

COUNTY OF BARRY, MICHIGAN



ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2010



COUNTY OF BARRY, MICHIGAN
Annual Financial Report
For the Year Ended December 31, 2010

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INDEPENDENT AUDITORS' REPORT

May 2, 2011

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, 2010, 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), or the Barry County Transit. The Barry County Road Commission represents 78% 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 is presented as a nonmajor enterprise fund, and represents 15% and 13% of the total assets and revenue, respectively, of the aggregate remaining 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, and the Barry County Transit, 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, 2010, 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 3-10 and the Required Supplementary Information on page 75 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 May 2, 2011, on our consideration of the County of Barry, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

A handwritten signature in cursive script, reading "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, 2010. 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 \$47,458,817 (net assets). Of this amount, \$4,132,243 (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 \$2,232,069.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,480,102, a decrease of \$793,035 in comparison with the prior year. Approximately 99.8 percent of this total amount, or \$12,449,035, 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 14.4 percent of total general fund expenditures and transfers out.
- Total bonded debt of the primary government showed a net decrease of \$1,220,000 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 11-13 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, and the Thornapple Manor addition building authority debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 14-25 of this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent tax umbrella fund, 2009 and 2010 delinquent tax funds, and Thornapple Manor fund, all of which are considered to be major funds of Barry County.

The basic proprietary fund financial statements can be found on pages 26-33 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 34-35 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 40-74 of this report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 76-164 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 \$47,458,817 at the close of the most recent fiscal year.

Barry County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 20,665,085	\$ 21,938,089	\$ 16,498,951	\$ 15,782,374	\$ 37,164,036	\$ 37,720,463
Capital assets, net	13,391,298	13,091,341	22,711,102	23,317,798	36,102,400	36,409,139
Total assets	34,056,383	35,029,430	39,210,053	39,100,172	73,266,436	74,129,602
Liabilities						
Long-term liabilities	19,182,529	20,343,791	460,186	579,785	19,642,715	20,923,576
Other liabilities	4,832,217	5,551,076	1,332,687	2,428,202	6,164,904	7,979,278
Total liabilities	24,014,746	25,894,867	1,792,873	3,007,987	25,807,619	28,902,854
Net assets						
Invested in capital assets, net of related debt	12,024,320	11,419,706	22,561,102	23,017,798	34,585,422	34,437,504
Restricted	8,741,152	9,437,298	-	-	8,741,152	9,437,298
Unrestricted (deficit)	(10,723,835)	(11,722,441)	14,856,078	13,074,387	4,132,243	1,351,946
Total net assets	\$ 10,041,637	\$ 9,134,563	\$ 37,417,180	\$ 36,092,185	\$ 47,458,817	\$ 45,226,748

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.

Net assets of the County increased by \$2,232,069. The governmental activities increased by \$907,074 which is primarily due to a change in accounting procedures made during the current year. The change in procedures helped identify current year tax receivables more precisely, affecting the current year tax revenue. The business-type activities increase of \$1,324,995 is partially due to the 2008 and 2009 delinquent revolving funds collecting revenues related to delinquent taxes with few related expenses and Barry County Transit's net assets increasing substantially over the prior year.

Barry County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 2,105,063	\$ 2,138,326	\$ 14,820,387	\$ 14,218,555	\$ 16,925,450	\$ 16,356,881
Operating grants and contributions	4,492,120	4,236,024	612,065	715,551	5,104,185	4,951,575
Capital grants and contributions	273,128	-	108,689	675,255	381,817	675,255
General revenues:						
Property taxes	15,098,948	14,523,707	472,885	462,857	15,571,833	14,986,564
Grants and contributions not restricted to specific programs	295,145	241,293	-	-	295,145	241,293
Unrestricted investment earnings	202,540	207,946	-	-	202,540	207,946
Total revenues	<u>22,466,944</u>	<u>21,347,296</u>	<u>16,014,026</u>	<u>16,072,218</u>	<u>38,480,970</u>	<u>37,419,514</u>
Expenses						
General government	8,649,116	8,677,207	-	-	8,649,116	8,677,207
Public safety	7,035,807	6,751,011	-	-	7,035,807	6,751,011
Public works	248,104	665,804	-	-	248,104	665,804
Health and welfare	3,729,701	3,810,360	-	-	3,729,701	3,810,360
Recreation and cultural	681,169	659,359	-	-	681,169	659,359
Other governmental activities	369,797	390,815	-	-	369,797	390,815
Interest on long-term debt	846,176	885,856	-	-	846,176	885,856
Delinquent tax administration	-	-	67,128	69,719	67,128	69,719
Thornapple Manor	-	-	13,624,450	12,963,997	13,624,450	12,963,997
Other	-	-	997,453	958,101	997,453	958,101
Total expenses	<u>21,559,870</u>	<u>21,840,412</u>	<u>14,689,031</u>	<u>13,991,817</u>	<u>36,248,901</u>	<u>35,832,229</u>
Change in net assets before transfers	907,074	(493,116)	1,324,995	2,080,401	2,232,069	1,587,285
Transfers	-	(870,732)	-	870,732	-	-
Change in net assets	907,074	(1,363,848)	1,324,995	2,951,133	2,232,069	1,587,285
Net assets, beginning of year	<u>9,134,563</u>	<u>10,498,411</u>	<u>36,092,185</u>	<u>33,141,052</u>	<u>45,226,748</u>	<u>43,639,463</u>
Net assets, end of year	<u>\$ 10,041,637</u>	<u>\$ 9,134,563</u>	<u>\$ 37,417,180</u>	<u>\$ 36,092,185</u>	<u>\$ 47,458,817</u>	<u>\$ 45,226,748</u>

Governmental activities

During the year, the County invested \$8,649,116 or 31.8% of governmental activities expenses to general government activities. Public safety expenditures totaled \$7,035,807 or 32.6% of governmental activities expenses. Health and welfare was \$3,729,701 or 17.3%. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 18.3% of governmental activities expenses.

Business-type activities. Business-type activities increased the County's net assets by \$1,324,995. Key elements of this increase are as follows:

- 2008 and 2009 Delinquent Tax Revolving funds, collecting delinquent taxes with few related expenses.
- Capital grants recognized in the current year in the Transit fund while assets purchased are depreciated over several years.

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 \$12,480,102, a decrease of \$793,035 in comparison with the prior year. Approximately 99.8% of this total amount constitutes *unreserved fund balance*. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed, this case, for cemetery perpetual care.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,145,917. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 14.4% 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 \$1,324,995. Key elements of this changed have been addressed elsewhere in this analysis.

General Fund Budgetary Highlights

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

- Expenditures related insurance and bonds were over budget due to a year-end adjustment to provide resources to the health insurance internal service fund.
- 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, 2010, amounted to \$36,102,400 (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	
	<u>Activities</u>		<u>Activities</u>		<u>2010</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
					\$	
Land	\$2,734,208	\$2,734,208	\$ -	\$ -	2,734,208	\$ 2,734,208
Construction in progress	731,124	73,627	-	-	731,124	73,627
Land improvements	352,109	378,778	1,316,637	1,320,084	1,668,746	1,698,862
Buildings and improvements	7,927,745	8,119,389	18,042,544	18,445,821	25,970,289	26,565,210
Machinery and equipment	1,646,112	1,785,339	3,351,921	3,551,893	4,998,033	5,337,232
Total	<u>\$13,391,298</u>	<u>\$13,091,341</u>	<u>\$22,711,102</u>	<u>\$23,371,798</u>	<u>\$ 36,102,400</u>	<u>\$ 36,409,139</u>

Additional information on Barry County's capital assets can be found in Note III.E. on pages 56-59 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$19,642,715. Of this amount, \$19,182,529 was debt of governmental activities and \$460,186 was debt of business-type activities.

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Compensated absences	\$ 500,551	\$ 516,194	\$ 310,186	\$ 279,785	\$ 810,737	\$ 795,979
Bonds and notes payable	18,681,978	19,781,635	150,000	300,000	18,831,978	20,081,635
Total	<u>\$ 19,182,529</u>	<u>\$ 20,297,829</u>	<u>\$ 460,186</u>	<u>\$ 579,785</u>	<u>\$ 19,642,715</u>	<u>\$ 20,877,614</u>

Additional information on the County's long-term debt can be found in Note III.F. on pages 60-65 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2011:

In order to maintain financial stability over the long term, the budgeting practice in Barry County is not only to adopt a balanced budget as required by law, but to budget in a manner such that actual expenses do not exceed actual revenues on an annual basis. This practice has allowed Barry County to be structurally prepared for the difficult economic times without resorting to crisis-management.

In 2009 Barry County recognized that property tax revenue would begin to decline as a result of declining housing values and the economy. In 2010 the county engaged the Michigan State University State and Local Government Program to prepare a Financial Analysis and Forecast Report. The purpose of the report was to provide Barry County's decision makers with an overview of the county's general fund finances from 2004 to 2009 and a prospective view, or forecast, of finances through 2015 to serve as a guideline for future planning.

Based on the results of the study, the county planned for a 2.79% decline in property tax revenues for 2011 and is planning for a 3.31% decline in 2012. Property tax revenues are projected to further decline through 2014 and begin to grow in 2015. The county is planning to adopt a multi-year budget beginning in 2012 and is using the MSU study as the primary source for forecasting revenue estimates through 2015.

The County budget for 2011 continues to be challenged by some significant factors including state and federal revenue sources that have seen little or no growth, declining property tax revenue and growing costs associated with benefits. Although revenue estimates are based on the best information available, there is a fair amount of uncertainty, especially in the area of state revenue.

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

The revenue sharing reserve fund as a replacement for state revenue sharing is expected to last through mid 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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 8,457,312	\$ 6,412,943	\$ 14,870,255	\$ 5,421,191
Investments	6,344,028	4,785,283	11,129,311	44,909
Receivables, net	5,159,760	5,944,353	11,104,113	8,941,364
Internal balances	703,985	(703,985)	-	-
Inventories	-	-	-	1,059,647
Prepays and other assets	-	60,357	60,357	-
Capital assets not being depreciated	3,465,332	-	3,465,332	17,759,014
Capital assets being depreciated, net	9,925,966	22,711,102	32,637,068	19,175,633
Total assets	34,056,383	39,210,053	73,266,436	52,401,758
Liabilities				
Accounts payable and accrued liabilities	776,339	1,332,687	2,109,026	554,298
Unearned revenue	3,889,623	-	3,889,623	-
Long-term liabilities:				
Due within one year	1,366,961	246,135	1,613,096	1,503,822
Due in more than one year	17,815,568	214,051	18,029,619	7,514,866
Net other postemployment benefits obligation	166,255	-	166,255	-
Total liabilities	24,014,746	1,792,873	25,807,619	9,572,986
Net assets				
Invested in capital assets, net of related debt	12,024,320	22,561,102	34,585,422	36,732,163
Restricted for:				
Property tax acceleration	1,817,124	-	1,817,124	-
Health and welfare programs	3,546,013	-	3,546,013	-
Public safety programs	2,001,557	-	2,001,557	-
Public works programs	120,055	-	120,055	-
Recreation and cultural programs	145,619	-	145,619	-
Other state mandated programs	1,079,717	-	1,079,717	-
Cemetery perpetual care:				
Nonexpendable	30,925	-	30,925	-
Expendable	142	-	142	-
Unrestricted (deficit)	(10,723,835)	14,856,078	4,132,243	6,096,609
Total net assets	\$ 10,041,637	\$ 37,417,180	\$ 47,458,817	\$ 42,828,772

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

BARRY COUNTY, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 8,649,116	\$ 1,575,342	\$ 1,841,002	\$ -	\$ (5,232,772)
Public safety	7,035,807	239,472	837,736	93,303	(5,865,296)
Public works	248,104	5,301	145,944	-	(96,859)
Health and welfare	3,729,701	169,863	1,552,498	-	(2,007,340)
Recreation and cultural	681,169	110,296	89,153	179,825	(301,895)
Community and economic development	369,797	4,789	25,787	-	(339,221)
Interest on long-term debt	846,176	-	-	-	(846,176)
Total governmental activities	<u>21,559,870</u>	<u>2,105,063</u>	<u>4,492,120</u>	<u>273,128</u>	<u>(14,689,559)</u>
Business-type activities:					
Delinquent tax administration	67,128	854,854	89,628	-	877,354
Thornapple Manor	13,624,450	13,715,085	-	-	90,635
Other	997,453	250,448	522,437	108,689	(115,879)
Total business-type activities	<u>14,689,031</u>	<u>14,820,387</u>	<u>612,065</u>	<u>108,689</u>	<u>852,110</u>
Total primary government	<u>\$ 36,248,901</u>	<u>\$ 16,925,450</u>	<u>\$ 5,104,185</u>	<u>\$ 381,817</u>	<u>\$ (13,837,449)</u>
Component units					
Road Commission	\$ 7,164,283	\$ 24,502	\$ 4,465,073	\$ 7,948,757	\$ 5,274,049
Drainage Districts	167,456	178,819	-	-	11,363
Board of Public Works	4,502,450	99,086	4,475,040	-	71,676
Economic Development Board	85,752	-	85,752	-	-
Airport Commission	321,942	147,945	102,946	67,265	(3,786)
Total component units	<u>\$ 12,241,883</u>	<u>\$ 450,352</u>	<u>\$ 9,128,811</u>	<u>\$ 8,016,022</u>	<u>\$ 5,353,302</u>

continued...

BARRY COUNTY, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2010

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (14,689,559)	\$ 852,110	\$ (13,837,449)	\$ 5,353,302
General revenue:				
Property taxes	15,098,948	472,885	15,571,833	-
Grants and contributions not restricted to specific programs	295,145	-	295,145	1,154,798
Unrestricted investment earnings	202,540	-	202,540	6,327
Total general revenue	15,596,633	472,885	16,069,518	1,161,125
Change in net assets	907,074	1,324,995	2,232,069	6,514,427
Net assets, beginning of year	9,134,563	36,092,185	45,226,748	36,314,345
Net assets, end of year	\$ 10,041,637	\$ 37,417,180	\$ 47,458,817	\$ 42,828,772

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

FUND FINANCIAL STATEMENTS

BARRY COUNTY, MICHIGAN

Balance Sheet Governmental Funds December 31, 2010

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
Assets				
Cash and cash equivalents	\$ -	\$ 1,202,286	\$ 638,973	\$ 150,205
Investments	5,474,417	838,544	-	-
Receivables:				
Accounts, net	100	-	-	-
Taxes	210,164	1,008,824	825,033	1,257,897
Leases	-	-	-	-
Due from other governments	224,557	-	58,458	-
Due from other funds	699,766	-	-	-
Total assets	<u>\$ 6,609,004</u>	<u>\$ 3,049,654</u>	<u>\$ 1,522,464</u>	<u>\$ 1,408,102</u>
Liabilities and fund balances				
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ 2,361,203	\$ -	\$ -	\$ -
Accounts payable	89,183	7,514	9,330	-
Accrued liabilities	238,435	43,406	33,443	-
Due to other funds	1,774,266	-	-	-
Deferred revenue	-	1,130,877	924,869	1,408,102
Total liabilities	<u>4,463,087</u>	<u>1,181,797</u>	<u>967,642</u>	<u>1,408,102</u>
Fund balances				
Reserved for cemetery perpetual care:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unreserved:				
Undesignated	2,145,917	1,867,857	554,822	-
Undesignated, reported in nonmajor:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	<u>2,145,917</u>	<u>1,867,857</u>	<u>554,822</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,609,004</u>	<u>\$ 3,049,654</u>	<u>\$ 1,522,464</u>	<u>\$ 1,408,102</u>

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

Nonmajor Governmental		
Funds	Totals	
<hr/>		
\$ 5,759,618	\$ 7,751,082	
31,067	6,344,028	
-	100	
379,819	3,681,737	
266,491	266,491	
746,511	1,029,526	
1,778,485	2,478,251	
<hr/>		
\$ 8,961,991	\$ 21,551,215	
<hr/>		

\$ 268,986	\$ 2,630,189
21,316	127,343
67,917	383,201
-	1,774,266
692,266	4,156,114
<hr/>	
1,050,485	9,071,113
<hr/>	

30,925	30,925
142	142
-	4,568,596
7,827,255	7,827,255
36,897	36,897
16,287	16,287
<hr/>	
7,911,506	12,480,102
<hr/>	
\$ 8,961,991	\$ 21,551,215
<hr/>	

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, 2010

Fund balances - total governmental funds	\$ 12,480,102
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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.

Capital assets not being depreciated	3,465,332
Capital assets being depreciated, net	9,410,642

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.

Deferred lease receivable	266,491
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Net assets of governmental activities accounted for in internal service funds	3,959,723
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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.

Bonds and leases payable	(18,681,978)
Compensated absences	(500,551)
Accrued interest on long-term liabilities	(191,869)
Net other postemployment benefits (OPEB) obligation	(166,255)

Net assets of governmental activities	<u><u>\$ 10,041,637</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, 2010

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
Revenue				
Taxes	\$ 10,734,014	\$ 1,680,852	\$ 940,407	\$ 1,309,879
Intergovernmental	1,041,975	204,235	359,144	-
Licenses and permits	135,211	-	-	-
Charges for services	1,319,147	-	153,009	-
Fines and forfeits	31,358	-	-	-
Interest and rentals	180,149	25,783	-	827
Other revenue	190,897	91	39,871	-
Total revenue	13,632,751	1,910,961	1,492,431	1,310,706
Expenditures				
Current:				
General government	5,655,999	-	-	1,721
Public safety	4,633,031	1,449,197	-	-
Public works	161	-	-	-
Health and welfare	978,937	-	1,294,597	-
Community and economic development	381,925	-	-	-
Recreation and cultural	-	-	-	-
Other	823,254	-	-	-
Debt service:				
Principal	29,657	-	-	550,000
Interest expense	9,506	-	-	767,563
Capital outlay	23,574	633,906	69,950	-
Total expenditures	12,536,044	2,083,103	1,364,547	1,319,284
Revenue over (under) expenditures	1,096,707	(172,142)	127,884	(8,578)
Other financing sources (uses)				
Proceeds on sale of capital assets	-	-	-	-
Transfers in	1,259,457	-	5,000	8,578
Transfers out	(2,356,164)	-	(500,000)	-
Total other financing sources (uses)	(1,096,707)	-	(495,000)	8,578
Net change in fund balances	-	(172,142)	(367,116)	-
Fund balances, beginning of year	2,145,917	2,039,999	921,938	-
Fund balances, end of year	\$ 2,145,917	\$ 1,867,857	\$ 554,822	\$ -

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

Nonmajor Governmental		
Funds	Totals	
<hr/>		
\$ 433,796	\$ 15,098,948	
3,309,347	4,914,701	
-	135,211	
278,555	1,750,711	
450	31,808	
7,200	213,959	
78,491	309,350	
<hr/>		
4,107,839	22,454,688	
<hr/>		
1,332,386	6,990,106	
543,211	6,625,439	
245,409	245,570	
1,084,813	3,358,347	
-	381,925	
617,808	617,808	
-	823,254	
520,000	1,099,657	
76,797	853,866	
627,668	1,355,098	
<hr/>		
5,048,092	22,351,070	
<hr/>		
(940,253)	103,618	
<hr/>		
26,180	26,180	
1,951,599	3,224,634	
(1,291,303)	(4,147,467)	
<hr/>		
686,476	(896,653)	
<hr/>		
(253,777)	(793,035)	
8,165,283	13,273,137	
<hr/>		
\$ 7,911,506	\$ 12,480,102	
<hr/>		

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, 2010

Net change in fund balances - total governmental funds \$ (793,035)

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.

