,334	244,283
197,984	21,561	532,188	1,163,531
\$ 191,331	\$ 15,863	\$ 844,522	\$ 1,407,814

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**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds (Concluded)**  
**For the Year Ended December 31, 2008**

	<b>2005</b>	<b>2006</b>	<b>2008</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 income (loss)	\$ 23,299	\$ 194,659	\$ 2,749
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Changes in:			
Accounts receivable	-	-	-
Taxes receivable	236,040	1,317,159	(78,603)
Accounts payable	(335)	50	-
Accrued liabilities	-	-	-
Due to other funds	-	-	123,187
 Net cash provided by (used in) operating activities	 \$ 259,004	 \$ 1,511,868	 \$ 47,333

<b>Foreclosure</b>	<b>Jail Commissary</b>	<b>Transit</b>	<b>Total</b>
\$ (10,307)	\$ (6,593)	\$ (793,625)	\$ (589,818)
-	-	132,682	132,682
-	218	(2,471)	(2,253)
-	-	-	1,474,596
400	677	(636)	156
-	-	7,171	7,171
-	-	-	123,187
<b>\$ (9,907)</b>	<b>\$ (5,698)</b>	<b>\$ (656,879)</b>	<b>\$ 1,145,721</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2008**

	<b>Data Processing</b>	<b>Telephone</b>	<b>Vehicle</b>	<b>Workers' Compensation</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 425,291	\$ 79,992	\$ 440,536	\$ 235,382
Accounts receivable	-	-	-	11,550
Due from other funds	-	3,601	-	-
Total current assets	<u>425,291</u>	<u>83,593</u>	<u>440,536</u>	<u>246,932</u>
Noncurrent assets:				
Capital assets not being depreciated	13,879	-	-	-
Capital assets being depreciated, net	66,062	-	317,343	-
Total noncurrent assets	<u>79,941</u>	<u>-</u>	<u>317,343</u>	<u>-</u>
Total assets	<u>505,232</u>	<u>83,593</u>	<u>757,879</u>	<u>246,932</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,797	2,890	-	1,947
Due to other funds	-	-	-	-
Total liabilities (all current)	<u>1,797</u>	<u>2,890</u>	<u>-</u>	<u>1,947</u>
<b>Net assets</b>				
Invested in capital assets	79,941	-	317,343	-
Unrestricted	<u>423,494</u>	<u>80,703</u>	<u>440,536</u>	<u>244,985</u>
Total net assets	<u>\$ 503,435</u>	<u>\$ 80,703</u>	<u>\$ 757,879</u>	<u>\$ 244,985</u>

<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>
\$ 811,237	\$ 60,803	\$ 393,025	\$ 6,954	\$ 844,935	\$ 38,032	\$ 32,542	\$ 3,368,729
-	-	-	-	-	-	-	11,550
-	-	2,811	-	-	73,604	-	80,016
811,237	60,803	395,836	6,954	844,935	111,636	32,542	3,460,295
-	-	-	-	-	-	-	13,879
-	-	-	-	-	-	-	383,405
-	-	-	-	-	-	-	397,284
811,237	60,803	395,836	6,954	844,935	111,636	32,542	3,857,579
93,703	-	-	-	-	-	-	100,337
-	-	4,500	-	-	5,800	-	10,300
93,703	-	4,500	-	-	5,800	-	110,637
-	-	-	-	-	-	-	397,284
717,534	60,803	391,336	6,954	844,935	105,836	32,542	3,349,658
\$ 717,534	\$ 60,803	\$ 391,336	\$ 6,954	\$ 844,935	\$ 105,836	\$ 32,542	\$ 3,746,942

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Revenue, Expenses**  
**and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2008**