Acquisition/construction of capital assets	957,790
Loss on disposal of capital assets	9,375
Proceeds from sale of capital assets	(26,180)
Depreciation expense	(723,836)

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

Change in lease receivable	(246,265)
Change in other long-term receivables	(20,974)

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.

Principal payments on long-term liabilities	1,099,657
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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.

Change in accrued interest on bonds	7,690
Change in the accrual of compensated absences	15,643
Change in net other postemployment benefits (OPEB) obligation	(120,293)

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:

Intergovernmental revenue from governmental internal service funds	59,978
Interest revenue from governmental internal service funds	33,230
Loss on disposal of capital assets in internal services funds	(3,414)
Transfers into internal service funds	922,833
Net operating loss from governmental activities accounted for in internal service funds	(265,125)

Change in net assets of governmental activities	\$ 907,074
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The accompanying notes are an integral part of these financial statements.

BARRY COUNTY, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes				
Real and personal property taxes	\$ 10,046,497	\$ 10,050,497	\$ 10,723,911	\$ 673,414
Other taxes	9,027	9,027	10,103	1,076
Total taxes	10,055,524	10,059,524	10,734,014	674,490
Intergovernmental				
Federal grants	208,471	250,601	252,251	1,650
State grants	747,810	784,940	755,274	(29,666)
Contributions from local governments	-	34,450	34,450	-
Total intergovernmental	956,281	1,069,991	1,041,975	(28,016)
Licenses and permits				
Gun permits	9,000	18,000	15,974	(2,026)
Dog licenses	87,710	87,710	86,012	(1,698)
Marriage license fees	8,250	8,250	8,080	(170)
Planning services	40,000	25,000	25,145	145
Total licenses and permits	144,960	138,960	135,211	(3,749)
Charges for services				
Circuit Court	135,860	138,860	142,093	3,233
District Court	504,000	458,876	482,741	23,865
Friend of the Court	48,000	49,000	45,827	(3,173)
Probate Court	21,000	32,500	39,538	7,038
County Treasurer	1,270	1,270	2,598	1,328
County Clerk	68,960	84,460	83,922	(538)
Register of Deeds	218,000	175,000	173,533	(1,467)
Real estate transfer tax	100,000	108,950	124,047	15,097
Mapping department	5,000	5,000	4,789	(211)
Juvenile Court	22,120	17,120	17,644	524
Sheriff	90,050	76,550	73,437	(3,113)
Record copying	76,100	66,600	77,200	10,600
Pay phone commissions	20,000	20,000	14,757	(5,243)
Other	35,825	35,600	37,021	1,421
Total charges for services	1,346,185	1,269,786	1,319,147	49,361
Fines and forfeits				
Bond forfeitures	6,000	6,000	6,810	810
Ordinance fines and costs	18,000	18,000	24,548	6,548
Total fines and forfeits	24,000	24,000	31,358	7,358

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, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue (concluded)				
Interest and rentals				
Interest revenue	\$ 200,000	\$ 200,000	\$ 163,218	\$ (36,782)
Rentals	5,400	14,400	14,400	-
Administration fees	-	2,500	2,531	31
Total interest and rentals	205,400	216,900	180,149	(36,751)
Other revenue				
Reimbursements and refunds	147,700	219,200	190,344	(28,856)
Other	600	600	553	(47)
Total other revenue	148,300	219,800	190,897	(28,903)
Total revenue	12,880,650	12,998,961	13,632,751	633,790
Expenditures				
General government				
Board of commissioners	236,497	236,497	202,866	(33,631)
Trial court	1,609,108	1,609,108	1,467,072	(142,036)
Jury board	3,798	3,798	2,874	(924)
Probate court	770,328	810,701	784,189	(26,512)
Adult probation	11,838	11,838	9,817	(2,021)
County administrator	284,309	284,309	277,294	(7,015)
Elections	122,578	122,578	87,937	(34,641)
Legal counsel	58,800	58,800	39,599	(19,201)
Clerk	426,545	426,545	402,077	(24,468)
Equalization	227,074	227,074	214,684	(12,390)
Prosecuting attorney	765,200	765,200	725,826	(39,374)
Register of deeds	187,372	187,372	185,484	(1,888)
Extraditions	5,880	5,880	2,311	(3,569)
Land information services	281,590	283,721	281,699	(2,022)
Treasurer	244,659	229,659	219,872	(9,787)
Cooperative extension	151,202	160,710	159,114	(1,596)
Courthouse and grounds	497,279	495,129	454,116	(41,013)
Building Authority	750	750	188	(562)
Drain commissioner	138,984	138,984	138,980	(4)
Total general government	6,023,791	6,058,653	5,655,999	(402,654)

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BARRY COUNTY, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Public safety				
Sheriff	\$ 2,309,722	\$ 2,404,118	\$ 2,373,516	\$ (30,602)
Secondary road patrol	95,780	95,780	97,049	1,269
Highway safety grant	16,000	16,000	13,374	(2,626)
Marine safety	123,074	123,074	114,618	(8,456)
Emergency services	99,835	99,835	91,035	(8,800)
Jail	1,761,059	1,748,421	1,731,911	(16,510)
Animal control	240,724	230,724	211,528	(19,196)
Total public safety	4,646,194	4,717,952	4,633,031	(84,921)
Public works				
Department of Public Works	2,450	2,450	161	(2,289)
Health and welfare				
District health department	434,758	434,758	437,664	2,906
Health department building	109,094	124,696	113,076	(11,620)
Soldiers' and sailors' relief	49,000	49,000	30,420	(18,580)
Medical examiner	129,663	129,663	101,940	(27,723)
Substance abuse	82,566	82,566	80,295	(2,271)
Veterans' counselor	45,967	40,760	38,802	(1,958)
Veterans' burials	40,611	40,611	19,740	(20,871)
Mental health	154,500	154,500	154,500	-
Appropriation to Green Gables Haven				
Community Shelter	2,500	2,500	2,500	-
Total health and welfare	1,048,659	1,059,054	978,937	(80,117)
Community and economic development				
Appropriation to Economic Development Board	85,752	85,752	85,752	-
Appropriation to Airport Commission	56,221	56,221	56,221	-
Appropriation to Road Commission	15,680	15,680	15,680	-
Appropriation to Soil Conservation	22,540	22,540	22,540	-
Planning and zoning	268,262	244,899	201,732	(43,167)
Total community and economic development	448,455	425,092	381,925	(43,167)
Other				
Insurance and bonds	317,261	326,129	664,643	338,514
Other	199,779	169,779	158,611	(11,168)
Total other	517,040	495,908	823,254	327,346

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BARRY COUNTY, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Debt service				
Principal	\$ -	\$ 29,657	\$ 29,657	\$ -
Interest expense	-	9,506	9,506	-
Total debt service	-	39,163	39,163	-
 Capital outlay	 10,547	 4,020	 23,574	 19,554
 Total expenditures	 12,697,136	 12,802,292	 12,536,044	 (266,248)
 Revenue over expenditures	 183,514	 196,669	 1,096,707	 900,038
 Other financing sources (uses)				
Transfers in	1,257,679	1,220,751	1,259,457	38,706
Transfers out	(1,424,193)	(1,417,420)	(2,356,164)	(938,744)
 Total other financing (uses)	 (166,514)	 (196,669)	 (1,096,707)	 (900,038)
 Net change in fund balance	 17,000	 -	 -	 -
 Fund balance, beginning of year	 2,145,917	 2,145,917	 2,145,917	 -
 Fund balance, end of year	 \$ 2,162,917	 \$ 2,145,917	 \$ 2,145,917	 \$ -

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, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes	\$ 1,647,446	\$ 1,647,446	\$ 1,680,852	\$ 33,406
Intergovernmental	195,000	195,000	204,235	9,235
Interest and rentals	35,000	35,000	25,783	(9,217)
Other revenue	120	120	91	(29)
Total revenue	1,877,566	1,877,566	1,910,961	33,395
Expenditures				
Current:				
Public safety	1,573,925	1,583,925	1,449,197	(134,728)
Capital outlay	170,000	760,000	633,906	(126,094)
Total expenditures	1,743,925	2,343,925	2,083,103	(260,822)
Net change in fund balance	133,641	(466,359)	(172,142)	294,217
Fund balances, beginning of year	2,039,999	2,039,999	2,039,999	-
Fund balances, end of year	\$ 2,173,640	\$ 1,573,640	\$ 1,867,857	\$ 294,217

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, 2010

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes	\$ 923,888	\$ 938,018	\$ 940,407	\$ 2,389
Intergovernmental	341,500	341,500	359,144	17,644
Charges for services	156,000	156,000	153,009	(2,991)
Other revenue	43,405	43,000	39,871	(3,129)
Total revenue	1,464,793	1,478,518	1,492,431	13,913
Expenditures				
Current:				
Health and welfare	1,406,133	1,399,502	1,294,597	(104,905)
Capital outlay	8,000	45,000	69,950	24,950
Total expenditures	1,414,133	1,444,502	1,364,547	(79,955)
Revenue over expenditures	50,660	34,016	127,884	93,868
Other financing sources (uses)				
Transfers in	14,452	(10,000)	5,000	15,000
Transfers out	-	-	(500,000)	(500,000)
Total other financing sources (uses)	14,452	(10,000)	(495,000)	(485,000)
Net change in fund balance	65,112	24,016	(367,116)	(391,132)
Fund balances, beginning of year	921,938	921,938	921,938	-
Fund balances, end of year	\$ 987,050	\$ 945,954	\$ 554,822	\$ (391,132)

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

BARRY COUNTY, MICHIGAN

Statement of Net Assets

Proprietary Funds

December 31, 2010

	Business-type Activities - Enterprise Funds				
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2009	Delinquent Tax Revolving 2010	Thornapple Manor	Nonmajor Enterprise Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,793,249	\$ 157,874	\$ 27,791	\$ 398,644	\$ 3,035,385
Investments	4,785,283	-	-	-	-
Receivables:					
Accounts, net	759	-	-	2,810,920	18,788
Taxes	11,860	2,025,788	537,725	-	461,670
Due from other governments	-	-	-	-	76,843
Due from other funds	1,656,000	-	-	-	-
Prepays and other assets	-	-	-	60,357	-
Total current assets	9,247,151	2,183,662	565,516	3,269,921	3,592,686
Noncurrent assets:					
Capital assets being depreciated, net	-	-	-	21,671,540	1,039,562
Total assets	9,247,151	2,183,662	565,516	24,941,461	4,632,248
Liabilities					
Current liabilities:					
Accounts payable	22,758	-	-	599,422	30,597
Accrued liabilities	-	-	-	672,681	7,229
Due to other funds	140,081	1,656,000	563,904	-	-
Current portion of long-term debt	-	-	-	246,135	-
Total current liabilities	162,839	1,656,000	563,904	1,518,238	37,826
Long-term liabilities:					
Long-term debt, net of current portion	-	-	-	214,051	-
Total liabilities	162,839	1,656,000	563,904	1,732,289	37,826
Net assets					
Invested in capital assets, net of related debt	-	-	-	21,521,540	1,039,562
Unrestricted	9,084,312	527,662	1,612	1,687,632	3,554,860
Total net assets	\$ 9,084,312	\$ 527,662	\$ 1,612	\$23,209,172	\$ 4,594,422

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

	Governmental Activities
Total Enterprise Funds	Internal Service Funds
\$ 6,412,943	\$ 3,336,419
4,785,283	-
2,830,467	181,906
3,037,043	-
76,843	-
1,656,000	-
60,357	-
18,858,936	3,518,325
22,711,102	515,324
41,570,038	4,033,649
652,777	70,938
679,910	2,988
2,359,985	-
246,135	-
3,938,807	73,926
214,051	-
4,152,858	73,926
22,561,102	515,324
14,856,078	3,444,399
<u>\$ 37,417,180</u>	<u>\$ 3,959,723</u>

BARRY COUNTY, MICHIGAN
Statement of Revenue, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds				
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2009	Delinquent Tax Revolving 2010	Thornapple Manor	Nonmajor Enterprise Funds
Operating revenue					
Charges for services	\$ 3,460	\$ 207,660	\$ 1,049	\$ 13,698,803	\$ 387,969
Interest and penalties on delinquent taxes	3,880	318,067	563	-	182,654
Other	-	-	-	16,282	-
Total operating revenue	7,340	525,727	1,612	13,715,085	570,623
Operating expenses					
Operations	-	-	-	12,797,342	934,898
Depreciation	-	-	-	814,095	129,591
Other	92	-	-	-	-
Total operating expenses	92	-	-	13,611,437	1,064,489
Operating income (loss)	7,248	525,727	1,612	103,648	(493,866)
Nonoperating revenue (expenses)					
Taxes	-	-	-	-	472,885
Intergovernmental revenue	-	-	-	-	617,539
Interest revenue	87,513	368	-	-	15,334
Interest expense	-	-	-	(13,013)	-
Loss on disposal of capital assets	-	-	-	-	-
Total nonoperating revenue (expenses)	87,513	368	-	(13,013)	1,105,758
Income (loss) before transfers	94,761	526,095	1,612	90,635	611,892
Transfers					
Transfers in	-	-	-	-	-
Change in net assets	94,761	526,095	1,612	90,635	611,892
Net assets, beginning of year	8,989,551	1,567	-	23,118,537	3,982,530
Net assets, end of year	\$ 9,084,312	\$ 527,662	\$ 1,612	\$ 23,209,172	\$ 4,594,422

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

	Governmental Activities
Total Enterprise Funds	Internal Service Funds
\$ 14,298,941	\$ 4,103,456
505,164	-
16,282	106,014
<u>14,820,387</u>	<u>4,209,470</u>
13,732,240	4,326,849
943,686	145,918
92	1,828
<u>14,676,018</u>	<u>4,474,595</u>
<u>144,369</u>	<u>(265,125)</u>
472,885	-
617,539	59,978
103,215	33,230
(13,013)	-
-	(3,414)
<u>1,180,626</u>	<u>89,794</u>
1,324,995	(175,331)
-	922,833
<u>1,324,995</u>	<u>747,502</u>
<u>36,092,185</u>	<u>3,212,221</u>
<u>\$ 37,417,180</u>	<u>\$ 3,959,723</u>

BARRY COUNTY, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds				
	Delinquent Tax Umbrella	Delinquent Tax 2009	Delinquent Tax Revolving 2010	Thornapple Manor	Nonmajor Enterprise Funds
Cash flows from operating activities					
Cash received from customers and users	\$ 31,127	\$ 3,514,081	\$ 565,516	\$ 13,267,396	\$2,351,595
Cash received from interfund services	520	-	-	-	-
Cash payments to suppliers for goods and services	(92)	-	-	(3,944,607)	(542,594)
Cash payments to employees for services	-	-	-	(9,258,512)	(1,057,248)
Cash payments to purchase delinquent taxes	-	(5,039,828)	(537,725)	-	-
Net cash provided by (used in) operating activities	31,555	(1,525,747)	27,791	64,277	751,753
Cash flows from non-capital financing activities					
Transfers in	-	-	-	-	-
Taxes	-	-	-	-	472,885
Intergovernmental revenue	-	-	-	-	486,919
Long-term advances to other funds	(1,656,000)	-	-	-	-
Long-term advances from other funds	-	1,656,000	-	-	-
Payments on long-term advances to other funds	1,524,000	-	-	-	-
Payments on long-term advances from other funds	-	-	-	-	(1,524,000)
Net cash provided by (used in) non-capital financing activities	(132,000)	1,656,000	-	-	(564,196)
Cash flows from capital and related financing activities					
Principal payments on long-term debt	-	-	-	(150,000)	-
Interest payments on long-term debt	-	-	-	3,269	-
Intergovernmental capital grants	-	-	-	-	775,409
Purchases of capital assets	-	-	-	(217,993)	(118,997)
Net cash provided by (used in) capital and related financing activities	-	-	-	(364,724)	656,412
Cash flows from investing activities					
Purchase of investments	(1,349,991)	-	-	-	-
Interest received	87,513	368	-	-	15,334
Net cash provided by (used in) investing activities	(1,262,478)	368	-	-	15,334
Net increase (decrease) in cash and cash equivalents	(1,362,923)	130,621	27,791	(300,447)	859,303
Cash and cash equivalents, beginning of year	4,156,172	27,253	-	699,091	2,176,082
Cash and cash equivalents, end of year	\$2,793,249	\$ 157,874	\$ 27,791	\$ 398,644	\$3,035,385

	Governmental Activities
Total Enterprise Funds	Internal Service Funds
\$ 19,729,715	\$ -
520	4,107,580
(4,487,293)	(183,549)
(10,315,760)	(4,187,703)
(5,577,553)	-
<u>(650,371)</u>	<u>(263,672)</u>
-	922,833
472,885	-
486,919	-
(1,656,000)	-
1,656,000	-
1,524,000	-
(1,524,000)	-
<u>959,804</u>	<u>922,833</u>
(150,000)	-
3,269	-
775,409	59,978
(336,990)	(232,140)
<u>291,688</u>	<u>(172,162)</u>
(1,349,991)	-
<u>103,215</u>	<u>33,230</u>
<u>(1,246,776)</u>	<u>33,230</u>
(645,655)	520,229
<u>7,058,598</u>	<u>2,816,190</u>
<u>\$ 6,412,943</u>	<u>\$ 3,336,419</u>

continued...

BARRY COUNTY, MICHIGAN
Statement of Cash Flows
Proprietary Funds (Concluded)
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds				
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2009	Delinquent Tax Revolving 2010	Thornapple Manor	Nonmajor Enterprise Funds
Cash flows from operating activities					
Operating income (loss)	\$ 7,248	\$ 525,727	\$ 1,612	\$ 103,648	\$ (493,866)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	814,095	129,591
Changes in:					
Accounts receivable	-	-	-	(431,407)	(9,036)
Taxes receivable	23,787	(2,020,097)	(537,725)	-	1,790,008
Due from other funds	-	-	-	-	-
Prepays and other assets	-	-	-	(5,087)	-
Accounts payable	520	-	-	(439,052)	(648,653)
Accrued liabilities	-	-	-	22,080	(16,291)
Due to other funds	-	(31,377)	563,904	-	-
Net cash provided by (used in) operating activities	<u>\$ 31,555</u>	<u>\$ (1,525,747)</u>	<u>\$ 27,791</u>	<u>\$ 64,277</u>	<u>\$ 751,753</u>

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

	Governmental Activities
Total Enterprise Funds	Internal Service Funds
\$ 144,369	\$ (265,125)
943,686	145,918
(440,443)	(181,906)
(744,027)	-
-	80,016
(5,087)	-
(1,087,185)	(43,169)
5,789	594
532,527	-
<u>\$ (650,371)</u>	<u>\$ (263,672)</u>

BARRY COUNTY, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	Agency Funds	Private Purpose Trust Funds
Assets		
Cash and cash equivalents	\$ 424,709	\$ 33,495
Due from other governments	21	-
	<hr/>	<hr/>
Total assets	<u><u>\$ 424,730</u></u>	<u><u>33,495</u></u>
Liabilities		
Accounts payable	\$ 182,394	3,790
Due to other governments	145,924	-
Undistributed receipts	96,412	-
	<hr/>	<hr/>
Total liabilities	<u><u>\$ 424,730</u></u>	<u><u>3,790</u></u>
Net assets		
Held in trust for private purposes		<u><u>\$ 29,705</u></u>

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

BARRY COUNTY, MICHIGAN
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the Year Ended December 31, 2010

Additions

Intergovernmental	\$ 45,590
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Deductions

Services to beneficiaries	44,093
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Change in net assets	1,497
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Net assets, beginning of year	28,208
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Net assets, end of year	\$ 29,705
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The accompanying notes are an integral part of these financial statements.

BARRY COUNTY, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2010

	Road Commission	Drainage Districts	Board of Public Works
Assets			
Cash and cash equivalents	\$ 4,822,640	\$ 132,003	\$ 333,848
Investments	-	44,909	-
Receivables	1,553,371	310,071	7,077,922
Inventories	1,050,777	-	-
Capital assets not being depreciated	17,250,037	156,712	-
Capital assets being depreciated, net	16,407,094	1,602,982	-
Total assets	41,083,919	2,246,677	7,411,770
Liabilities			
Accounts payable and accrued liabilities	177,761	6,745	367,401
Long-term liabilities:			
Due within one year	991,108	25,570	475,000
Due in more than one year	1,200,000	164,770	6,150,096
Total liabilities	2,368,869	197,085	6,992,497
Net assets			
Invested in capital assets, net of related debt	33,657,131	1,569,354	-
Unrestricted	5,057,919	480,238	419,273
Total net assets	\$ 38,715,050	\$ 2,049,592	\$ 419,273

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

Economic Development Board	Airport Commission	Total
\$ -	\$ 132,700	\$ 5,421,191
-	-	44,909
-	-	8,941,364
-	8,870	1,059,647
-	352,265	17,759,014
-	1,165,557	19,175,633
-	1,659,392	52,401,758
-	2,391	554,298
-	12,144	1,503,822
-	-	7,514,866
-	14,535	9,572,986
-	1,505,678	36,732,163
-	139,179	6,096,609
\$ -	\$ 1,644,857	\$ 42,828,772

BARRY COUNTY, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2010

	Road Commission	Drainage Districts	Board of Public Works
Expenses			
Road Commission	\$ 7,164,283	\$ -	\$ -
Drainage Districts	-	167,456	-
Board of Public Works	-	-	4,502,450
Economic Development Board	-	-	-
Airport Commission	-	-	-
Total expenses	7,164,283	167,456	4,502,450
Program revenue			
Charges for services	24,502	178,819	99,086
Operating grants and contributions	4,465,073	-	4,475,040
Capital grants and contributions	7,948,757	-	-
Total program revenue	12,438,332	178,819	4,574,126
Net revenue (expenses)	5,274,049	11,363	71,676
General revenues			
Grants and contributions not restricted to specific programs	1,154,798	-	-
Unrestricted investment earnings	-	3,303	3,024
Total general revenues	1,154,798	3,303	3,024
Change in net assets	6,428,847	14,666	74,700
Net assets, beginning of year	32,286,203	2,034,926	344,573
Net assets, end of year	<u>\$ 38,715,050</u>	<u>\$ 2,049,592</u>	<u>\$ 419,273</u>

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

Economic Development Board	Airport Commission	Total
\$ -	\$ -	\$ 7,164,283
-	-	167,456
-	-	4,502,450
85,752	-	85,752
-	321,942	321,942
85,752	321,942	12,241,883
-	147,945	450,352
85,752	102,946	9,128,811
-	67,265	8,016,022
85,752	318,156	17,595,185
-	(3,786)	5,353,302
-	-	1,154,798
-	-	6,327
-	-	1,161,125
-	(3,786)	6,514,427
-	1,648,643	36,314,345
\$ -	\$ 1,644,857	\$ 42,828,772

NOTES TO THE FINANCIAL STATEMENTS

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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 Transit (transit enterprise fund) activities are reported on the fiscal year-end of September 30, 2010.

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, 2010 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, 2010. 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

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.

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 commission of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, as defined by GASB Statement No. 14, and accordingly is disclosed as a component unit.

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

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

Jointly Governed Organizations

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

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

B. Government-wide and fund financial statements

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

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

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

The County reports the following major proprietary funds:

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

The *2009 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2009.

The *2010 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2010.

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, liabilities and equity

1. Deposits and investments

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

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

2. *Receivables and payables*

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

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

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

3. *Inventories and prepaids*

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

4. *Capital assets*

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

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

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

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

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

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

Road Commission – Discretely Presented Component Unit

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

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

Thornapple Manor – Blended Component Unit

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

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

5. *Compensated absences*

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

6. *Long-term obligations*

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

7. *Fund equity*

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

8. *Interfund transactions*

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

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

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

B. Deficit fund equity

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

C. Excess of expenditures over budget

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

During the year ended December 31, 2010 the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Budget Variance</u>
General fund:			
Public safety – secondary road patrol	\$ 95,780	\$ 97,049	\$ 1,269
Health and welfare – health department	434,758	437,664	2,906
Insurance and bonds	326,129	664,643	338,514
Capital outlay	4,020	23,574	19,554
Transfers out	1,417,420	2,356,164	938,744
Commission on Aging:			
Capital outlay	45,000	69,950	24,950
Transfers out	-	500,000	500,000
Charlton park:			
Recreation and cultural	574,635	614,997	40,362
Transfers out	11,461	50,167	38,706
Abstract special revenue fund –			
General government	-	1,700	1,700
Remonumentation special revenue fund –			
General government	54,593	61,526	6,933
Drug law enforcement special revenue fund –			
Capital outlay	-	17,983	17,983
Crime victims’ rights week special revenue fund –			
Public safety	47,826	49,991	2,165
CDBG housing special revenue fund –			
Health and welfare	135,000	202,350	67,350
Community corrections special revenue fund –			
Public safety	-	96,705	96,705
Adult drug court special revenue fund –			
General government	178,400	204,803	26,403
FEMA elevation special revenue fund –			
Public works	-	145,365	145,365

The budgetary variance in transfers out of the general fund was a result of a Board of Commissioner's resolution to spread the year-end general fund surplus to certain funds, as designed by the Board.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

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

Following is a reconciliation of deposit and investment balances as of December 31, 2010:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 5,441	\$ -	\$ 5,441
Checking and savings accounts	12,535,900	5,085,258	17,621,158
Certificates of deposit – all due within one year	1,590,735	335,933	1,926,668
Investments	<u>12,325,694</u>	<u>44,909</u>	<u>12,370,603</u>
Total	<u>\$ 26,457,770</u>	<u>\$ 5,466,100</u>	<u>\$ 31,923,870</u>
Statement of net assets			
Cash and cash equivalents	\$ 14,870,255	\$ 5,421,191	\$ 20,291,446
Investments	<u>11,129,311</u>	<u>44,909</u>	<u>11,174,220</u>
	<u>25,999,566</u>	<u>5,466,100</u>	<u>31,465,666</u>
Statement of fiduciary net assets			
Cash and cash equivalents – agency funds	424,709	-	424,709
Cash and cash equivalents – private purpose trust funds	<u>33,495</u>	<u>-</u>	<u>33,495</u>
	<u>458,204</u>	<u>-</u>	<u>458,204</u>
Total	<u>\$ 26,457,770</u>	<u>\$ 5,466,100</u>	<u>\$ 31,923,870</u>

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, \$12,234,538 of the County's bank balance of \$20,195,543 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk – Investments. Following is a summary of the County's investments as of December 31, 2010:

U.S. agencies	\$ 7,110,476
Money market funds	<u>5,260,127</u>
Total	<u>\$ 12,370,603</u>

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	\$ 4,620,273
S&P AAA	2,426,038
S&P Aaa	4,684,438
Fitch AAA-V1	<u>639,854</u>
Total	<u>\$ 12,370,603</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	\$ 5,260,127
1 – 5 years	2,992,225
6 – 10 years	1,811,125
11 – 15 years	313,169
16 – 20 years	87,472
21 – 24 years	1,757,243
25 – 30 years	<u>149,242</u>
Total	<u>\$ 12,370,603</u>

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

B. Receivables

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 3,681,737	\$ -	\$ -
Taxes (delinquent)	-	3,037,043	-
Accounts	182,006	2,905,467	846,906
Allowance for uncollectible accounts	-	(75,000)	-
Due from other governments	1,029,526	76,843	1,007,588
Special assessments	-	-	389,559
Leases	266,491	-	6,697,311
Total	\$ 5,159,760	\$ 5,944,353	\$ 8,941,364

Of the amounts detailed above, \$181,175 of special assessments receivable in the component units are not expected to be collected within one year. Similarly, \$6,150,096 of leases receivable in the component units 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:

	Unavailable	Unearned	Total
Governmental funds:			
Property taxes	\$ -	\$ 3,889,623	\$ 3,889,623
Leases receivable	266,491	-	266,491
Total	\$ 266,491	\$ 3,889,623	\$ 4,156,114

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

C. Accounts payable and accrued liabilities

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 198,281	\$ 652,777	\$ 358,645
Accrued liabilities	386,189	679,910	118,516
Accrued interest on long-term debt	191,869	-	77,137
Total	\$ 776,339	\$ 1,332,687	\$ 554,298

D. Interfund receivables and payables and transfers

The composition of interfund balances as of December 31, 2010, was as follows:

Due to and from primary government funds

	<u>Due from fund</u>	<u>Due to fund</u>
General fund	\$ 699,766	\$ 1,774,266
Nonmajor governmental funds	1,778,485	-
Delinquent tax umbrella fund	1,656,000	140,081
Delinquent tax revolving 2009 fund	-	1,656,000
Delinquent tax revolving 2010 fund	-	563,904
	<u>\$ 4,134,251</u>	<u>\$ 4,134,251</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, 2010, interfund transfers consisted of the following:

	Transfers out			
	Nonmajor			Totals
Transfers in	General Fund	Commission on Aging	Governmental Funds	
General fund	\$ -	\$ -	\$ 1,259,457	\$ 1,259,457
Commission on Aging	5,000	-	-	5,000
Thornapple Manor debt service	-	-	8,578	8,578
Nonmajor governmental funds	1,428,331	500,000	23,268	1,951,599
Internal service funds	922,882	-	-	922,882
Totals	\$ 2,356,213	\$ 500,000	\$ 1,291,303	\$ 4,147,516

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

E. Capital assets

Capital asset activity for the primary government for the year ended December 31, 2010, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208
Construction in progress	73,627	731,124	(73,627)	731,124
Total capital assets not being depreciated	2,807,835	731,124	(73,627)	3,465,332
Capital assets being depreciated:				
Land improvements	796,290	-	-	796,290
Buildings	13,077,249	120,807	-	13,198,056
Equipment	5,115,815	411,626	(70,932)	5,456,509
Total capital assets being depreciated	18,989,354	532,433	(70,932)	19,450,855
Less accumulated depreciation for:				
Land improvements	417,512	26,669	-	444,181
Buildings	4,957,860	312,451	-	5,270,311
Equipment	3,330,476	530,634	(50,713)	3,810,397
Total accumulated depreciation	8,705,848	869,754	(50,713)	9,524,889
Total capital assets being depreciated, net	10,283,506	(337,321)	(20,219)	9,925,966
Capital assets, net	\$ 13,091,341	\$ 393,803	\$ (93,846)	\$ 13,391,298

At December 31, 2010, the County had various outstanding commitments totaling approximately \$892,000.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets being depreciated:				
Land improvements	\$ 1,465,531	\$ 60,000	\$ -	\$ 1,525,531
Buildings	20,428,101	115,252	-	20,543,353
Vehicles	1,822,140	67,690	(720,426)	1,169,404
Equipment	3,519,387	84,913	(13,915)	3,590,385
Shop equipment	82,479	9,135	(4,747)	86,867
Total capital assets being depreciated	27,317,638	336,990	(739,088)	26,915,540
Less accumulated depreciation for:				
Land improvements	145,447	63,447	-	208,894
Buildings	1,982,280	518,529	-	2,500,809
Vehicles	1,032,688	103,241	(720,426)	415,503
Equipment	802,518	252,902	(13,915)	1,041,505
Shop equipment	36,907	5,567	(4,747)	37,727
Total accumulated depreciation	3,999,840	943,686	(739,088)	4,204,438
Capital assets, net	\$ 23,317,798	\$ (606,696)	\$ -	\$ 22,711,102

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

Depreciation of governmental activities by function:

General government	\$ 261,588
Culture and recreation	56,405
Public safety	343,333
Health and welfare	62,510

Capital assets held by the government's internal
service funds are charged to the various functions
based on their usage of the assets

145,918

\$ 869,754

Depreciation of business-type activities by function:

Thornapple Manor	\$ 814,095
Transit	129,591

\$ 943,686

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2010, was as follows:

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Component Units (continued)				
Drainage Districts				
Capital assets not being depreciated:				
Construction in progress	\$ 31,565	\$ 125,147	\$ -	\$ 156,712
Capital assets being depreciated:				
Drain infrastructure	2,474,711	-	-	2,474,711
Less accumulated depreciation for:				
Drain infrastructure	826,728	45,001	-	871,729
Total capital assets being depreciated, net	1,647,983	(45,001)	-	1,602,982
Capital assets, net	\$ 1,679,548	\$ 80,146	\$ -	\$ 1,759,694
Airport Commission				
Capital assets not being depreciated:				
Land	\$ 285,000	\$ -	\$ -	\$ 285,000
Construction in progress	-	67,265	-	67,265
Total capital assets not being depreciated	285,000	67,265	-	352,265
Capital assets being depreciated:				
Land improvements	3,373,055	-	-	3,373,055
Buildings	185,800	36,800	-	222,600
Equipment	38,595	-	-	38,595
Total capital assets not being depreciated	3,597,450	36,800	-	3,634,250
Less accumulated depreciation for:				
Land improvements	2,154,941	167,448	-	2,322,389
Buildings	109,820	3,172	-	112,992
Equipment	32,906	406	-	33,312
Total accumulated depreciation	2,297,667	171,026	-	2,468,693
Total capital assets being depreciated, net	1,299,783	(134,226)	-	1,165,557
Capital assets, net	\$ 1,584,783	\$ (66,961)	\$ -	\$ 1,517,822

The amount remaining to complete the construction in progress in the airport commission component unit will be funded almost entirely through State and Federal grants. Therefore, this is not deemed to be an outstanding construction commitment at December 31, 2010.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

Long-term debt

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

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

Long-term debt activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities					
General obligation bonds	\$ 19,545,000	\$ -	\$ 1,070,000	\$ 18,475,000	\$ 1,160,000
Capital leases	236,635	-	29,657	206,978	30,945
Subtotal	19,781,635	-	1,099,657	18,681,978	1,190,945
Compensated absences	516,194	155,246	170,889	500,551	176,016
Total governmental activities	\$ 20,297,829	\$ 155,246	\$ 1,270,546	\$ 19,182,529	\$ 1,366,961
Business-type activities					
General obligation bonds	\$ 300,000	\$ -	\$ 150,000	\$ 150,000	\$ 150,000
Compensated absences	279,785	458,929	428,528	310,186	96,135
Total business-type activities	\$ 579,785	\$ 458,929	\$ 578,528	\$ 460,186	\$ 246,135

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Component units					
Road Commission					
State infrastructure bank proceeds	\$ -	\$ 1,925,000	\$ -	\$ 1,925,000	\$ 725,000
Compensated absences	269,646	-	3,538	266,108	266,108
Total	<u>\$ 269,646</u>	<u>\$ 1,925,000</u>	<u>\$ 3,538</u>	<u>\$ 2,191,108</u>	<u>\$ 991,108</u>
Drainage Districts					
Drain notes and other debt	<u>\$ 244,577</u>	<u>\$ -</u>	<u>\$ 54,237</u>	<u>\$ 190,340</u>	<u>\$ 25,570</u>
Board of Public Works					
Water and sewer bonds	<u>\$ 5,483,281</u>	<u>\$ 2,421,815</u>	<u>\$ 1,280,000</u>	<u>\$ 6,625,096</u>	<u>\$ 475,000</u>
Airport Commission					
Loan payable	<u>\$ 23,751</u>	<u>\$ -</u>	<u>\$ 11,607</u>	<u>\$ 12,144</u>	<u>\$ 12,144</u>

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, 2010 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.	\$ 485,000
\$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.	265,000
\$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.	675,000

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

\$ 17,050,000

Total general obligation debt – governmental activities

\$ 18,475,000

Capital leases for governmental activities are as follows:

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

\$ 206,978

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, 2011, with interest ranging from 5.4 to 6.0%, payable semi-annually.

\$ 150,000

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 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.

Road Commission

\$1,925,000 loan payable will be repaid to the State of Michigan over a three year period using surface transportation and federal funding.

\$ 1,925,000

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

Notes payable and amounts owed to other governmental units at December 31, 2010 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

Drain Notes

\$39,500 Mallison Branch Drain special assessment note for which Barry County is liable for 30% (principal amount of \$11,850) and Ionia County is liable for the remaining 70%. The note is due in annual installments of \$7,900 (for which Barry County pays \$2,300), including interest at 4.87%, payable annually through June 1, 2012. \$ 4,740

\$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. 185,600

Total notes payable – Drainage Districts \$ 190,340

Board of Public Works

The County through the Board of Public Works has constructed water and sewer facilities for various local municipalities. 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, 2010, per respective constructive projects serviced from the debt service funds of the Board of Public Works are as follows:

\$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. \$ 800,000

\$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. 455,000

\$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. 600,000

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

\$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. \$ 483,281

\$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. 910,000

\$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. 165,000

\$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. 400,000

\$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. 390,000

\$995,000 Michigan Transportation Fund Bonds Series 2010, dated February 1, 2010, payable in annual installments ranging from \$25,000 to \$75,000, with interest at 7.9%, payable semi-annually. 995,000

\$2,763,000 Leach and Middle Lake Sanitary Sewer System Bonds, dated January 22, 2010, payable in annual installment ranging from \$148,000 to \$155,000, with interest at 2.5%, payable semi-annually. Bond proceeds have not been drawn in full. 1,426,815

Total bonds payable – Board of Public Works \$ 6,625,096

Airport Commission

The Airport Commission 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. \$ 12,144

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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

Years Ending December 31	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,190,945	\$ 470,533	\$ 150,000	\$ 8,700	\$ 1,237,714	\$ 315,041
2012	1,022,289	761,575	-	-	1,893,570	271,452
2013	783,692	723,684	-	-	688,200	209,629
2014	885,156	687,195	-	-	718,200	183,731
2015	886,683	647,467	-	-	503,200	156,561
2016-2020	5,888,213	2,525,958	-	-	2,244,600	505,493
2021-2025	8,025,000	939,263	-	-	1,177,096	179,384
2026-2030	-	-	-	-	290,000	8,134
Total	<u>\$ 18,681,978</u>	<u>\$ 6,755,675</u>	<u>\$ 150,000</u>	<u>\$ 8,700</u>	<u>\$ 8,752,580</u>	<u>\$ 1,829,425</u>

IV. OTHER INFORMATION

A. Risk management

Primary Government

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

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

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

Effective January 1, 2010, the County was no longer self-insured for health insurance benefits. The County has a \$27,500 deposit on-hand with its third-party provider, which is expected to cover future claims (with an incident date of December 31, 2009 or prior). At December 31, 2011, reimbursement requests will no longer be accepted and any funds remaining will be returned to the County.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

Changes in the estimated claims liability are as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 98,127	\$ 93,703
Incurred claims	2,490,223	1,783,638
Claim payments	<u>(2,560,850)</u>	<u>(1,779,214)</u>
Unpaid claims, end of year	<u>\$ 27,500</u>	<u>\$ 98,127</u>

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

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

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

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

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

At December 31, 2010, the County has funds on deposit of \$238,644 with the Authority and reserves for reported claims of \$9,000. 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, 2010.