	<b>Data Processing</b>	<b>Telephone</b>	<b>Vehicle</b>	<b>Workers' Compensation</b>	<b>Health Insurance</b>
<b>Operating revenue</b>					
Charges for services	\$ 631	\$ 43,272	\$ -	\$ 141,184	\$ 2,220,483
Other revenue	-	-	-	27	-
Total operating revenue	631	43,272	-	141,211	2,220,483
<b>Operating expense</b>					
Operations	75,156	37,496	127,794	223,795	2,000,218
Depreciation	26,972	-	31,113	-	-
Other expense	902	-	-	-	-
Total operating expense	103,030	37,496	158,907	223,795	2,000,218
Operating (loss) income	(102,399)	5,776	(158,907)	(82,584)	220,265
<b>Non-operating revenue</b>					
Interest revenue	-	-	-	-	-
(Loss) income before transfers	(102,399)	5,776	(158,907)	(82,584)	220,265
<b>Other financing sources</b>					
Transfers in	-	-	2,800	-	356,492
Change in net assets	(102,399)	5,776	(156,107)	(82,584)	576,757
Net assets, beginning of year	605,834	74,927	913,986	327,569	140,777
<b>Net assets, end of year</b>	<b>\$ 503,435</b>	<b>\$ 80,703</b>	<b>\$ 757,879</b>	<b>\$ 244,985</b>	<b>\$ 717,534</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>
\$ 105,236	\$ (293,126)	\$ 20,899	\$ 1,822,981	\$ 141,306	\$ 21,559	\$ 4,224,425
-	-	-	-	-	-	27
105,236	(293,126)	20,899	1,822,981	141,306	21,559	4,224,452
68,232	1,092,981	13,945	1,621,387	66,099	10,834	5,337,937
-	-	-	-	-	-	58,085
-	-	-	-	-	-	902
68,232	1,092,981	13,945	1,621,387	66,099	10,834	5,396,924
37,004	(1,386,107)	6,954	201,594	75,207	10,725	(1,172,472)
-	103,423	-	-	-	-	103,423
37,004	(1,282,684)	6,954	201,594	75,207	10,725	(1,069,049)
-	-	-	467,093	-	-	826,385
37,004	(1,282,684)	6,954	668,687	75,207	10,725	(242,664)
23,799	1,674,020	-	176,248	30,629	21,817	3,989,606
\$ 60,803	\$ 391,336	\$ 6,954	\$ 844,935	\$ 105,836	\$ 32,542	\$ 3,746,942

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2008**

	<u>Data</u> <u>Processing</u>	<u>Telephone</u>	<u>Vehicle</u>	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>
<b>Cash flows from operating activities</b>					
Cash received from interfund services	\$ 631	\$ 43,272	\$ -	\$ 141,211	\$ 2,220,483
Cash payments to suppliers for goods and services	(89,634)	690	-	(11,550)	93,703
Cash payments to employees for services	-	(37,496)	(127,794)	(227,183)	(2,000,218)
Net cash (used in) provided by operating activities	(89,003)	6,466	(127,794)	(97,522)	313,968
<b>Cash flows from non-capital financing activities</b>					
Transfers in	-	-	2,800	-	356,492
<b>Cash flows from capital and related financing activities</b>					
Purchase of capital assets	(62,411)	-	(49,792)	-	-
<b>Cash flows from investing activities</b>					
Interest income	-	-	-	-	-
Net (decrease) increase in cash and cash equivalents	(151,414)	6,466	(174,786)	(97,522)	670,460
Cash and cash equivalents, beginning of year	576,705	73,526	615,322	332,904	140,777
<b>Cash and cash equivalents, end of year</b>	<b>\$ 425,291</b>	<b>\$ 79,992</b>	<b>\$ 440,536</b>	<b>\$ 235,382</b>	<b>\$ 811,237</b>
<b>Cash flows from operating activities</b>					
Operating (loss) income	\$ (102,399)	\$ 5,776	\$ (158,907)	\$ (82,584)	\$ 220,265
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation expense	26,972	-	31,113	-	-
(Increase) decrease in:					
Accounts receivable	-	-	-	(11,550)	-
Prepays	-	-	-	-	-
Negative equity in cash and cash equivalents	-	-	-	-	-
Accounts payable	(13,576)	690	-	(3,388)	93,703
Accrued expenses	-	-	-	-	-
Net cash (used in) provided by operating activities	\$ (89,003)	\$ 6,466	\$ (127,794)	\$ (97,522)	\$ 313,968