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

Road Commission Component Unit

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

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

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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, 2010, there were no claims that exceeded insurance coverage. The Road Commission did not have any significant reduction in insurance coverage from previous years.

B. Property taxes

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

C. Contingent liabilities

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

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

D. Employee retirement systems and plans

Primary Government

Plan description

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

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

The County is required to contribute at an actuarially determined rate; the current rate for the County is 5.00% to 30.91% of annual covered payroll depending on the employee group. Participating employees are required to contribute 0% to 5.33% of their annual salary depending on their assigned department. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

For the year ended December 31, 2010, the annual pension cost of \$1,406,166 was equal to the required and actual contributions of the County. Member contributions for the same period totaled \$236,548. The required contributions were determined as part of the December 31, 2009 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 28 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2009.

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>
2008	\$ 1,807,135	100%	\$ -
2009	1,219,760	100	-
2010	1,406,166	100	-

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 74 percent funded. The actuarial accrued liability for benefits was \$46,126,969, and the actuarial value of assets was \$34,220,112, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,906,857. The covered payroll (annual payroll of active employees covered by the plan) was \$14,440,472, and the ratio of the UAAL to the covered payroll was 82 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Road Commission Discretely Presented Component Unit

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

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

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

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, 2010, the outstanding loan balances were \$126,753. Employee and employer contributions are paid to the plan on each payroll date (bi-weekly) and for the year ended December 31, 2010 employee and employer contributions totaled \$129,027 and \$159,625, 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, 2010, the County contributed \$40,191 to the Plan, all of which was to fund current year benefits. Retirees receiving benefits contributed \$37,564, or approximately 48 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	\$ 161,627
Interest on net OPEB obligation	2,758
Adjustment to annual required contribution	<u>(3,901)</u>
Net OPEB cost (expense)	160,484
Contributions made	<u>40,191</u>
Increase in net OPEB obligation	120,293
Net OPEB obligation, beginning of year	<u>45,962</u>
Net OPEB obligation, end of year	<u>\$ 166,255</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and the two previous years was as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 69,814	76%	\$ 16,754
2009	73,277	60%	45,962
2010	160,464	25%	166,255

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$1,459,719, and the County had no assets in trust for future OPEB obligations, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,459,719.

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

In the December 31, 2008 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 9.0%. 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 15 years on an open basis.

Road Commission Component Unit

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

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

Funding policy. Benefits are provided based on requirements of employee contracts and are financed on a pay-as-you-go basis. For the year ended December 31, 2010, the Road Commission expended \$130,811 for 22 participants currently eligible to receive benefits.

Funding progress. For the year beginning January 1, 2010 the Road Commission has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2010. 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

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

Annual required contribution	\$ 130,811
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	130,811
Contributions made	130,811
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ -

The annual OPEB cost for the current year was \$130,811, of which the Road Commission contributed 100%.

The actuarial accrued liability at December 31, 2010, the date of the most recent actuarial valuation was \$1,894,640, all of which was unfunded. The ratio of the unfunded actuarial accrued liability to covered payroll was 96.1%.

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

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

In the December 31, 2010, 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, 2010, was 23 years.

BARRY COUNTY, MICHIGAN

Notes to Financial Statements

F. Net assets invested in capital assets, net of related debt

The composition of net assets invested in capital assets, net of related debt as of December 31, 2010, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 3,465,332	\$ -	\$ 17,759,014
Capital assets being depreciated, net	9,925,966	22,711,102	19,175,633
	<u>13,391,298</u>	<u>22,711,102</u>	<u>36,934,647</u>
Related debt:			
Total bonds and notes payable	18,681,978	150,000	8,752,580
Bonds payable related to capital leases	(17,315,000)	-	(6,625,096)
Noncapital related debt	-	-	(1,925,000)
	<u>1,366,978</u>	<u>150,000</u>	<u>202,484</u>
Invested in capital assets, net of related debt	<u>\$ 12,024,320</u>	<u>\$ 22,561,102</u>	<u>\$ 36,732,163</u>

* * * * *

**REQUIRED SUPPLEMENTARY
INFORMATION**

BARRY COUNTY, MICHIGAN
Required Supplementary Information

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2004	\$ 22,817,148	\$ 33,226,393	\$ 10,409,245	68.7%	\$ 11,851,341	87.8%
12/31/2005	24,516,645	35,111,319	10,594,674	69.8%	12,327,804	85.9%
12/31/2006	26,855,177	37,797,384	10,942,207	71.1%	13,218,976	82.8%
12/31/2007	29,427,062	40,693,355	11,266,293	72.3%	13,845,563	81.4%
12/31/2008	31,660,857	43,736,838	12,075,981	72.4%	14,537,192	83.1%
12/31/2009	34,220,112	46,126,969	11,906,857	74.2%	14,440,472	82.5%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	\$ -	\$ 824,444	\$ 824,444	0.0%	n/a	n/a
12/31/2008	-	1,459,719	1,459,719	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, 2010

	Special Revenue	Debt Service	Capital Projects	Permanent Fund Cemetery Perpetual Care	Totals
Assets					
Cash and cash equivalents	\$ 5,722,703	\$ 36,897	\$ 18	\$ -	\$ 5,759,618
Investments	-	-	-	31,067	31,067
Receivables:					
Taxes	379,819	-	-	-	379,819
Leases	-	266,491	-	-	266,491
Due from other governments	566,686	-	179,825	-	746,511
Due from other funds	1,778,485	-	-	-	1,778,485
Total assets	\$ 8,447,693	\$ 303,388	\$ 179,843	\$ 31,067	\$ 8,961,991
Liabilities and fund balances					
Liabilities					
Negative equity in pooled cash and cash equivalents	\$ 105,430	\$ -	\$ 163,556	\$ -	\$ 268,986
Accounts payable	21,316	-	-	-	21,316
Accrued liabilities	67,917	-	-	-	67,917
Deferred revenue	425,775	266,491	-	-	692,266
Total liabilities	620,438	266,491	163,556	-	1,050,485
Fund balances					
Reserved for cemetery perpetual care:					
Nonexpendable	-	-	-	30,925	30,925
Expendable	-	-	-	142	142
Unreserved, undesignated	7,827,255	36,897	16,287	-	7,880,439
Total fund balances	7,827,255	36,897	16,287	31,067	7,911,506
Total liabilities and fund balances	\$ 8,447,693	\$ 303,388	\$ 179,843	\$ 31,067	\$ 8,961,991

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Special Revenue	Debt Service	Capital Projects	Permanent Fund Cemetery Perpetual Care	Totals
Revenue					
Taxes	\$ 433,796	\$ -	\$ -	\$ -	\$ 433,796
Intergovernmental	2,467,002	261,789	580,556	-	3,309,347
Charges for services	278,555	-	-	-	278,555
Fines and forfeits	450	-	-	-	450
Interest and rentals	6,615	228	5	352	7,200
Other revenue	78,491	-	-	-	78,491
Total revenue	3,264,909	262,017	580,561	352	4,107,839
Expenditures					
Current:					
General government	1,331,759	-	-	627	1,332,386
Public safety	543,211	-	-	-	543,211
Public works	245,409	-	-	-	245,409
Health and welfare	1,084,813	-	-	-	1,084,813
Recreation and cultural	617,808	-	-	-	617,808
Debt service:					
Principal	-	520,000	-	-	520,000
Interest expense	-	76,797	-	-	76,797
Capital outlay	79,731	-	547,937	-	627,668
Total expenditures	3,902,731	596,797	547,937	627	5,048,092
Revenue over (under) expenditures	(637,822)	(334,780)	32,624	(275)	(940,253)
Other financing sources (uses)					
Proceeds on sale of capital assets	26,180	-	-	-	26,180
Transfers in	1,682,495	215,504	53,600	-	1,951,599
Transfers out	(1,291,303)	-	-	-	(1,291,303)
Total other financing sources (uses)	417,372	215,504	53,600	-	686,476
Net changes in fund balances	(220,450)	(119,276)	86,224	(275)	(253,777)
Fund balances (deficit), beginning of year	8,047,705	156,173	(69,937)	31,342	8,165,283
Fund balances, end of year	\$ 7,827,255	\$ 36,897	\$ 16,287	\$ 31,067	\$ 7,911,506

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Charlton Park	Friend of the Court	Local Corrections Officer Training
Assets			
Cash and cash equivalents	\$ 198,128	\$ 59,246	\$ 29,358
Taxes receivable	379,819	-	-
Due from other governments	-	277,005	-
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 577,947	\$ 336,251	\$ 29,358
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and fund balances			
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	8,035	823	-
Accrued liabilities	10,304	28,465	-
Deferred revenue	425,775	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	444,114	29,288	-
Fund balances			
Unreserved, undesignated	133,833	306,963	29,358
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 577,947	\$ 336,251	\$ 29,358
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Solid Waste	Building Strong Families	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Healthy Start
\$ 121,465	\$ 5,854	\$ 2,858	\$ 203,030	\$ 10,502	\$ 18,555
-	-	-	-	-	-
-	9,248	-	-	-	-
-	-	-	-	-	-
\$ 121,465	\$ 15,102	\$ 2,858	\$ 203,030	\$ 10,502	\$ 18,555
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,410	-	60	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,410	-	60	-	-	-
120,055	15,102	2,798	203,030	10,502	18,555
\$ 121,465	\$ 15,102	\$ 2,858	\$ 203,030	\$ 10,502	\$ 18,555

continued...

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2010

	<u>Abstract</u>	<u>Remonu- mentation</u>	<u>Commission on Aging Building</u>
Assets			
Cash and cash equivalents	\$ 150,955	\$ -	\$ 512,506
Taxes receivable	-	-	-
Due from other governments	-	28,001	-
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 150,955	\$ 28,001	\$ 512,506
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and fund balances			
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ 15,267	\$ -
Accounts payable	-	2,091	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	17,358	-
Fund balances			
Unreserved, undesignated	150,955	10,643	512,506
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 150,955	\$ 28,001	\$ 512,506
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Building Rehabilitation	Parks and Recreation	Register of Deeds Automation	Budget Stabilization	Victim Services Unit	School Liason
\$ 1,253,361	\$ 11,812	\$ 155,652	\$ 139,685	\$ 16,989	\$ 2,420
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 1,253,361	\$ 11,812	\$ 155,652	\$ 139,685	\$ 16,989	\$ 2,420
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,152	26	200	-	1,768	-
-	-	-	-	-	2,401
-	-	-	-	-	-
4,152	26	200	-	1,768	2,401
1,249,209	11,786	155,452	139,685	15,221	19
\$ 1,253,361	\$ 11,812	\$ 155,652	\$ 139,685	\$ 16,989	\$ 2,420

continued...

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2010

	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
Assets			
Cash and cash equivalents	\$ 498	\$ 9,969	\$ 23,775
Taxes receivable	-	-	-
Due from other governments	-	-	12,744
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 498	\$ 9,969	\$ 36,519
	<hr/>	<hr/>	<hr/>
Liabilities and fund balances			
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	498	-	-
Accrued liabilities	-	-	1,634
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	498	-	1,634
Fund balances			
Unreserved, undesignated	-	9,969	34,885
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 498	\$ 9,969	\$ 36,519
	<hr/>	<hr/>	<hr/>

Law Library	CDBG Housing	Middleville Police Services	MSHDA Home Grant	Job Skills Training Program	Gypsy Moth Fund
\$ 12,844	\$ 7,418	\$ 8,226	\$ 337	\$ 201	\$ 18,659
-	-	-	-	-	-
-	-	17,813	-	-	2,663
-	-	-	-	-	-
\$ 12,844	\$ 7,418	\$ 26,039	\$ 337	\$ 201	\$ 21,322
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	7,642	-	-	-
-	-	-	-	-	-
-	-	7,642	-	-	-
12,844	7,418	18,397	337	201	21,322
\$ 12,844	\$ 7,418	\$ 26,039	\$ 337	\$ 201	\$ 21,322

continued...

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2010

	Community Corrections	Adult Drug Court	Juvenile Drug Court
Assets			
Cash and cash equivalents	\$ -	\$ 18,789	\$ 300,455
Taxes receivable	-	-	-
Due from other governments	35,479	31,228	34,260
Due from other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 35,479	\$ 50,017	\$ 334,715
	<hr/>	<hr/>	<hr/>
Liabilities and fund balances			
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ 22,010	\$ -	\$ -
Accounts payable	-	2,253	-
Accrued liabilities	4,496	2,825	2,747
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	26,506	5,078	2,747
Fund balances			
Unreserved, undesignated	8,973	44,939	331,968
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 35,479	\$ 50,017	\$ 334,715
	<hr/>	<hr/>	<hr/>

Michigan Justice Training	Social Welfare	Child Care	Revenue Sharing Reserve	Veterans' Trust	Diverted Felons
\$ 16,878	\$ 184,984	\$ 1,791,248	\$ 38,639	\$ 6,709	\$ 366,177
-	-	-	-	-	-
-	-	50,092	-	-	-
-	-	-	1,778,485	-	-
\$ 16,878	\$ 184,984	\$ 1,841,340	\$ 1,817,124	\$ 6,709	\$ 366,177
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	7,403	-	-	-
-	-	-	-	-	-
-	-	7,403	-	-	-
16,878	184,984	1,833,937	1,817,124	6,709	366,177
\$ 16,878	\$ 184,984	\$ 1,841,340	\$ 1,817,124	\$ 6,709	\$ 366,177

continued...

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Concluded)
December 31, 2010

	Master Land Use Plan	County Agriculture Preservation	Bench Warrant
<hr/>			
Assets			
Cash and cash equivalents	\$ 19,499	\$ 3,662	\$ 1,360
Taxes receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
	<hr/>		
Total assets	\$ 19,499	\$ 3,662	\$ 1,360
	<hr/>		
Liabilities and fund balances			
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
	<hr/>		
Total liabilities	-	-	-
Fund balances			
Unreserved, undesignated	19,499	3,662	1,360
	<hr/>		
Total liabilities and fund balances	\$ 19,499	\$ 3,662	\$ 1,360
	<hr/>		

FEMA		
Elevation		Total
\$	-	\$ 5,722,703
	-	379,819
	68,153	566,686
	-	1,778,485
\$	68,153	\$ 8,447,693

\$	68,153	\$	105,430
	-		21,316
	-		67,917
	-		425,775
	68,153		620,438
	-		7,827,255
\$	68,153	\$	8,447,693

concluded

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Charlton Park	Friend of the Court	Local Corrections Officer Training
Revenue			
Taxes	\$ 433,796	\$ -	\$ -
Intergovernmental	29,153	698,270	8,827
Charges for services	110,296	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	4	-
Total revenue	573,245	698,274	8,827
Expenditures			
Current:			
General government	-	934,219	-
Public safety	-	-	4,501
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	614,997	-	-
Capital outlay	-	-	-
Total expenditures	614,997	934,219	4,501
Revenue over (under) expenditures	(41,752)	(235,945)	4,326
Other financing sources (uses)			
Proceeds on sale of capital assets	26,180	-	-
Transfers in	-	263,872	-
Transfers out	(50,167)	-	-
Total other financing sources (uses)	(23,987)	263,872	-
Net changes in fund balances	(65,739)	27,927	4,326
Fund balances, beginning of year	199,572	279,036	25,032
Fund balances, end of year	\$ 133,833	\$ 306,963	\$ 29,358

Solid Waste	Building Strong Families	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Healthy Start
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	30,964	-	-	3,013	17,591
5,301	-	-	-	-	-
-	-	-	-	-	-
-	-	-	426	11	-
32,885	-	2,950	29,871	-	-
38,186	30,964	2,950	30,297	3,024	17,591
-	-	-	-	-	-
-	-	-	-	-	-
58,198	-	-	-	-	-
-	21,763	2,112	11,750	1,222	8,307
-	-	-	-	-	-
-	-	-	7,415	-	-
58,198	21,763	2,112	19,165	1,222	8,307
(20,012)	9,201	838	11,132	1,802	9,284
-	-	-	-	-	-
1,470	-	-	-	-	-
-	-	-	-	-	-
1,470	-	-	-	-	-
(18,542)	9,201	838	11,132	1,802	9,284
138,597	5,901	1,960	191,898	8,700	9,271
\$ 120,055	\$ 15,102	\$ 2,798	\$ 203,030	\$ 10,502	\$ 18,555

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, 2010

	Abstract	Remonu- mentation	Commission on Aging Building
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	7,689	46,466	-
Charges for services	40,716	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	165
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	48,405	46,466	165
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
General government	1,700	61,527	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,700	61,527	-
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	46,705	(15,061)	165
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	21,161	500,000
Transfers out	(105,095)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(105,095)	21,161	500,000
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(58,390)	6,100	500,165
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	209,345	4,543	12,341
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 150,955</u>	<u>\$ 10,643</u>	<u>\$ 512,506</u>

Building Rehabilitation	Parks and Recreation	Register of Deeds Automation	Budget Stabilization	Victim Services Unit	School Liason
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	900	37,500
-	-	51,645	-	-	-
-	-	-	-	-	-
579	-	-	1,459	26	-
1,926	-	-	-	2,491	7,363
2,505	-	51,645	1,459	3,417	44,863
-	-	-	-	-	-
-	-	-	-	3,856	128,435
41,846	-	-	-	-	-
-	-	-	-	-	-
-	1,864	-	-	-	-
-	-	54,333	-	-	-
41,846	1,864	54,333	-	3,856	128,435
(39,341)	(1,864)	(2,688)	1,459	(439)	(83,572)
-	-	-	-	-	-
11,461	17,340	-	-	-	65,956
-	(20,000)	-	-	-	-
11,461	(2,660)	-	-	-	65,956
(27,880)	(4,524)	(2,688)	1,459	(439)	(17,616)
1,277,089	16,310	158,140	138,226	15,660	17,635
\$ 1,249,209	\$ 11,786	\$ 155,452	\$ 139,685	\$ 15,221	\$ 19