<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>
\$ 105,236	\$ (293,126)	\$ 20,899	\$ 1,822,981	\$ 141,306	\$ 21,559	\$ 4,224,452
-	1,102	-	-	-	-	(5,689)
(68,789)	(1,092,981)	(13,945)	(1,621,387)	(103,274)	(10,834)	(5,303,901)
36,447	(1,385,005)	6,954	201,594	38,032	10,725	(1,085,138)
-	-	-	467,093	-	-	826,385
-	-	-	-	-	-	(112,203)
-	103,423	-	-	-	-	103,423
36,447	(1,281,582)	6,954	668,687	38,032	10,725	(267,533)
24,356	1,674,607	-	176,248	-	21,817	3,636,262
\$ 60,803	\$ 393,025	\$ 6,954	\$ 844,935	\$ 38,032	\$ 32,542	\$ 3,368,729
\$ 37,004	\$ (1,386,107)	\$ 6,954	\$ 201,594	\$ 75,207	\$ 10,725	\$ (1,172,472)
-	-	-	-	-	-	58,085
-	-	-	-	-	-	(11,550)
-	1,102	-	-	-	-	1,102
-	-	-	-	(37,175)	-	(37,175)
-	-	-	-	-	-	77,429
(557)	-	-	-	-	-	(557)
\$ 36,447	\$ (1,385,005)	\$ 6,954	\$ 201,594	\$ 38,032	\$ 10,725	\$ (1,085,138)

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2008**

	<b>Trust and Agency</b>	<b>Library</b>	<b>Inmate Trust</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 260,923	\$ 51,828	\$ 5,323	\$ 318,074
Due from other governments	11	-	-	11
<b>Total assets</b>	<b>\$ 260,934</b>	<b>\$ 51,828</b>	<b>\$ 5,323</b>	<b>\$ 318,085</b>
<b>Liabilities</b>				
Accounts payable	\$ 82,256	\$ -	\$ 5,323	\$ 87,579
Due to other governments	97,495	-	-	97,495
Undistributed receipts	81,183	51,828	-	133,011
<b>Total liabilities</b>	<b>\$ 260,934</b>	<b>\$ 51,828</b>	<b>\$ 5,323</b>	<b>\$ 318,085</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Net Assets**  
**Private Purpose Trust Funds**  
**December 31, 2008**

	<b>Cooperative Extension 4H</b>	<b>Norris Road Trees</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 16,863	\$ 7,438	\$ 24,301
<b>Net assets</b>			
Held in trust for private purposes	\$ 16,863	\$ 7,438	\$ 24,301

**BARRY COUNTY, MICHIGAN**  
**Combining Statement of Changes in Net Assets**  
**Private Purpose Trust Funds**  
**For the Year Ended December 31, 2008**

	<b>Cooperative Extension 4H</b>	<b>Norris Road Trees</b>	<b>Total</b>
<b>Additions</b>			
Intergovernmental	\$ 43,131	\$ -	\$ 43,131
<b>Deductions</b>			
Services to beneficiaries	47,127	-	47,127
Change in net assets	(3,996)	-	(3,996)
Net assets, beginning of year	20,859	7,438	28,297
<b>Net assets, end of year</b>	<b>\$ 16,863</b>	<b>\$ 7,438</b>	<b>\$ 24,301</b>

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet**  
**Drainage Districts Component Unit**  
**December 31, 2008**

	<u>Debt Service</u>	<u>Capital Projects</u>		
	<u>Algonquin Lake Dam Project</u>	<u>Regular Drain</u>	<u>Revolving Drain Maintenance</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 60,459	\$ 9,850	\$ 70,309
Investments	-	51,982	582	52,564
Special assessments receivable	-	636,454	-	636,454
Due from other funds	102,682	-	-	102,682
	<u>102,682</u>	<u>-</u>	<u>-</u>	<u>102,682</u>
 Total assets	 <u>\$ 102,682</u>	 <u>\$ 748,895</u>	 <u>\$ 10,432</u>	 <u>\$ 862,009</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 921	\$ -	\$ -	\$ 921
Due to other funds	-	102,682	-	102,682
Deferred revenue	-	445,830	-	445,830
	<u>-</u>	<u>445,830</u>	<u>-</u>	<u>445,830</u>
 Total liabilities	 921	 548,512	 -	 549,433
<b>Fund balances</b>				
Unreserved, undesignated	101,761	200,383	10,432	312,576
	<u>101,761</u>	<u>200,383</u>	<u>10,432</u>	<u>312,576</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 102,682</u>	 <u>\$ 748,895</u>	 <u>\$ 10,432</u>	 <u>\$ 862,009</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, 2008**