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, 2010

	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	48,157
Charges for services	-	-	-
Fines and forfeits	450	-	-
Interest and rentals	-	14	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	450	14	48,157
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	1,872	49,991
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	17,983	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	17,983	1,872	49,991
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(17,533)	(1,858)	(1,834)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	48	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	48	-	-
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(17,485)	(1,858)	(1,834)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	17,485	11,827	36,719
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 9,969</u>	<u>\$ 34,885</u>

Law Library	CDBG Housing	Middleville Police Services	MSHDA Home Grant	Job Skills Training Program	Gypsy Moth Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,500	171,676	252,998	66,006	675	21,322
-	37,109	-	-	-	-
-	-	-	-	-	-
-	2	-	-	-	-
-	-	-	-	-	-
6,500	208,787	252,998	66,006	675	21,322
14,465	-	-	-	-	-
-	-	252,491	-	-	-
-	-	-	-	-	-
-	202,350	-	66,119	3,317	-
-	-	-	-	-	-
-	-	-	-	-	-
14,465	202,350	252,491	66,119	3,317	-
(7,965)	6,437	507	(113)	(2,642)	21,322
-	-	-	-	-	-
8,330	-	-	-	-	-
-	-	-	-	-	-
8,330	-	-	-	-	-
365	6,437	507	(113)	(2,642)	21,322
12,479	981	17,890	450	2,843	-
\$ 12,844	\$ 7,418	\$ 18,397	\$ 337	\$ 201	\$ 21,322

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, 2010

	Community Corrections	Adult Drug Court	Juvenile Drug Court
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	96,466	104,558	148,918
Charges for services	-	33,488	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	222	-	60
	<hr/>	<hr/>	<hr/>
Total revenue	96,688	138,046	148,978
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
General government	-	204,803	110,325
Public safety	96,705	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	96,705	204,803	110,325
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(17)	(66,757)	38,653
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	78,400	44,547
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	78,400	44,547
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(17)	11,643	83,200
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	8,990	33,296	248,768
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 8,973</u>	<u>\$ 44,939</u>	<u>\$ 331,968</u>

Michigan Justice Training	Social Welfare	Child Care	Revenue Sharing Reserve	Veterans' Trust	Diverted Felons
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,771	3,410	410,942	-	6,236	92,110
-	-	-	-	-	-
-	-	-	-	-	-
-	713	-	3,220	-	-
-	-	719	-	-	-
5,771	4,123	411,661	3,220	6,236	92,110
-	-	-	-	-	-
5,360	-	-	-	-	-
-	-	-	-	-	-
-	16,327	747,483	-	4,063	-
-	-	-	-	-	-
-	-	-	-	-	-
5,360	16,327	747,483	-	4,063	-
411	(12,204)	(335,822)	3,220	2,173	92,110
-	-	-	-	-	-
-	8,330	661,580	-	-	-
-	-	-	(1,115,656)	-	-
-	8,330	661,580	(1,115,656)	-	-
411	(3,874)	325,758	(1,112,436)	2,173	92,110
16,467	188,858	1,508,179	2,929,560	4,536	274,067
\$ 16,878	\$ 184,984	\$ 1,833,937	\$ 1,817,124	\$ 6,709	\$ 366,177

continued...

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Concluded)
For the Year Ended December 31, 2010

	Master Land Use Plan	County Agriculture Preservation	Bench Warrant
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	4,239	-	1,280
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	4,239	-	1,280
Expenditures			
Current:			
General government	1,530	-	3,190
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	947	-
Capital outlay	-	-	-
Total expenditures	1,530	947	3,190
Revenue over (under) expenditures	2,709	(947)	(1,910)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(385)
Total other financing sources (uses)	-	-	(385)
Net changes in fund balances	2,709	(947)	(2,295)
Fund balances, beginning of year	16,790	4,609	3,655
Fund balances, end of year	\$ 19,499	\$ 3,662	\$ 1,360

FEMA		
Elevation		Total
\$	-	\$ 433,796
145,365		2,467,002
	-	278,555
	-	450
	-	6,615
	-	78,491
145,365		3,264,909
	-	1,331,759
	-	543,211
145,365		245,409
	-	1,084,813
	-	617,808
	-	79,731
145,365		3,902,731
	-	(637,822)
	-	26,180
	-	1,682,495
	-	(1,291,303)
	-	417,372
	-	(220,450)
	-	8,047,705
\$	-	\$ 7,827,255

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, 2010

	Charlton Park		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ 421,500	\$ 433,796	\$ 12,296
Intergovernmental	22,279	29,153	6,874
Charges for services	145,350	110,296	(35,054)
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	589,129	573,245	(15,884)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	574,635	614,997	40,362
Capital outlay	-	-	-
Total expenditures	574,635	614,997	40,362
Revenue (under) over expenditures	14,494	(41,752)	(56,246)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	26,180	26,180
Transfers in	-	-	-
Transfers (out)	(11,461)	(50,167)	(38,706)
Total other financing sources (uses)	(11,461)	(23,987)	(12,526)
Net changes in fund balances	3,033	(65,739)	(68,772)
Fund balances, beginning of year	199,572	199,572	-
Fund balances, end of year	\$ 202,605	\$ 133,833	\$ (68,772)

Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
707,193	698,270	(8,923)	10,000	8,827	(1,173)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,400	4	(4,396)	-	-	-
711,593	698,274	(13,319)	10,000	8,827	(1,173)
967,708	934,219	(33,489)	-	-	-
-	-	-	5,000	4,501	(499)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500	-	(500)	-	-	-
968,208	934,219	(33,989)	5,000	4,501	(499)
(256,615)	(235,945)	20,670	5,000	4,326	(674)
-	-	-	-	-	-
263,872	263,872	-	-	-	-
-	-	-	-	-	-
263,872	263,872	-	-	-	-
7,257	27,927	20,670	5,000	4,326	(674)
279,036	279,036	-	25,032	25,032	-
\$ 286,293	\$ 306,963	\$ 20,670	\$ 30,032	\$ 29,358	\$ (674)

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, 2010

	Solid Waste		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	5,300	5,301	1
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	26,000	32,885	6,885
	<hr/>	<hr/>	<hr/>
Total revenue	31,300	38,186	6,886
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	59,150	58,198	(952)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	59,150	58,198	(952)
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(27,850)	(20,012)	7,838
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	1,470	1,470	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,470	1,470	-
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(26,380)	(18,542)	7,838
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	138,597	138,597	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 112,217</u>	<u>\$ 120,055</u>	<u>\$ 7,838</u>

Building Strong Families			C SNIP Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,847	30,964	5,117	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,500	2,950	(4,550)
25,847	30,964	5,117	7,500	2,950	(4,550)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,847	21,763	(4,084)	7,500	2,112	(5,388)
-	-	-	-	-	-
-	-	-	-	-	-
25,847	21,763	(4,084)	7,500	2,112	(5,388)
-	9,201	9,201	-	838	838
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,201	9,201	-	838	838
5,901	5,901	-	1,960	1,960	-
\$ 5,901	\$ 15,102	\$ 9,201	\$ 1,960	\$ 2,798	\$ 838

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, 2010

	Animal Shelter Donation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	500	426	(74)
Other revenue	28,000	29,871	1,871
Total revenue	28,500	30,297	1,797
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	14,100	11,750	(2,350)
Recreation and cultural	-	-	-
Capital outlay	10,000	7,415	(2,585)
Total expenditures	24,100	19,165	(4,935)
Revenue over (under) expenditures	4,400	11,132	6,732
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	4,400	11,132	6,732
Fund balances, beginning of year	191,898	191,898	-
Fund balances, end of year	\$ 196,298	\$ 203,030	\$ 6,732

Community Resource Network			Healthy Start		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,500	3,013	513	47,400	17,591	(29,809)
-	-	-	-	-	-
-	-	-	-	-	-
20	11	(9)	-	-	-
-	-	-	-	-	-
2,520	3,024	504	47,400	17,591	(29,809)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	1,222	(1,278)	47,400	8,307	(39,093)
-	-	-	-	-	-
-	-	-	-	-	-
2,500	1,222	(1,278)	47,400	8,307	(39,093)
20	1,802	1,782	-	9,284	9,284
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20	1,802	1,782	-	9,284	9,284
8,700	8,700	-	9,271	9,271	-
\$ 8,720	\$ 10,502	\$ 1,782	\$ 9,271	\$ 18,555	\$ 9,284

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, 2010

	Abstract		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	7,500	7,689	189
Charges for services	38,000	40,716	2,716
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	45,500	48,405	2,905
Expenditures			
Current:			
General government	-	1,700	1,700
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	1,700	1,700
Revenue over (under) expenditures	45,500	46,705	1,205
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	(105,095)	(105,095)	-
Total other financing sources (uses)	(105,095)	(105,095)	-
Net changes in fund balances	(59,595)	(58,390)	1,205
Fund balances, beginning of year	209,345	209,345	-
Fund balances, end of year	\$ 149,750	\$ 150,955	\$ 1,205

Remonumentation			Commission on Aging Building		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33,000	46,466	13,466	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	165	165
-	-	-	-	-	-
33,000	46,466	13,466	-	165	165
54,593	61,527	6,934	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,593	61,527	6,934	-	-	-
(21,593)	(15,061)	6,532	-	165	165
-	-	-	-	-	-
21,161	21,161	-	-	500,000	500,000
-	-	-	-	-	-
21,161	21,161	-	-	500,000	500,000
(432)	6,100	6,532	-	500,165	500,165
4,543	4,543	-	12,341	12,341	-
\$ 4,111	\$ 10,643	\$ 6,532	\$ 12,341	\$ 512,506	\$ 500,165

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, 2010

	Building Rehabilitation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	579	579
Other revenue	-	1,926	1,926
Total revenue	-	2,505	2,505
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	50,000	41,846	(8,154)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	50,000	41,846	(8,154)
Revenue over (under) expenditures	(50,000)	(39,341)	10,659
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	11,461	11,461	-
Transfers (out)	-	-	-
Total other financing sources (uses)	11,461	11,461	-
Net changes in fund balances	(38,539)	(27,880)	10,659
Fund balances, beginning of year	1,277,089	1,277,089	-
Fund balances, end of year	\$ 1,238,550	\$ 1,249,209	\$ 10,659

Parks and Recreation			Register of Deeds Automation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	46,000	51,645	5,645
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	46,000	51,645	5,645
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,155	1,864	(291)	-	-	-
10,000	-	(10,000)	64,800	54,333	(10,467)
12,155	1,864	(10,291)	64,800	54,333	(10,467)
(12,155)	(1,864)	10,291	(18,800)	(2,688)	16,112
-	-	-	-	-	-
17,340	17,340	-	-	-	-
(20,000)	(20,000)	-	-	-	-
(2,660)	(2,660)	-	-	-	-
(14,815)	(4,524)	10,291	(18,800)	(2,688)	16,112
16,310	16,310	-	158,140	158,140	-
\$ 1,495	\$ 11,786	\$ 10,291	\$ 139,340	\$ 155,452	\$ 16,112

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, 2010

	Budget Stabilization		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	2,000	1,459	(541)
Other revenue	-	-	-
Total revenue	2,000	1,459	(541)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	2,000	1,459	(541)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	2,000	1,459	(541)
Fund balances, beginning of year	138,226	138,226	-
Fund balances, end of year	\$ 140,226	\$ 139,685	\$ (541)

Victim Services Unit			School Liaison		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
800	900	100	75,000	37,500	(37,500)
-	-	-	-	-	-
-	-	-	-	-	-
100	26	(74)	-	-	-
500	2,491	1,991	7,500	7,363	(137)
1,400	3,417	2,017	82,500	44,863	(37,637)
-	-	-	-	-	-
5,450	3,856	(1,594)	141,171	128,435	(12,736)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,450	3,856	(1,594)	141,171	128,435	(12,736)
(4,050)	(439)	3,611	(58,671)	(83,572)	(24,901)
-	-	-	-	-	-
-	-	-	58,671	65,956	7,285
-	-	-	-	-	-
-	-	-	58,671	65,956	7,285
(4,050)	(439)	3,611	-	(17,616)	(17,616)
15,660	15,660	-	17,635	17,635	-
\$ 11,610	\$ 15,221	\$ 3,611	\$ 17,635	\$ 19	\$ (17,616)

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, 2010

	Drug Law Enforcement		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	200	450	250
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	200	450	250
Expenditures			
Current:			
General government	-	-	-
Public safety	17,485	-	(17,485)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	17,983	17,983
Total expenditures	17,485	17,983	498
Revenue over (under) expenditures	(17,285)	(17,533)	(248)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	48	48
Transfers (out)	-	-	-
Total other financing sources (uses)	-	48	48
Net changes in fund balances	(17,285)	(17,485)	(200)
Fund balances, beginning of year	17,485	17,485	-
Fund balances, end of year	\$ 200	\$ -	\$ (200)

Special Investigation			Crime Victims' Rights Week		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	47,826	48,157	331
-	-	-	-	-	-
7,000	-	(7,000)	-	-	-
500	14	(486)	-	-	-
-	-	-	-	-	-
7,500	14	(7,486)	47,826	48,157	331
-	-	-	-	-	-
7,500	1,872	(5,628)	47,826	49,991	2,165
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,500	1,872	(5,628)	47,826	49,991	2,165
-	(1,858)	(1,858)	-	(1,834)	(1,834)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(1,858)	(1,858)	-	(1,834)	(1,834)
11,827	11,827	-	36,719	36,719	-
\$ 11,827	\$ 9,969	\$ (1,858)	\$ 36,719	\$ 34,885	\$ (1,834)

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, 2010

	Law Library		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	6,500	6,500
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	-	6,500	6,500
Expenditures			
Current:			
General government	19,500	14,465	(5,035)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	19,500	14,465	(5,035)
Revenue over (under) expenditures	(19,500)	(7,965)	11,535
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	14,830	8,330	(6,500)
Transfers (out)	-	-	-
Total other financing sources (uses)	14,830	8,330	(6,500)
Net changes in fund balances	(4,670)	365	5,035
Fund balances, beginning of year	12,479	12,479	-
Fund balances, end of year	\$ 7,809	\$ 12,844	\$ 5,035

CDBG Housing			Middleville Police Services		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
130,000	171,676	41,676	253,472	252,998	(474)
5,000	37,109	32,109	-	-	-
-	-	-	-	-	-
50	2	(48)	-	-	-
-	-	-	-	-	-
135,050	208,787	73,737	253,472	252,998	(474)
-	-	-	-	-	-
-	-	-	253,472	252,491	(981)
-	-	-	-	-	-
135,000	202,350	67,350	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
135,000	202,350	67,350	253,472	252,491	(981)
50	6,437	6,387	-	507	507
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50	6,437	6,387	-	507	507
981	981	-	17,890	17,890	-
\$ 1,031	\$ 7,418	\$ 6,387	\$ 17,890	\$ 18,397	\$ 507

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, 2010

	MSHDA		
	Home Program		
	Final		Actual
	Budget	Actual	Over (Under)
			Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	100,000	66,006	(33,994)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	100,000	66,006	(33,994)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	100,000	66,119	(33,881)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	100,000	66,119	(33,881)
Revenue over (under) expenditures	-	(113)	(113)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(113)	(113)
Fund balances, beginning of year	450	450	-
Fund balances, end of year	\$ 450	\$ 337	\$ (113)

Job Skills Training Program			Gypsy Moth Fund		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
675	675	-	25,632	21,322	(4,310)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
675	675	-	25,632	21,322	(4,310)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,324	3,317	(7)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,324	3,317	(7)	-	-	-
(2,649)	(2,642)	7	25,632	21,322	(4,310)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(25,632)	-	25,632
-	-	-	(25,632)	-	25,632
(2,649)	(2,642)	7	-	21,322	21,322
2,843	2,843	-	-	-	-
\$ 194	\$ 201	\$ 7	\$ -	\$ 21,322	\$ 21,322

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, 2010

	Community Corrections		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	96,466	96,466
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	222	222
Total revenue	-	96,688	96,688
Expenditures			
Current:			
General government	-	-	-
Public safety	-	96,705	96,705
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	96,705	96,705
Revenue over (under) expenditures	-	(17)	(17)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(17)	(17)
Fund balances, beginning of year	8,990	8,990	-
Fund balances, end of year	\$ 8,990	\$ 8,973	\$ (17)

Adult Drug Court			Juvenile Drug Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87,570	104,558	16,988	173,971	148,918	(25,053)
12,430	33,488	21,058	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	60	60
100,000	138,046	38,046	173,971	148,978	(24,993)
178,400	204,803	26,403	218,925	110,325	(108,600)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
178,400	204,803	26,403	218,925	110,325	(108,600)
(78,400)	(66,757)	11,643	(44,954)	38,653	83,607
-	-	-	-	-	-
78,400	78,400	-	44,547	44,547	-
-	-	-	-	-	-
78,400	78,400	-	44,547	44,547	-
-	11,643	11,643	(407)	83,200	83,607
33,296	33,296	-	248,768	248,768	-
\$ 33,296	\$ 44,939	\$ 11,643	\$ 248,361	\$ 331,968	\$ 83,607

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, 2010

	Michigan Justice Training		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	6,000	5,771	(229)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	6,000	5,771	(229)
Expenditures			
Current:			
General government	-	-	-
Public safety	8,000	5,360	(2,640)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	8,000	5,360	(2,640)
Revenue over (under) expenditures	(2,000)	411	2,411
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(2,000)	411	2,411
Fund balances, beginning of year	16,467	16,467	-
Fund balances, end of year	\$ 14,467	\$ 16,878	\$ 2,411

Social Welfare			Child Care		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,400	3,410	10	429,197	410,942	(18,255)
-	-	-	-	-	-
-	-	-	-	-	-
-	713	713	-	-	-
-	-	-	-	719	719
3,400	4,123	723	429,197	411,661	(17,536)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,500	16,327	(4,173)	1,192,617	747,483	(445,134)
-	-	-	-	-	-
-	-	-	-	-	-
20,500	16,327	(4,173)	1,192,617	747,483	(445,134)
(17,100)	(12,204)	4,896	(763,420)	(335,822)	427,598
-	-	-	-	-	-
8,330	8,330	-	661,580	661,580	-
-	-	-	-	-	-
8,330	8,330	-	661,580	661,580	-
(8,770)	(3,874)	4,896	(101,840)	325,758	427,598
188,858	188,858	-	1,508,179	1,508,179	-
\$ 180,088	\$ 184,984	\$ 4,896	\$ 1,406,339	\$ 1,833,937	\$ 427,598

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, 2010

	Revenue Sharing Reserve		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	3,200	3,220	20
Other revenue	-	-	-
Total revenue	3,200	3,220	20
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	3,200	3,220	20
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	(1,115,656)	(1,115,656)	-
Total other financing sources (uses)	(1,115,656)	(1,115,656)	-
Net changes in fund balances	(1,112,456)	(1,112,436)	20
Fund balances, beginning of year	2,929,560	2,929,560	-
Fund balances, end of year	\$ 1,817,104	\$ 1,817,124	\$ 20