Fund balances - total governmental funds	\$ 312,576
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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 being depreciated, net	1,686,398
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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	445,830
--	---------

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	(323,847)
Subtract: accrued interest payable	(7,830)
	(331,677)

Net assets	\$ 2,113,127
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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, 2008**

	<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	\$ -	\$ 70,000	\$ -	\$ 70,000
Special assessments	-	452,115	-	452,115
Interest	11	3,551	218	3,780
<b>Total revenue</b>	<u>11</u>	<u>525,666</u>	<u>218</u>	<u>525,895</u>
<b>Expenditures</b>				
Current:				
Public works	121	532,518	-	532,639
Debt service:				
Principal	-	181,771	-	181,771
Interest	-	7,346	-	7,346
<b>Total expenditures</b>	<u>121</u>	<u>721,635</u>	<u>-</u>	<u>721,756</u>
Revenue (under) over expenditures	(110)	(195,969)	218	(195,861)
<b>Other financing sources</b>				
Issuance of long-term debt	-	232,000	-	232,000
Net changes in fund balances	(110)	36,031	218	36,139
Fund balances, beginning of year	<u>101,871</u>	<u>164,352</u>	<u>10,214</u>	<u>276,437</u>
<b>Fund balances, end of year</b>	<u>\$ 101,761</u>	<u>\$ 200,383</u>	<u>\$ 10,432</u>	<u>\$ 312,576</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, 2008**

Net change in fund balances - total governmental funds \$ 36,139

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	439,074
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	181,071
Add: adjustment to agree long-term debt to final amortization schedule	34,965
Subtract: issuance of long-term debt	(232,000)

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.

Add: change in deferred special assessments receivable	346,749
--	---------

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.

Subtract: change in accrued interest payable	(329)
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Change in net assets	\$ 767,254
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**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet - Governmental Funds**  
**Board of Public Works Component Unit**  
**December 31, 2008**

**Debt Service**

	<b>2004</b>				
	<b>Fawn Lake Sewer Debt</b>	<b>Southwest Barry/Fair Lake Sewer</b>	<b>1994 Middleville Sewer</b>	<b>1999 Middleville Sewer</b>	<b>Southwest Barry County Sewer</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 669	\$ 355	\$ 50	\$ -	\$ 10,389
Special assessments receivable	-	-	-	-	-
Leases receivable	449,655	589,615	-	708,113	1,658,329
Due from other governments	-	-	-	300	-
<b>Total assets</b>	<b>\$ 450,324</b>	<b>\$ 589,970</b>	<b>\$ 50</b>	<b>\$ 708,413</b>	<b>\$ 1,668,718</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 133	\$ -
Deferred revenue	449,655	589,615	-	708,113	1,658,329
<b>Total liabilities</b>	<b>449,655</b>	<b>589,615</b>	<b>-</b>	<b>708,246</b>	<b>1,658,329</b>
<b>Fund balances</b>					
Unreserved, undesignated	669	355	50	167	10,389
<b>Total liabilities and fund balances</b>	<b>\$ 450,324</b>	<b>\$ 589,970</b>	<b>\$ 50</b>	<b>\$ 708,413</b>	<b>\$ 1,668,718</b>

<b>Debt Service</b>					<b>Capital Projects</b>	
<b>2003 Middleville Sewer</b>	<b>Yankee Springs Debt</b>	<b>Yankee Springs Arsenic Debt</b>	<b>Middleville Sewer Debt 2006A</b>	<b>Middleville Sewer Debt 2006B</b>	<b>2006 Middleville Water System</b>	<b>Fawn Lake Sewer Construction</b>
\$ 3,476	\$ 451	\$ 2,941	\$ 1,554	\$ 515	\$ 4,825	\$ 33,298
-	-	-	-	-	-	-
1,181,649	546,677	432,284	1,005,313	185,983	-	-
-	-	-	-	-	-	-
<b>\$ 1,185,125</b>	<b>\$ 547,128</b>	<b>\$ 435,225</b>	<b>\$ 1,006,867</b>	<b>\$ 186,498</b>	<b>\$ 4,825</b>	<b>\$ 33,298</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,181,649	546,677	432,284	1,005,313	185,983	-	-
1,181,649	546,677	432,284	1,005,313	185,983	-	-
3,476	451	2,941	1,554	515	4,825	33,298
<b>\$ 1,185,125</b>	<b>\$ 547,128</b>	<b>\$ 435,225</b>	<b>\$ 1,006,867</b>	<b>\$ 186,498</b>	<b>\$ 4,825</b>	<b>\$ 33,298</b>

continued...

**BARRY COUNTY, MICHIGAN**  
**Combining Balance Sheet - Governmental Funds (Concluded)**  
**Board of Public Works Component Unit**  
**December 31, 2008**

	Capital Projects			Total
	Yankee Springs Water Tower	Gun Lake Weed Assessment	Yankee Springs Arsenic Construction	
<b>Assets</b>				
Cash and cash equivalents	\$ 1,525	\$ 273,144	\$ 488	\$ 333,680
Special assessments receivable	-	100,000	-	100,000
Leases receivable	-	-	-	6,757,618
Due from other governments	-	-	-	300
Total assets	\$ 1,525	\$ 373,144	\$ 488	\$ 7,191,598
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 133
Deferred revenue	-	-	-	6,757,618
Total liabilities	-	-	-	6,757,751
<b>Fund balances</b>				
Unreserved, undesignated	1,525	373,144	488	433,847
<b>Total liabilities and fund balances</b>	\$ 1,525	\$ 373,144	\$ 488	\$ 7,191,598

**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, 2008**

Fund balances - total governmental funds	\$ 433,847
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Amounts reported for *governmental activities* 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	6,757,618
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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 loans payable	(6,713,281)
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Subtract: accrued interest payable	<u>(44,337)</u>
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Net assets	<u><u>\$ 433,847</u></u>
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**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, 2008**

	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	\$ 39,031	\$ 89,040	\$ -	\$ 84,875	\$ 860,575
Interest	28	187	-	75	1,950
Special assessments	-	-	-	-	-
<b>Total revenue</b>	<b>39,059</b>	<b>89,227</b>	<b>-</b>	<b>84,950</b>	<b>862,525</b>
<b>Expenditures</b>					
Current:					
Public works	321	-	-	-	-
Debt service:					
Principal	20,000	60,000	-	50,000	800,000
Interest	19,031	29,340	-	34,875	60,575
<b>Total expenditures</b>	<b>39,352</b>	<b>89,340</b>	<b>-</b>	<b>84,875</b>	<b>860,575</b>
Net changes in fund balances	(293)	(113)	-	75	1,950
Fund balances, beginning of year	962	468	50	92	8,439
<b>Fund balances, end of year</b>	<b>\$ 669</b>	<b>\$ 355</b>	<b>\$ 50</b>	<b>\$ 167</b>	<b>\$ 10,389</b>

<b>Debt Service</b>					<b>Capital Projects</b>	
<b>2003 Middleville Sewer</b>	<b>Yankee Springs Debt</b>	<b>Yankee Springs Arsenic Debt</b>	<b>Middleville Sewer Debt 2006A</b>	<b>Middleville Sewer Debt 2006B</b>	<b>2006 Middleville Water System</b>	<b>Fawn Lake Sewer Construction</b>
\$ 214,145	\$ 38,979	\$ 29,562	\$ 61,675	\$ 14,144	\$ -	\$ 2,000
535	51	38	33	13	82	587
-	-	-	-	-	-	-
214,680	39,030	29,600	61,708	14,157	82	2,587
250	-	-	-	-	-	5,710
170,000	25,000	20,000	40,000	10,000	-	-
44,145	14,207	10,192	21,515	4,144	-	-
214,395	39,207	30,192	61,515	14,144	-	5,710
285	(177)	(592)	193	13	82	(3,123)
3,191	628	3,533	1,361	502	4,743	36,421
\$ 3,476	\$ 451	\$ 2,941	\$ 1,554	\$ 515	\$ 4,825	\$ 33,298