Veterans' Trust			Diverted Felons		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,684	6,236	1,552	-	92,110	92,110
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,684	6,236	1,552	-	92,110	92,110
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,684	4,063	(621)	-	-	-
-	-	-	-	-	-
-	-	-	54,000	-	(54,000)
4,684	4,063	(621)	54,000	-	(54,000)
-	2,173	2,173	(54,000)	92,110	146,110
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,173	2,173	(54,000)	92,110	146,110
4,536	4,536	-	274,067	274,067	-
\$ 4,536	\$ 6,709	\$ 2,173	\$ 220,067	\$ 366,177	\$ 146,110

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, 2010

	Master Land Use Plan		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	5,000	4,239	(761)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	5,000	4,239	(761)
Expenditures			
Current:			
General government	5,000	1,530	(3,470)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	5,000	1,530	(3,470)
Revenue over (under) expenditures	-	2,709	2,709
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	2,709	2,709
Fund balances, beginning of year	16,790	16,790	-
Fund balances, end of year	\$ 16,790	\$ 19,499	\$ 2,709

County Agriculture Preservation			Bench Warrant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	4,935	1,280	(3,655)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,935	1,280	(3,655)
-	-	-	4,550	3,190	(1,360)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,440	947	(493)	-	-	-
-	-	-	-	-	-
1,440	947	(493)	4,550	3,190	(1,360)
(1,440)	(947)	493	385	(1,910)	(2,295)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(385)	(385)	-
-	-	-	(385)	(385)	-
(1,440)	(947)	493	-	(2,295)	(2,295)
4,609	4,609	-	3,655	3,655	-
\$ 3,169	\$ 3,662	\$ 493	\$ 3,655	\$ 1,360	\$ (2,295)

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, 2010

	FEMA Elevation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	145,365	145,365
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	-	145,365	145,365
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	145,365	145,365
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	145,365	145,365
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

Total		
Final Budget	Actual	Actual Over (Under) Final Budget
\$ 421,500	\$ 433,796	\$ 12,296
2,203,881	2,467,002	263,121
252,080	278,555	26,475
7,200	450	(6,750)
6,370	6,615	245
73,900	78,491	4,591
2,964,931	3,264,909	299,978
1,448,676	1,331,759	(116,917)
485,904	543,211	57,307
109,150	245,409	136,259
1,553,472	1,084,813	(468,659)
578,230	617,808	39,578
139,300	79,731	(59,569)
4,314,732	3,902,731	(412,001)
(1,349,801)	(637,822)	711,979
-	26,180	26,180
1,181,662	1,682,495	500,833
(1,278,229)	(1,291,303)	(13,074)
(96,567)	417,372	513,939
(1,446,368)	(220,450)	1,225,918
8,047,705	8,047,705	-
\$ 6,601,337	\$ 7,827,255	\$ 1,225,918

concluded

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

		<u>Building Authority</u>			
	Friend of the Court Renovation	Kellogg Community College	Courts and Law	Total	
Assets					
Cash and cash equivalents	\$ 14,710	\$ -	\$ 22,187	\$ 36,897	
Leases receivable	-	266,491	-	266,491	
Total assets	<u>\$ 14,710</u>	<u>\$ 266,491</u>	<u>\$ 22,187</u>	<u>\$ 303,388</u>	
Liabilities and fund balances					
Liabilities					
Deferred revenue	\$ -	\$ 266,491	\$ -	\$ 266,491	
Fund balances					
Unreserved, undesignated	14,710	-	22,187	36,897	
Total liabilities and fund balances	<u>\$ 14,710</u>	<u>\$ 266,491</u>	<u>\$ 22,187</u>	<u>\$ 303,388</u>	

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

	<u>Building Authority</u>			
	Friend of the Court Renovation	Kellogg Community College	Courts and Law	Total
Revenue				
Intergovernmental	\$ -	\$ 261,789	\$ -	\$ 261,789
Interest	-	-	228	228
Total revenue	-	261,789	228	262,017
Expenditures				
Debt service:				
Principal	50,000	245,000	225,000	520,000
Interest expense	39,112	17,039	20,646	76,797
Total expenditures	89,112	262,039	245,646	596,797
Revenue under expenditures	(89,112)	(250)	(245,418)	(334,780)
Other financing sources				
Transfers in	90,363	-	125,141	215,504
Net changes in fund balances	1,251	(250)	(120,277)	(119,276)
Fund balances, beginning of year	13,459	250	142,464	156,173
Fund balances, end of year	<u>\$ 14,710</u>	<u>\$ -</u>	<u>\$ 22,187</u>	<u>\$ 36,897</u>

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	Building Authority Thornapple Manor Construction	McKeown Bridge Construction	Total
Assets			
Cash and cash equivalents	\$ 18	\$ -	\$ 18
Due from other governments	-	179,825	179,825
Total assets	\$ 18	\$ 179,825	\$ 179,843
Liabilities and fund balances			
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ 163,556	\$ 163,556
Fund balances			
Unreserved, undesignated	18	16,269	16,287
Total liabilities and fund balances	\$ 18	\$ 179,825	\$ 179,843

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2010

	Building Authority Thornapple Manor Construction	McKeown Bridge Construction	Total
Revenue			
Intergovernmental	\$ 340,731	\$ 239,825	\$ 580,556
Interest	5	-	5
Total revenue	340,736	239,825	580,561
Expenditures			
Capital outlay	270,781	277,156	547,937
Revenue under expenditures	69,955	(37,331)	32,624
Other financing sources			
Transfers in	-	53,600	53,600
Net changes in fund balances	69,955	16,269	86,224
Fund balances (deficits), beginning of year	(69,937)	-	(69,937)
Fund balances, end of year	\$ 18	\$ 16,269	\$ 16,287

BARRY COUNTY, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2010

	2007	2008	
	Delinquent	Delinquent	
	Tax	Tax	
	Revolving	Revolving	Foreclosure
Assets			
Current assets:			
Cash and cash equivalents	\$ 808,505	\$ 312,071	\$ 284,921
Accounts receivable	230	8,737	-
Delinquent taxes receivable	16,152	445,518	-
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total current assets	824,887	766,326	284,921
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	824,887	766,326	284,921
	<hr/>	<hr/>	<hr/>
Liabilities			
Current liabilities:			
Accounts payable	19,616	500	400
Accrued liabilities	-	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities (all current)	19,616	500	400
	<hr/>	<hr/>	<hr/>
Net assets			
Invested in capital assets	-	-	-
Unrestricted	805,271	765,826	284,521
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 805,271	\$ 765,826	\$ 284,521
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Jail			
Commissary	Transit	Total	
\$ 23,360	\$ 1,606,528	\$ 3,035,385	
-	9,821	18,788	
-	-	461,670	
-	76,843	76,843	
23,360	1,693,192	3,592,686	
-	1,039,562	1,039,562	
23,360	2,732,754	4,632,248	
4,818	5,263	30,597	
-	7,229	7,229	
-	-	-	
4,818	12,492	37,826	
-	1,039,562	1,039,562	
18,542	1,680,700	3,554,860	
\$ 18,542	\$ 2,720,262	\$ 4,594,422	

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	2007	2008	
	Delinquent	Delinquent	
	Tax	Tax	
	Revolving	Revolving	Foreclosure
Operating revenue			
Charges for services	\$ 42,340	\$ 95,181	\$ -
Interest and penalties on delinquent taxes	12,280	170,374	-
Total operating revenue	54,620	265,555	-
Operating expense			
Operations	11,788	43,286	11,962
Depreciation	-	-	-
Total operating expense	11,788	43,286	11,962
Operating income (loss)	42,832	222,269	(11,962)
Nonoperating revenue			
Taxes	-	-	-
Intergovernmental	-	-	-
Interest revenue	1,084	263	400
Total nonoperating revenue	1,084	263	400
Change in net assets	43,916	222,532	(11,562)
Net assets, beginning of year	761,355	543,294	296,083
Net assets, end of year	\$ 805,271	\$ 765,826	\$ 284,521

Jail				
Commissary		Transit		Total
\$	73,164	\$	177,284	\$ 387,969
	-		-	182,654
	73,164		177,284	570,623
	68,716		799,146	934,898
	-		129,591	129,591
	68,716		928,737	1,064,489
	4,448		(751,453)	(493,866)
	-		472,885	472,885
	-		617,539	617,539
	-		13,587	15,334
	-		1,104,011	1,105,758
	4,448		352,558	611,892
	14,094		2,367,704	3,982,530
\$	18,542	\$	2,720,262	\$ 4,594,422

BARRY COUNTY, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2010

	2007	2008
	Delinquent	Delinquent
	Tax	Tax
	Revolving	Revolving
Cash flows from operating activities		
Cash received from customers and users	\$ 415,321	\$ 1,685,895
Cash payments to suppliers for goods and services	716	(42,786)
Cash payments to employees for services	-	-
Net cash provided by (used in) operating activities	416,037	1,643,109
Cash flows from noncapital financing activities		
Taxes	-	-
Intergovernmental revenue	-	-
Payments on long-term advances from other funds	-	(1,524,000)
Net cash provided by (used in) noncapital financing activities	-	(1,524,000)
Cash flows from capital and related financing activities		
Intergovernmental capital grants	-	-
Purchases of capital assets	-	-
Net cash provided by capital and related financing activities	-	-
Cash flows from investing activities		
Interest received	1,084	263
Net increase (decrease) in cash and cash equivalents	417,121	119,372
Cash and cash equivalents, beginning of year	391,384	192,699
Cash and cash equivalents, end of year	\$ 808,505	\$ 312,071

Foreclosure	Jail Commissary	Transit	Total
\$ -	\$ 73,164	\$ 177,215	\$ 2,351,595
(11,962)	(66,273)	(422,289)	(542,594)
-	-	(1,057,248)	(1,057,248)
(11,962)	6,891	(1,302,322)	751,753
-	-	472,885	472,885
-	-	486,919	486,919
-	-	-	(1,524,000)
-	-	959,804	(564,196)
-	-	775,409	775,409
-	-	(118,997)	(118,997)
-	-	656,412	656,412
400	-	13,587	15,334
(11,562)	6,891	327,481	859,303
296,483	16,469	1,279,047	2,176,082
\$ 284,921	\$ 23,360	\$ 1,606,528	\$ 3,035,385

continued...

BARRY COUNTY, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Concluded)
For the Year Ended December 31, 2010

	2007	2008
	Delinquent	Delinquent
	Tax	Tax
	Revolving	Revolving
Cash flows from operating activities		
Operating income (loss)	\$ 42,832	\$ 222,269
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	-	-
Changes in:		
Accounts receivable	(230)	(8,737)
Taxes receivable	360,931	1,429,077
Accounts payable	12,504	500
Accrued liabilities	-	-
Due to other funds	-	-
Net cash provided by (used in) operating activities	<u>\$ 416,037</u>	<u>\$ 1,643,109</u>

Foreclosure	Jail Commissary	Transit	Total
\$ (11,962)	\$ 4,448	\$ (751,453)	\$ (493,866)
-	-	129,591	129,591
-	-	(69)	(9,036)
-	-	-	1,790,008
-	2,443	(664,100)	(648,653)
-	-	(16,291)	(16,291)
-	-	-	-
\$ (11,962)	\$ 6,891	\$ (1,302,322)	\$ 751,753

BARRY COUNTY, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Data Processing	Telephone	Vehicle	Workers' Compensation	Health Insurance
Assets					
Current assets:					
Cash and cash equivalents	\$ 801,365	\$ 109,703	\$ 474,464	\$ 151,737	\$ 312,806
Accounts receivable	-	-	-	-	181,906
Total current assets	801,365	109,703	474,464	151,737	494,712
Noncurrent assets:					
Capital assets being depreciated, net	122,570	-	392,754	-	-
Total assets	923,935	109,703	867,218	151,737	494,712
Liabilities					
Current liabilities:					
Accounts payable	4,049	2,836	13,112	114	27,500
Accrued liabilities	-	-	-	-	-
Total liabilities (all current)	4,049	2,836	13,112	114	27,500
Net assets					
Invested in capital assets	122,570	-	392,754	-	-
Unrestricted	797,316	106,867	461,352	151,623	467,212
Total net assets	\$ 919,886	\$ 106,867	\$ 854,106	\$ 151,623	\$ 467,212

Disability	Fringe Benefits	Life Insurance	Retirement	Dental and Optical	Unemployment	Total
\$ 79,484	\$ 636,224	\$ 6,876	\$ 605,469	\$ 106,985	\$ 51,306	\$ 3,336,419
-	-	-	-	-	-	181,906
79,484	636,224	6,876	605,469	106,985	51,306	3,518,325
-	-	-	-	-	-	515,324
79,484	636,224	6,876	605,469	106,985	51,306	4,033,649
-	-	-	-	-	23,327	70,938
2,988	-	-	-	-	-	2,988
2,988	-	-	-	-	23,327	73,926
-	-	-	-	-	-	515,324
76,496	636,224	6,876	605,469	106,985	27,979	3,444,399
\$ 76,496	\$ 636,224	\$ 6,876	\$ 605,469	\$ 106,985	\$ 27,979	\$ 3,959,723

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	Data Processing	Telephone	Vehicle	Workers' Compensation	Health Insurance
Operating revenue					
Charges for services	\$ -	\$ 47,025	\$ -	\$ 122,997	\$ 2,199,283
Other revenue	-	-	2,289	103,725	-
Total operating revenue	-	47,025	2,289	226,722	2,199,283
Operating expense					
Operations	64,582	39,379	11,150	258,085	2,356,828
Depreciation	35,369	-	110,549	-	-
Other expense	1,828	-	-	-	-
Total operating expense	101,779	39,379	121,699	258,085	2,356,828
Operating income (loss)	(101,779)	7,646	(119,410)	(31,363)	(157,545)
Nonoperating revenue					
Intergovernmental revenue	-	-	59,978	-	-
Interest revenue	-	-	-	-	-
Loss on disposal of capital assets	-	-	(3,414)	-	-
Total nonoperating revenue	-	-	56,564	-	-
Income (loss) before transfers	(101,779)	7,646	(62,846)	(31,363)	(157,545)
Transfers					
Transfers in	449,223	-	-	-	75,468
Change in net assets	347,444	7,646	(62,846)	(31,363)	(82,077)
Net assets, beginning of year	572,442	99,221	916,952	182,986	549,289
Net assets, end of year	\$ 919,886	\$ 106,867	\$ 854,106	\$ 151,623	\$ 467,212

Disability	Fringe Benefits	Life Insurance	Retirement	Dental and Optical	Unemployment	Total
\$ 80,823	\$ 111,623	\$ 18,693	\$ 1,432,738	\$ 72,073	\$ 18,201	\$ 4,103,456
-	-	-	-	-	-	106,014
80,823	111,623	18,693	1,432,738	72,073	18,201	4,209,470
71,693	8,698	18,192	1,395,391	66,074	36,777	4,326,849
-	-	-	-	-	-	145,918
-	-	-	-	-	-	1,828
71,693	8,698	18,192	1,395,391	66,074	36,777	4,474,595
9,130	102,925	501	37,347	5,999	(18,576)	(265,125)
-	-	-	-	-	-	59,978
-	33,230	-	-	-	-	33,230
-	-	-	-	-	-	(3,414)
-	33,230	-	-	-	-	89,794
9,130	136,155	501	37,347	5,999	(18,576)	(175,331)
-	-	-	380,462	-	17,680	922,833
9,130	136,155	501	417,809	5,999	(896)	747,502
67,366	500,069	6,375	187,660	100,986	28,875	3,212,221
\$ 76,496	\$ 636,224	\$ 6,876	\$ 605,469	\$ 106,985	\$ 27,979	\$ 3,959,723

BARRY COUNTY, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	Data Processing	Telephone	Vehicle	Workers' Compensation
Cash flows from operating activities				
Cash received from interfund services	\$ -	\$ 50,626	\$ 2,289	\$ 226,722
Cash payments to suppliers for goods and services	(68,250)	(36,543)	(8,129)	-
Cash payments to employees for services	-	-	-	(257,971)
Net cash provided by (used in) operating activities	(68,250)	14,083	(5,840)	(31,249)
Cash flows from non-capital financing activities				
Transfers in	449,223	-	-	-
Transfers out	-	-	-	-
Net cash provided by non-capital financial activities	449,223	-	-	-
Cash flows from capital and related financing activities				
Intergovernmental revenue	-	-	59,978	-
Purchase of capital assets	(50,177)	-	(181,963)	-
Net cash used in capital and related financing activities	(50,177)	-	(121,985)	-
Cash flows from investing activities				
Interest income received	-	-	-	-
Net increase (decrease) in cash and cash equivalents	330,796	14,083	(127,825)	(31,249)
Cash and cash equivalents, beginning of year	470,569	95,620	602,289	182,986
Cash and cash equivalents, end of year	\$ 801,365	\$ 109,703	\$ 474,464	\$ 151,737
Cash flows from operating activities				
Operating income (loss)	\$ (101,779)	\$ 7,646	\$ (119,410)	\$ (31,363)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation expense	35,369	-	110,549	-
(Increase) decrease in:				
Accounts receivable	-	-	-	-
Due from other funds	-	3,601	-	-
Accounts payable	(1,840)	2,836	3,021	114
Accrued liabilities	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (68,250)</u>	<u>\$ 14,083</u>	<u>\$ (5,840)</u>	<u>\$ (31,249)</u>

Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement	Dental and Optical	Unemployment	Total
\$ 2,017,377	\$ 80,823	\$ 114,434	\$ 18,693	\$ 1,432,738	\$ 145,677	\$ 18,201	\$ 4,107,580
(70,627)	-	-	-	-	-	-	(183,549)
(2,356,828)	(71,099)	(8,698)	(18,192)	(1,395,391)	(66,074)	(13,450)	(4,187,703)
(410,078)	9,724	105,736	501	37,347	79,603	4,751	(263,672)
75,468	-	-	-	380,462	-	17,680	922,833
-	-	-	-	-	-	-	-
75,468	-	-	-	380,462	-	17,680	922,833
-	-	-	-	-	-	-	59,978
-	-	-	-	-	-	-	(232,140)
-	-	-	-	-	-	-	(172,162)
-	-	33,230	-	-	-	-	33,230
(334,610)	9,724	138,966	501	417,809	79,603	22,431	520,229
647,416	69,760	497,258	6,375	187,660	27,382	28,875	2,816,190
\$ 312,806	\$ 79,484	\$ 636,224	\$ 6,876	\$ 605,469	\$ 106,985	\$ 51,306	\$ 3,336,419
\$ (157,545)	\$ 9,130	\$ 102,925	\$ 501	\$ 37,347	\$ 5,999	\$ (18,576)	\$ (265,125)
-	-	-	-	-	-	-	145,918
(181,906)	-	-	-	-	-	-	(181,906)
-	-	2,811	-	-	73,604	-	80,016
(70,627)	-	-	-	-	-	23,327	(43,169)
-	594	-	-	-	-	-	594
\$ (410,078)	\$ 9,724	\$ 105,736	\$ 501	\$ 37,347	\$ 79,603	\$ 4,751	\$ (263,672)

BARRY COUNTY, MICHIGAN
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2010

	Trust and Agency	Library	Inmate Trust	Total
Assets				
Cash and cash equivalents	\$ 370,568	\$ 48,238	\$ 5,903	\$ 424,709
Due from other governments	21	-	-	21
Total assets	<u>\$ 370,589</u>	<u>\$ 48,238</u>	<u>\$ 5,903</u>	<u>\$ 424,730</u>
Liabilities				
Accounts payable	\$ 176,491	\$ -	\$ 5,903	\$ 182,394
Due to other governments	145,924	-	-	145,924
Undistributed receipts	48,174	48,238	-	96,412
Total liabilities	<u>\$ 370,589</u>	<u>\$ 48,238</u>	<u>\$ 5,903</u>	<u>\$ 424,730</u>

BARRY COUNTY, MICHIGAN
Combining Statement of Net Assets
Private Purpose Trust Funds
December 31, 2010

	Cooperative Extension 4H	Norris Road Trees	Total
<hr/>			
Assets			
Cash and cash equivalents	\$ 26,299	\$ 7,196	\$ 33,495
Liabilities			
Accounts payable	3,790	-	3,790
	<hr/>		
Net assets			
Held in trust for private purposes	\$ 22,509	\$ 7,196	\$ 29,705
	<hr/> <hr/>		

BARRY COUNTY, MICHIGAN
Combining Statement of Changes in Net Assets
Private Purpose Trust Funds
For the Year Ended December 31, 2010

	Cooperative Extension 4H	Norris Road Trees	Total
Additions			
Intergovernmental	\$ 45,590	\$ -	\$ 45,590
Deductions			
Services to beneficiaries	43,851	242	44,093
Change in net assets	1,739	(242)	1,497
Net assets, beginning of year	20,770	7,438	28,208
Net assets, end of year	\$ 22,509	\$ 7,196	\$ 29,705

BARRY COUNTY, MICHIGAN
Combining Balance Sheet
Drainage Districts Component Unit
December 31, 2010

	<u>Debt Service</u>	<u>Capital Projects</u>		
			<u>Revolving</u>	
	<u>Algonquin Lake</u>	<u>Regular</u>	<u>Drain</u>	
	<u>Dam Project</u>	<u>Drain</u>	<u>Maintenance</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ -	\$ 124,719	\$ 10,017	\$ 134,736
Investments	-	44,327	582	44,909
Special assessments receivable	-	310,071	-	310,071
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>\$ 479,117</u>	<u>\$ 10,599</u>	<u>\$ 592,398</u>
Liabilities and fund balances				
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ 2,733	\$ -	\$ -	\$ 2,733
Accounts payable	-	2,009	-	2,009
Due to other funds	-	102,682	-	102,682
Deferred revenue	-	181,175	-	181,175
	<u>-</u>	<u>181,175</u>	<u>-</u>	<u>181,175</u>
Total liabilities	2,733	285,866	-	288,599
Fund balances				
Unreserved, undesignated	99,949	193,251	10,599	303,799
	<u>99,949</u>	<u>193,251</u>	<u>10,599</u>	<u>303,799</u>
Total liabilities and fund balances	<u>\$ 102,682</u>	<u>\$ 479,117</u>	<u>\$ 10,599</u>	<u>\$ 592,398</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, 2010

Fund balances - total governmental funds	\$ 303,799
Amounts reported for <i>governmental activities</i> 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.	
Capital assets not being depreciated	156,712
Capital assets being depreciated, net	1,602,982
Certain assets, such as special assessments receivable, are not due and payable in the current period and therefore are not reported in the funds.	
Deferred special assessments receivable	181,175
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds and loans payable	(190,340)
Accrued interest payable	(4,736)
	<hr/>
Net assets	<u><u>\$ 2,049,592</u></u>

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Drainage Districts Component Unit
For the Year Ended December 31, 2010

	<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>
Revenue				
Special assessments	\$ -	\$ 260,466	\$ -	\$ 260,466
Interest	1	3,235	67	3,303
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	1	263,701	67	263,769
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Public works	1,100	237,294	-	238,394
Debt service:				
Principal	-	54,237	-	54,237
Interest	-	10,596	-	10,596
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,100	302,127	-	303,227
	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in fund balances	(1,099)	(38,426)	67	(39,458)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	101,048	231,677	10,532	343,257
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 99,949</u>	<u>\$ 193,251</u>	<u>\$ 10,599</u>	<u>\$ 303,799</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, 2010

Net change in fund balances - total governmental funds	\$ (39,458)
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Amounts reported for *governmental activities* in the statement of activities are different

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

Acquisition/construction of capital assets	125,147
Depreciation expense	(45,001)

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-

Principal payments on long-term liabilities	54,237
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Change in deferred special assessments receivable	(81,647)
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Some expenses recorded in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable	1,388
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Change in net assets	\$ 14,666
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BARRY COUNTY, MICHIGAN
Combining Balance Sheet - Governmental Funds
Board of Public Works Component Unit
December 31, 2010

	Debt Service				
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1994 Middleville Sewer	1999 Middleville Sewer	2004 Southwest Barry County Sewer
Assets					
Cash and cash equivalents	\$ 41	\$ 1	\$ 50	\$ 211	\$ -
Special assessments receivable	-	-	-	-	-
Leases receivable	404,191	458,629	-	607,031	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 404,232</u>	<u>\$ 458,630</u>	<u>\$ 50</u>	<u>\$ 607,242</u>	<u>\$ -</u>
Liabilities and fund balances					
Liabilities					
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Deferred revenue	404,191	458,629	-	607,031	-
Total liabilities	404,191	458,629	-	607,031	-
Fund balances					
Unreserved, undesignated	41	1	50	211	-
Total liabilities and fund balances	<u>\$ 404,232</u>	<u>\$ 458,630</u>	<u>\$ 50</u>	<u>\$ 607,242</u>	<u>\$ -</u>

Debt Service						
2003 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt
\$ 3,188	\$ 477	\$ 3,427	\$ 5,507	\$ 1,439	\$ 46,636	\$ -
-	-	-	-	-	-	-
804,838	486,302	392,072	914,834	165,877	1,434,329	1,029,208
-	-	-	-	-	-	-
\$ 808,026	\$ 486,779	\$ 395,499	\$ 920,341	\$ 167,316	\$ 1,480,965	\$ 1,029,208

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
804,838	486,302	392,072	914,834	165,877	1,434,329	1,029,208
804,838	486,302	392,072	914,834	165,877	1,434,329	1,029,208
3,188	477	3,427	5,507	1,439	46,636	-
\$ 808,026	\$ 486,779	\$ 395,499	\$ 920,341	\$ 167,316	\$ 1,480,965	\$ 1,029,208

continued...

BARRY COUNTY, MICHIGAN
Combining Balance Sheet - Governmental Funds (Concluded)
Board of Public Works Component Unit
December 31, 2010

	Capital Projects					
	Yankee Springs Water Tower	Gun Lake Weed Assessment	Leach - Middle Sewer Construction	Finkbeiner Crane Construction		Total
Assets						
Cash and cash equivalents	\$ 52	\$ 278,756	\$ -	\$ -	\$	339,785
Special assessments receivable	-	79,488	-	-		79,488
Leases receivable	-	-	-	-		6,697,311
Due from other governments	-	-	301,123	-		301,123
Total assets	\$ 52	\$ 358,244	\$ 301,123	\$ -	\$	7,417,707
Liabilities and fund balances						
Liabilities						
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 5,937	\$ -	\$	5,937
Accounts payable	-	-	295,186	-		295,186
Deferred revenue	-	-	-	-		6,697,311
Total liabilities	-	-	301,123	-		6,998,434
Fund balances						
Unreserved, undesignated	52	358,244	-	-		419,273
Total liabilities and fund balances	\$ 52	\$ 358,244	\$ 301,123	\$ -	\$	7,417,707

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, 2010

Fund balances - total governmental funds	\$ 419,273
Amounts reported for <i>governmental activities</i> in the statement of net assets are different	
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds	
Deferred leases receivable	6,697,311
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds and loans payable	(6,625,096)
Accrued interest payable	<u>(72,215)</u>
Net assets	<u><u>\$ 419,273</u></u>

BARRY COUNTY, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances - Governmental Funds
Board of Public Works Component Unit
For the Year Ended December 31, 2010

	Debt Service				
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1994 Middleville Sewer	1999 Middleville Sewer	2004 Southwest Barry County Sewer
Revenue					
Intergovernmental - local	\$ 42,278	\$ 88,506	\$ -	\$ 80,900	\$ 862,526
Interest	5	28	-	20	293
Special assessments	-	-	-	-	-
Total revenue	42,283	88,534	-	80,920	862,819
Expenditures					
Current:					
Public works	321	-	-	-	-
Debt service:					
Principal	25,000	65,000	-	50,000	850,000
Interest	17,278	23,592	-	30,900	13,681
Total expenditures	42,599	88,592	-	80,900	863,681
Revenue over (under) expenditures	(316)	(58)	-	20	(862)
Other financing sources					
Issuance of long-term debt	-	-	-	-	-
Net changes in fund balances	(316)	(58)	-	20	(862)
Fund balances, beginning of year	357	59	50	191	862
Fund balances, end of year	\$ 41	\$ 1	\$ 50	\$ 211	\$ -

Debt Service						
2003 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt
\$ 219,765	\$ 42,832	\$ 28,713	\$ 64,209	\$ 13,719	\$ 47,777	\$ -
68	11	7	12	3	13	-
-	-	-	-	-	-	-
219,833	42,843	28,720	64,221	13,722	47,790	-
250	-	-	-	-	-	-
185,000	30,000	20,000	45,000	10,000	-	-
34,765	12,832	8,713	19,209	3,719	1,154	-
220,015	42,832	28,713	64,209	13,719	1,154	-
(182)	11	7	12	3	46,636	-
-	-	-	-	-	-	-
(182)	11	7	12	3	46,636	-
3,370	466	3,420	5,495	1,436	-	-
\$ 3,188	\$ 477	\$ 3,427	\$ 5,507	\$ 1,439	\$ 46,636	\$ -

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, 2010

	Capital Projects				
	Yankee Springs Water Tower	Gun Lake Weed Assessment	Leach - Middle Sewer Construction	Finkbeiner Crane Construction	Total
Revenue					
Intergovernmental - federal	\$ -	\$ -	\$ 1,842,000	\$ -	\$ 3,333,225
Interest	-	2,539	-	25	3,024
Special assessments	-	99,086	-	-	99,086
Total revenue	-	101,625	1,842,000	25	3,435,335
Expenditures					
Current:					
Public works	-	98,690	3,242,321	995,025	4,336,607
Debt service:					
Principal	-	-	-	-	1,280,000
Interest	-	-	-	-	165,843
Total expenditures	-	98,690	3,242,321	995,025	5,782,450
Revenue over (under) expenditures	-	2,935	(1,400,321)	(995,000)	(2,347,115)
Other financing sources					
Issuance of long-term debt	-	-	1,426,815	995,000	2,421,815
Net changes in fund balances	-	2,935	26,494	-	74,700
Fund balances (deficit), beginning of year	52	355,309	(26,494)	-	344,573
Fund balances, end of year	\$ 52	\$ 358,244	\$ -	\$ -	\$ 419,273

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, 2010

Net change in fund balances - total governmental funds	\$ 74,700
--	-----------

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

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

Principal payments on long-term liabilities	1,280,000
Issuance of long-term debt	(2,421,815)

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

Change in deferred leases receivable	<u>1,141,815</u>
--------------------------------------	------------------

Change in net assets	<u><u>\$ 74,700</u></u>
----------------------	-------------------------

BARRY COUNTY, MICHIGAN
Balance Sheet
Economic Development Board Component Unit
December 31, 2010

Assets

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

Liabilities and fund balance

Liabilities

Accounts payable	\$ -
------------------	------

Fund balance

Unreserved, undesignated	-
--------------------------	---

Total liabilities and fund balance	\$ -
---	-------------

BARRY COUNTY, MICHIGAN
Statement of Revenue, Expenditures
and Changes in Fund Balance
Economic Development Board Component Unit
For the Year Ended December 31, 2010

Revenue

Intergovernmental	\$ 85,752
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Expenditures

Current:

Community and economic development	<u>85,752</u>
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Net changes in fund balances	-
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Fund balance, beginning of year	<u>-</u>
---------------------------------	----------

Fund balance, end of year	<u><u>\$ -</u></u>
----------------------------------	---------------------------

BARRY COUNTY, MICHIGAN
Balance Sheet
Airport Commission Component Unit
December 31, 2010

Assets

Cash and cash equivalents	\$ 132,700
Inventories	<u>8,870</u>
 Total assets	 <u><u>\$ 141,570</u></u>

Liabilities and fund balance

Liabilities

Accounts payable	<u>\$ 2,205</u>
------------------	-----------------

Fund balance

Reserved for inventories	8,870
Unreserved, undesignated	<u>130,495</u>
 Total fund balance	 <u>139,365</u>

Total liabilities and fund balance	<u><u>\$ 141,570</u></u>
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BARRY COUNTY, MICHIGAN
Reconciliation of Fund Balance on the Balance Sheet
for Governmental Funds to Net Assets
on the Statement of Net Assets
Airport Commission Component Unit
December 31, 2010

Fund balances - total governmental fund	\$ 139,365
---	------------

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.

Capital assets not being depreciated	352,265
Capital assets being depreciated, net	1,165,557

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

Loan payable	(12,144)
Accrued interest payable	(186)
	<hr/>

Net assets	<u><u>\$ 1,644,857</u></u>
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BARRY COUNTY, MICHIGAN
Statement of Revenue, Expenditures and Change in
Funds Balance
Airport Commission Component Unit
For the Year Ended December 31, 2010

Revenue

Intergovernmental	\$ 102,946
Charges for services	<u>147,945</u>
Total revenue	<u>250,891</u>

Expenditures

Current:	
Public works	186,801
Debt service:	
Principal	11,607
Interest	<u>1,093</u>
Total expenditures	<u>199,501</u>

Net change in fund balance	51,390
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Fund balance, beginning of year	<u>87,975</u>
---------------------------------	---------------

Fund balance, end of year	<u><u>\$ 139,365</u></u>
----------------------------------	--------------------------

BARRY COUNTY, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balance of Governmental Funds
on the Statement of Activities
Airport Commission Component Unit
For the Year Ended December 31, 2010

Net change in fund balance - total governmental funds	\$ 51,390
---	-----------

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.

Acquisition/construction of capital assets	36,800
Donated capital assets	67,265
Depreciation expense	(171,026)

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-

Principal payments on long-term debt	11,607
--------------------------------------	--------

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

Change in accrued interest payable	178
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Change in net assets	\$ <u>(3,786)</u>
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COUNTY OF BARRY, MICHIGAN



SINGLE AUDIT ACT COMPLIANCE

For the Year Ended December 31, 2010



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

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For the Year Ended December 31, 2010**

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

May 2, 2011

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Barry, Michigan*, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements, and have issued our report thereon dated May 2, 2011. We did not audit the financial statements of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, or the Barry County Transit enterprise fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our report on these financial statements insofar as it related to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), and the Barry County Transit was based solely on the reports of other auditors.

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



BARRY COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

Federal/Pass-through Grantor Program Title	CFDA Number	Federal/Pass-through Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State Department of Office on Services to the Aging and Region III-B Area Agency on Aging:			
FY 2010 Food Donation	10.565	10BCCOA1	\$ 14,509
FY 2011 Food Donation	10.565	11BCCOA1	13,356
Passed through the Michigan Department of Natural Resources:			
National Forest Revenue	10.665	-n/a-	<u>12</u>
Total U.S. Department of Agriculture			<u>27,877</u>
U.S. Department of Housing and Urban Development			
Passed through the Michigan State Housing Development Authority:			
Community Development Block Grant	14.228	MSC-2009-0769-HOA	171,676
Home Investment Partnership Program (HOME)	14.239	M-2007-0769-02	<u>66,006</u>
Total U.S. Department of Housing and Urban Development			<u>237,682</u>
U.S. Department of Justice			
Passed through the Michigan Department of Community Health and the State Office of Drug Control Policy:			
Edward Byrne Memorial Justice Assistance Grant Program:			
FY 2010 Adult Felony Drug Court	16.738	SCAO-2010-079	85,538
FY 2011 Adult Felony Drug Court	16.738	SCAO-2011-061	16,228
FY 2010 Juvenile Drug Court	16.738	SCAO-2010-005	51,776
FY 2011 Juvenile Drug Court	16.738	SCAO-2011-003	13,406
FY 2010 Southwest Enforcement Team	16.738	70888-2-10-B	33,697
FY 2011 Southwest Enforcement Team	16.738	70888-3-11-B	<u>9,489</u>
Total U.S. Department of Justice			<u>210,134</u>
U.S. Department of Transportation			
Passed through the Michigan State Police:			
FY 2010 State and Community Highway Safety	20.600	PT-10-24	11,446
FY 2011 State and Community Highway Safety	20.600	PT-11-19	<u>1,927</u>
Total U.S. Department of Transportation			<u>13,373</u>
U.S. Department of Environmental Quality			
Passed through the Michigan Department of Environmental Quality:			
ARRA - State Clean Water Revolving Fund	66.468	5327-01	<u>1,842,000</u>

continued...

BARRY COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2010

Federal/Pass-through Grantor Program Title	CFDA Number	Federal/Pass-through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through the Michigan Office of Services to the Aging and Region III-B Area Agency on Aging:			
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:			
FY 2010	93.044	10BCCOA1	\$ 14,554
FY 2011	93.044	11BCCOA1	6,941
Title III-C Special Programs for the Aging, Nutrition Services:			
FY 2010 Nutrition Congregate	93.045	10BCCOA1	49,518
FY 2011 Nutrition Congregate	93.045	11BCCOA1	21,051
FY 2010 Nutrition Home Delivered Meals	93.045	10BCCOA1	24,795
FY 2011 Nutrition Home Delivered Meals	93.045	11BCCOA1	8,097
FY 2010 Title III-E/National Family Caregiver Support Program	93.052	SFSC-04-10001-5	13,733
FY 2011 Title III-E/National Family Caregiver Support Program	93.052	SFSC-04-11001-5	4,404
ARRA FY 2010 - Aging Home-delivered Nutrition Services	93.705	10BCCOA1	11,013
ARRA FY 2010 - Aging Congregate Nutrition Services	93.707	10BCCOA1	10,184
Passed through the Michigan Department of Human Services:			
Building Strong Families	93.556	SFSC 09-08001	28,820
Promoting Safe and Stable Families	93.556	WRAP-11-08001	12,601
Promoting Safe and Stable Families	93.556	WRAP-08-08001	8,523
Temporary Assistance for Needy Families	93.558	WRAP-08-08001	8,523
Child Support Enforcement:			
FY 2010 Friend of the Court	93.563	CS/FOC-10-08001	450,536
FY 2011 Friend of the Court	93.563	CS/FOC-11-08001	141,945
Incentive Payments	93.563	-n/a-	87,455
FY 2010 Prosecuting Attorney	93.563	CS/PA-10-08002	22,790
FY 2011 Prosecuting Attorney	93.563	CS/PA-11-08002	9,067
Passed through the Michigan State Court Administrative Office:			
Access and Visitation Grant	93.597	-n/a-	900
Total U.S. Department of Health and Human Services			935,450
U.S. Department of Homeland Security			
Passed through the Michigan Department of Human Resources:			
Boating Safety Financial Assistance	97.012	-n/a-	14,963

continued...