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, 2008**

	<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>Revenue</b>				
Intergovernmental - local	\$ -	\$ -	\$ -	\$ 1,434,026
Interest	-	8,897	19	12,495
Special assessments	-	106,862	-	106,862
<b>Total revenue</b>	<b>-</b>	<b>115,759</b>	<b>19</b>	<b>1,553,383</b>
<b>Expenditures</b>				
Current:				
Public works	-	70,274	7,759	84,314
Debt service:				
Principal	-	-	-	1,195,000
Interest	-	-	-	238,024
<b>Total expenditures</b>	<b>-</b>	<b>70,274</b>	<b>7,759</b>	<b>1,517,338</b>
Net changes in fund balances	-	45,485	(7,740)	36,045
Fund balances, beginning of year	1,525	327,659	8,228	397,802
<b>Fund balances, end of year</b>	<b>\$ 1,525</b>	<b>\$ 373,144</b>	<b>\$ 488</b>	<b>\$ 433,847</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, 2008**

Net change in fund balances - total governmental funds	\$ 36,045
Amounts reported for <i>governmental activities</i> in the statement of activities are different	
<p>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-</p>	
Add: principal payments on long-term liabilities	1,195,000
<p>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.</p>	
Add: change in accrued interest payable on long-term debt	6,244
Subtract: change in deferred leases receivable	<u>(1,201,244)</u>
Change in net assets	<u>\$ 36,045</u>

**BARRY COUNTY, MICHIGAN**  
**Balance Sheet**  
**Economic Development Board Component Unit**  
**December 31, 2008**

<b>Assets</b>	
Cash and cash equivalents	\$ <u>          -</u>
<b>Liabilities and fund balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ -
<b>Fund balances</b>	
Unreserved, undesignated	<u>          -</u>
<b>Total liabilities and fund balances</b>	<u>\$ <u>          -</u></u>

**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**Economic Development Board Component Unit**  
**For the Year Ended December 31, 2008**

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

**BARRY COUNTY, MICHIGAN**  
**Balance Sheet**  
**Airport Commission Component Unit**  
**December 31, 2008**

**Assets**

Cash and cash equivalents	\$ 7,348
Inventories	<u>17,009</u>
 Total assets	 <u><u>\$ 24,357</u></u>

**Liabilities and fund balances**

**Liabilities**

Accounts payable	\$ 7,348
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**Fund balances**

Reserved for inventories	<u>17,009</u>
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<b>Total liabilities and fund balances</b>	 <u><u>\$ 24,357</u></u>
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**BARRY COUNTY, MICHIGAN**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**on the Statement of Net Assets**  
**Airport Commission Component Unit**  
**December 31, 2008**

Fund balances - total governmental fund	\$ 17,009
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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	1,481,787

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	(34,848)
Subtract: accrued interest payable	<u>(534)</u>

Net assets	<u><u>\$ 1,748,414</u></u>
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**BARRY COUNTY, MICHIGAN**  
**Statement of Revenue, Expenditures and Changes in**  
**Funds Balances**  
**Airport Commission Component Unit**  
**For the Year Ended December 31, 2008**

<b>Revenue</b>	
Intergovernmental	\$ 114,138
Charges for services	<u>143,829</u>
Total revenue	<u>257,967</u>
<b>Expenditures</b>	
Current:	
Public works	228,258
Debt service:	
Principal	10,609
Interest	<u>2,091</u>
Total expenditures	<u>240,958</u>
Net changes in fund balances	17,009
Fund balances, beginning of year	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 17,009</u></u>

**BARRY COUNTY, MICHIGAN**  
**Reconciliation of the Statement of Revenue, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**on the Statement of Activities**  
**Airport Commission Component Unit**  
**For the Year Ended December 31, 2008**

Net change in fund balances - total governmental funds \$ 17,009

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: donated capital assets	1,312,152
Subtract: depreciation expense	(146,144)

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 debt	10,609
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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	<u>160</u>
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Change in net assets	<u><u>\$ 1,193,786</u></u>
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