BARRY COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended December 31, 2010

Federal/Pass-through Grantor Program Title	CFDA Number	Federal/Pass-through Grantor Number	Federal Expenditures
U.S. Department of Homeland Security (Concluded)			
Passed through the Michigan State Police:			
FY 2010 Emergency Management Performance Grant	97.042	2010-EP-00-0002	\$ 22,258
FY 2011 Emergency Management Performance Grant	97.042	not available	6,929
Hazard Mitigation Program - Jordan Lake Structure Elevation	97.039	FEMA-1527-DR	109,031
Homeland Security Grant	97.067	08-00019	<u>54,087</u>
Total U.S. Department of Homeland Security			<u>207,268</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,473,784</u></u>

See accompanying notes to schedule of expenditures of federal awards.

BARRY COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. GENERAL

The accompanying schedule of expenditures of federal awards (the “schedule”) presents the activity of all federal awards programs of Barry County, Michigan (the “County”). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

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

2. BASIS OF ACCOUNTING

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

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

3. SUBRECIPIENTS

The expenditures reported in the schedule of expenditures of federal awards for the National Forest Revenue Program (CFDA# 10.665) were passed-through entirely to subrecipients. The allocation to each subrecipient was based on its proportionate acreage of forest land.

4. OTHER FEDERAL FUNDING

In addition to the expenditures of federal awards reported in the schedule, the County was a direct beneficiary of construction at the City of Hastings/Barry County Joint Airport Authority. The project was administered directly by the Michigan Department of Transportation under CFDA# 20.106 – Airport Improvement Program. The amount capitalized by the County as construction in progress at December 31, 2010 was \$67,265, of which 95 percent, or \$63,902 was federal. Inasmuch as the County had no direct responsibility for administration of this grant, the amounts have been excluded from the schedule and will be reported in the report on Single Audit Act compliance for the State of Michigan.

* * * * *

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

May 2, 2011

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan***, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements, and have issued our report thereon dated May 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, or the Barry County Transit enterprise fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our report on these financial statements insofar as it related to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), and the Barry County Transit was based solely on the reports of other auditors. The financial statements of the Barry County Medical Care Facility (Thornapple Manor) were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2 to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County of Barry, Michigan in a separate letter dated May 2, 2011.

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

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

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

May 2, 2011

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

Compliance

We have audited the *County of Barry, Michigan's* compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Barry, Michigan's major federal programs for the year ended December 31, 2010. The County of Barry, Michigan's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Barry, Michigan's management. Our responsibility is to express an opinion on the County of Barry, Michigan's compliance based on our audit.

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

As described in item 2010-3 in the accompanying schedule of findings and questioned costs, the County of Barry, Michigan did not comply with the requirement regarding cash management that are applicable to its Drinking Water Revolving Funds federal program. Compliance with this requirement is necessary, in our opinion, for the County of Barry, Michigan to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County of Barry, Michigan complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-4.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-3 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-4 and 2010-5 to be significant deficiencies.

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

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

A handwritten signature in black ink, reading "Lehmann Lohorn". The signature is written in a cursive style with a large initial 'L'.

BARRY COUNTY, MICHIGAN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

 x yes no

Significant deficiency(ies) identified?

 yes x none reported

Noncompliance material to financial statements
noted?

 yes x no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

 x yes no

Significant deficiency(ies) identified?

 x yes none reported

Type of auditors' report issued on compliance
for major programs:

Qualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

 x yes no

BARRY COUNTY, MICHIGAN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.468	ARRA – Drinking Water Revolving Funds
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
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Auditee qualified as low-risk auditee?	_____ yes <u> x </u> no
--	---------------------------

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2010-1 – Material Audit Adjustments
Material Weakness in Internal Control over Financial Reporting

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

Condition: During our audit, we identified and proposed certain adjustments, which were approved and posted by management. Several of these adjustments were significant (though not individually material) to the financial statements. Audit-identified adjustments included:

- Identifying and recording retainage payable on construction projects,
- Proposing entries to correct invoices inappropriately included in or excluded from year-end accounts payable,
- Recording accruals for grant funds expended but not yet received under reimbursement-based awards,
- Reclassifying capital asset additions to the fund in which the related asset was purchased

Cause: This condition was caused by various oversights in decentralized locations in identifying relevant financial information and providing documentation to the County's outsourced accountants. In addition, the County's process for recording year-end accounts payable was not designed appropriately in order to prevent and/or detect and correct errors.

Effect: As a result of this condition, the County's accounting records were initially misstated by amounts significant to the financial statements. In addition, the County was exposed to an increased risk that misstatements (whether caused by error or fraud) may occur and not be detected and corrected by management in a timely manner.

BARRY COUNTY, MICHIGAN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS (CONCLUDED)

Finding 2010-1 – Material Audit Adjustments (Concluded)

Recommendation: The adjustments noted above have been reviewed by management, posted to the County's records, and are reported correctly in the audited financial statements. We understand that management has already began the process of implementing a formal accounts payable policy to clarify and improve the process in future years.

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

Finding 2010-2 – Material Adjustments to Schedule of Expenditures of Federal Awards (SEFA)
Material Weakness in Internal Control over Financial Reporting

Criteria: Management is responsible for maintaining its accounting records in order to identify expenditures made from federal awards. As part of the year-end financial reporting process, this information should be compiled into a single document organized by federal department with indication of pass-through agency (if applicable) and grantor or pass-through agency award number.

Condition: In order to perform our audit on the County's compliance with the Single Audit Act, we requested a schedule of expenditures of federal awards. The initial draft SEFA included a variety of errors and omissions, totaling over \$100,000.

Cause: This condition was primarily caused by the decentralized nature of County operations and certain grants being administered by individuals not aware of the importance of communicating award information to the County's contracted accountants.

Effect: As a result of this condition, the County's schedule of expenditures of federal awards was initially misstated by amounts material to the financial statements.

Recommendation: We recommend that the County form a centralized process for tracking federal awards and the various compliance requirements that are applicable to each grant. Individuals administering such grants should be provided adequate training on federal cost principles and compliance requirements in accordance with OMB Circular A-133.

View of Responsible Officials: Several departments have encountered problems receiving reports from an outside vendor in a timely fashion, which are needed to record corresponding revenue and expenditures. The County has changed outside vendors to ensure timeliness reporting and will update the information on a quarterly basis to ensure proper reporting.

BARRY COUNTY, MICHIGAN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2010-3 – Grant Draws in Excess of Immediate Cash Needs (Cash Management)
CFDA #66.468 – ARRA - Drinking Water Revolving Funds
Material Noncompliance / Material Weakness in Internal Control over Compliance

Criteria: The OMB Circular A-133 Compliance Supplement requires grantees to request funds under reimbursement-based grants in order to minimize the amount of time between receipt of funds and disbursement to the related vendors, contractors, and/or subrecipients. As a general rule, 3 days is considered to be a reasonable period of time to hold advance cash draws.

Condition: The County made 12 reimbursement requests during 2010 under this federal award. Of these, one draw in the amount of \$610,198 was held for 20 days prior to disbursement and a second draw in the amount of \$658,795 was held for 5 days prior to disbursement. The remaining 10 draws were made in accordance with applicable guidelines.

Cause: This condition was caused primarily by miscommunications between a contracted third-party engineering firm responsible for compiling and submitting reimbursement requests, the department administering the grant in reviewing and approving these requests, and the accounts payable department in preparing and releasing checks.

Effect: As a result of this condition, the County was, at times, in possession of federal funds in excess of its immediate cash needs.

Questioned Costs: No costs were questioned as a result of this finding, inasmuch as the advance draws were eventually used to make disbursements to other entities, none of which were determined to be unallowable.

Recommendation: We recommend that the County ensure that individuals administering federal grants are provided adequate training and resources in order to identify and comply with the significant number of complex requirements imposed by the federal government.

View of Responsible Officials: The initial advance (draw #1) was held for 20 days due to the startup of the grant and coordination between all of the parties involved. In the future, startup will be organized in advance to minimize the holding period.

Finding 2010-4 – Internal Controls over Suspension and Debarment
CFDA #97.039 – Hazard Mitigation Grant
Immaterial Noncompliance / Significant Deficiency in Internal Control over Compliance

Criteria: A recipient of federal awards is required to determine that vendors being paid with federal funds are not suspended or debarred from doing business with the government. Such procedures are required whenever the amount disbursed to a single vendor in a given fiscal year is expected to be at least \$25,000.

Condition: At the commencement of this project in 2008, the County did not perform any procedures to determine whether the main vendor being utilized for this grant were suspended or debarred. The contract governing the vendor relationship did not contain any language regarding suspension or debarment.

BARRY COUNTY, MICHIGAN
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2010-4 – Internal Controls over Suspension and Debarment (Concluded)

Cause: This condition was a result of contracting for these services two years ago, prior to the adoption of a formal suspension debarment procedure by the County Board of Commissioners.

Effect: As a result of this condition, the City was exposed to the risk that disbursements of federal awards would be made to vendors suspended or debarred by the federal government.

Questioned Costs: No costs are required to be questioned as a result of this finding as the vendor was not actually suspended or debarred.

Recommendation: We recognize that County had recently developed a formal suspension/debarment policy. We commend the County for taking this step toward improving its internal controls over compliance. If this policy is adhered to, no further corrective action should be necessary.

View of Responsible Officials: The policy was adopted by the Barry County Board of Commissioners on November 9, 2010.

Finding 2010-5 – Internal Controls over Reporting
CFDA #97.039 – Hazard Mitigation Grant
Deficiency in Internal Control over Compliance

Criteria: A recipient of federal awards is required to report periodically on grant expenditures in accordance with the OMB Circular A-133 Compliance Supplement and/or pass-through grantor agreement. The County's financial reports and reimbursement requests should be based on the County's official accounting records subjected to audit.

Condition: The County only made a single reimbursement request for this grant, which was completed in May 2010. Since that date, the County has continued to incur expenditures and make payments to vendors, but no additional funds have been requested. In addition, the County inadvertently transferred expenditures in the amount of approximately \$35,000 to another fund of the County, where they would not be easily identified in preparing the next reimbursement request.

Cause: This condition was a result of a turnover of staff in the department administering this grant.

Effect: As a result of this condition, the County's fund used to account for this grant is in a deficit cash position at year-end, and an adjustment was needed to record accounts receivable grant expenditures incurred but not yet received.

Questioned Costs: No costs are required to be questioned as a result of this finding as no unallowable expenditures were identified.

BARRY COUNTY, MICHIGAN
Schedule of Findings and Questioned Costs (Concluded)
For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

Finding 2010-5 – Internal Controls over Reporting (Concluded)

Recommendation: We recommend that the County ensure that individuals administering federal grants are provided adequate training and resources in order to identify and comply with the significant number of complex requirements imposed by the federal government.

View of Responsible Officials: This was discovered by Barry County's new Deputy Drain Commissioner before year end and a reconciliation process was started. The department has implemented new software and the new deputy is now utilizing drain accounting software that will track and record all grants.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS

Finding 2009-1 – Material Audit Adjustments

Finding was repeated for unrelated audit adjustments. Refer to Finding 2010-1.

Finding 2009-2 Segregation of Incompatible Duties

Corrective action was deemed sufficient.

Finding 2009-3 Unreconciled/Unsupported Agency Fund Liabilities

While progress was made in 2010, corrective action was not complete. Refer to Finding 2010-3.

**Finding 2009-4 Eligibility Determinations – Immaterial Noncompliance
CFDA #93.563 – Child Support Enforcement Program**

This grant was not required to be and was not tested as a major program in the current year. However, based on our inquiries of management, it appears that appropriate corrective action has been taken.

**Finding 2009-5 Timeliness of Reporting – Immaterial Noncompliance
CFDA #93.563 – Child Support Enforcement Program**

This grant was not required to be and was not tested as a major program in the current year. Management has selected a new contractor to assist in compiling the monthly reports and believes this change will eliminate this finding in the subsequent year.

* * * * *

May 2, 2011

To the Board of Commissioners
County of Barry
Hastings, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan*** (the “County”) for the year ended December 31, 2010, and have issued our report thereon dated May 2, 2011. We did not audit the financial statements of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, or the Barry County Transit enterprise fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our report on these financial statements insofar as it related to the amounts included for the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), and the Barry County Transit was based solely on the reports of other auditors. Professional standards require that we provide you with the following information related to our audit.

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

As stated in our engagement letter dated January 26, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on January 31, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the Barry County Municipal Employees' Retirement System (MERS) pension plan and the Barry County Retiree Health Care Plan are based on historical trends and industry standards.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated May 2, 2011.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Very truly yours,

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

Barry County

Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended December 31, 2010

In planning and performing our audit of the financial statements of the Barry County (the “County”) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the County’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The deficiencies we noted that we consider to be significant deficiencies are described in the Schedule of Findings and Questioned Costs in the County’s Single Audit report.

Other Matters

Segregation of Incompatible Duties

Over the last few the years, the County has made significant efforts toward segregating incompatible duties and performing independent review and approval of accounting transactions. During the year under audit, we identified certain areas in which the County was still in the process of designing and implementing appropriate internal controls. Management has indicated that this process has now been completed in early 2011. We commend the County for the progress made thus far in safeguarding its assets and encourage periodic review of these controls to ensure that they are being properly performed and documented.

Barry County

Attachment A - Consideration of Internal Control Over Financial Reporting

For the Year Ended December 31, 2010

New Accounting Pronouncement – GASB 54

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which will be effective for the County for the fiscal year ending June 30, 2011. This Statement changes the classifications of fund balance in governmental funds, and somewhat modifies the definition of special revenue funds for external financial reporting.

Under GASB 54, special revenue funds should be used only to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than those accounted for in debt service or capital projects funds). These specific revenue sources must be external (i.e., interfund transfers do not qualify), and must comprise a substantial portion of the fund's ongoing inflows. Funds no longer meeting this definition will need to be collapsed into the general fund (at least for external financial reporting purposes). The special revenue funds that we noted in the December 31, 2010 financial statements that do not appear to qualify under the new GASB 54 definition are:

- Building Rehabilitation
- Commission on Aging Building
- Parks and Recreation
- Budget Stabilization
- Gypsy Moth Program

For fiscal year 2011, the County may either (1) formally close these funds into the general fund, or (2) continue to account for these activities internally, with the understanding that they will be collapsed into the general fund for external reporting purposes in connection with the 2011 audit.

Under GASB 54, the term “designated fund balance” will no longer be used. Instead, funds can either be “committed” (by formal action of the governing body prior to the end of the fiscal year) or “assigned” (by the governing body or its designee, at any time prior to audit issuance). Accordingly, the Board of Commissioners should determine by policy what individuals or committees will be authorized to “assign” fund balance for specific purposes.

As with any new accounting standard, other issues are sure to arise during its implementation, and we will continue to monitor emerging best practices in this area. In the meantime, if you have any questions or concerns, please do not hesitate to contact us.

* * * * *

Barry County
Attachment B - Schedule of Adjustments Passed (SOAP)
For the December 31, 2010 Audit

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

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenue	Expenses/Expenditures
General fund					
Variance between grants receivable subledger and amount recorded in the trial balance	\$ 5,944	\$ -	\$ 4,000	\$ 1,944	\$ -
Variance between accounts payable subsidiary detail and amount recorded in the trial balance	-	3,749	-	-	3,749
Payments in lieu of insurance related to 2010 payroll were not recorded.	-	(6,368)	-	-	(6,368)
December revenue not transferred from trust and agency fund	(39,095)	-	-	(39,095)	-
Total general fund	<u>\$ (33,151)</u>	<u>\$ (2,619)</u>	<u>\$ 4,000</u>	<u>\$ (37,151)</u>	<u>\$ (2,619)</u>
Central dispatch					
Payments in lieu of insurance related to 2010 payroll were not recorded.	<u>\$ -</u>	<u>\$ (1,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,364)</u>

Barry County
Attachment B - Schedule of Adjustments Passed (SOAP) (Concluded)
For the December 31, 2010 Audit

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenue	Expenses/Expenditures
Commission on Aging					
Variance between grants receivable subledger and amount recorded in the trial balance	\$ (1,058)	\$ -	\$ 1,888	\$ (2,946)	\$ -
Nonmajor governmental funds					
Retainage payable not recorded for McKeown Bridge construction project	\$ -	\$ (24,180)	\$ -	\$ -	\$ (24,180)
Variance between grants receivable subledger and amount recorded in the trial balance	9,467	-	13,332	(3,865)	-
	<u>\$ 9,467</u>	<u>\$ (24,180)</u>	<u>\$ 13,332</u>	<u>\$ (3,865)</u>	<u>\$ (24,180)</u>
Governmental activities					
Cumulative effect of items noted above	\$ (24,742)	\$ (28,163)	\$ 19,220	\$ (43,962)	\$ (28,163)
Effect of prior year projected misstatement in compensated absences payable based on sampling errors found	-	-	(10,016)	-	(10,016)
Total governmental activities	<u>\$ (24,742)</u>	<u>\$ (28,163)</u>	<u>\$ 9,204</u>	<u>\$ (43,962)</u>	<u>\$ (38,179)</u>
Agency funds					
December revenue not transferred to the general fund at year-end	\$ 39,095	\$ 39,095	\$ -	\$ -	\$ -

BARRY COUNTY

Michael C. Brown
County Administrator

220 W. State St., Hastings, MI 49058
Ph. (269) 945-1284 Fax (269) 948-4884



May 2, 2011

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

We are providing this letter in connection with your audit of the financial statements of *Barry County* as of December 31, 2010 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Barry County and the respective changes in financial position and, where applicable, cash flows thereof in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of May 2, 2011, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all—
 - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Minutes of the meetings of the Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of federal awards.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial

statements taken as a whole. In addition, you have proposed adjusting journal entries that have been posted. We are in agreement with those adjustments.

6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you have reported to us.
10. We have a process to track the status of audit findings and recommendations.
11. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
12. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
13. The County has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
14. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
 - b. Guarantees, whether written or oral, under which the County is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.

15. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
16. There are no—
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Financial Accounting Standards Board (FASB) Statement No. 5 or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
17. As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
18. The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
19. The County has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
21. The financial statements properly classify all funds and activities.
22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.


23. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
24. Provisions for uncollectible receivables have been properly identified and recorded.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
29. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
30. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
31. With respect to federal award programs:
 - a. We are responsible for complying and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
 - b. We have, in accordance with OMB Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
 - c. We are responsible for complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
 - d. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in

internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies (including material weaknesses) reported in the schedule of findings and questioned costs.


- e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to major federal programs.
- f. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including those resulting from other audits or program reviews.
- h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in *OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments*, and *OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- j. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- k. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- l. We have charged costs to federal awards in accordance with applicable cost principles.
- m. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- n. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of *OMB Circular A-133*.
- o. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements to ensure that subrecipients have taken the appropriate and timely corrective action on findings.

- p. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- q. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- r. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133, and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- s. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.


No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.




Signature



Title



Signature



Title