

County of  
Barry,  
Michigan



Year Ended  
December 31,  
2011

Annual  
Financial  
Report

# COUNTY OF BARRY, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-10
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15-16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18-19
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	20
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	22-23
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	25-28
Central Dispatch Fund	29
Commission on Aging Fund	30
Statement of Net Assets - Proprietary Funds	32-33
Statement of Revenue, Expenses and Changes in Fund Net Assets - Proprietary Funds	34-35
Statement of Cash Flows - Proprietary Funds	36-39
Statement of Fiduciary Net Assets	40
Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds	41
Combining Statement of Net Assets - Discretely Presented Component Units	42-43
Combining Statement of Activities - Discretely Presented Component Units	44-45
Notes to Financial Statements	47-82
<b>Required Supplementary Information:</b>	
MERS Multiple-Employer Defined Benefit Plan - Primary Government:	
Schedule of Funding Progress	84
Schedule of Employer Contributions	84
Single Employer Defined Benefit Other Postemployment Benefits Plan - Primary Government:	
Schedule of Funding Progress	85
Schedule of Employer Contributions	85

continued...

# COUNTY OF BARRY, MICHIGAN

## Table of Contents

	<u>Page</u>
Single Employer Defined Benefit Other Postemployment Benefits Plan - Road Commission Component Unit:	
Schedule of Funding Progress	86
Schedule of Employer Contributions	86
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
General Fund:	
Combining Balance Sheet - General Fund - By Activity	88-89
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - General Fund - By Activity	90-91
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - By Activity	92-96
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	98-99
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	100-101
Combining Balance Sheet - Nonmajor Special Revenue Funds	102-109
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	110-117
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	118-141
Combining Balance Sheet - Nonmajor Debt Service Funds	142
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	143
Combining Balance Sheet - Nonmajor Capital Projects Funds	144
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	145
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets - Nonmajor Enterprise Funds	146-147
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds	148-149
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	150-153
Internal Service Funds:	
Combining Statement of Net Assets - Internal Service Funds	154-156
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets - Internal Service Funds	158-160
Combining Statement of Cash Flows - Internal Service Funds	162-164
Fiduciary Funds:	
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	165
Combining Statement of Fiduciary Net Assets - Private Purpose Trust Funds	166
Combining Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds	167

continued...

# COUNTY OF BARRY, MICHIGAN

## ■ Table of Contents

	<u>Page</u>
Component Units:	
Drainage Districts:	
Combining Balance Sheet	168
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	169
Combining Statement of Revenue, Expenditures and Changes in Fund Balances	170
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	171
Board of Public Works:	
Combining Balance Sheet	172-174
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	175
Combining Statement of Revenue, Expenditures and Changes in Fund Balances	176-178
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	179
Economic Development Board:	
Balance Sheet	180
Statement of Revenue, Expenditures and Changes in Fund Balance	181
Airport Commission:	
Balance Sheet	182
Reconciliation of Fund Balances on the Balance Sheet for Component Unit Funds to Net Assets of Governmental Activities on the Statement of Net Assets	183
Statement of Revenue, Expenditures and Changes in Fund Balances	184
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	185

concluded



**This page intentionally left blank**

**INDEPENDENT AUDITORS' REPORT**

May 18, 2012

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** (the "County"), as of and for the year ended December 31, 2011, 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 75% and 66% of the total assets and revenue, respectively, of the discretely presented component units. Thornapple Manor and the Barry County Transit are presented as a major enterprise funds, and are therefore separate opinion units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for the 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 Road Commission and 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, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the schedules of funding progress on pages 84 to 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2012, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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



# COUNTY OF BARRY, MICHIGAN

## Management's Discussion and Analysis

As management of Barry County, we offer readers of the *County of Barry, Michigan's* (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

Key metrics and financial highlights of the County for the year ended December 31, 2011 are as follows:

Total net assets	\$48,361,840
Unrestricted net assets	8,841,625
Change in net assets	903,023
Fund balance, governmental funds	11,963,696
Change in fund balance, governmental funds	(516,406)
Fund balance, general fund	3,752,787
(as percentage of general fund expenditures and transfers out)	26%
Unassigned fund balance, general fund	2,286,422
(as percentage of general fund expenditures and transfers out)	16%

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 3-10 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 14-30 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, 2010 delinquent tax fund, Thornapple Manor fund, and transit fund, all of which are considered to be major funds of Barry County.

The basic proprietary fund financial statements can be found on pages 32-39 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 page 40 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 47-82 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 and employer contributions for the County pension and other postemployment benefit plans.

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 88-185 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. Summary information on the County assets, liabilities, and net assets is as follows:

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current and other assets	\$20,580,678	\$20,665,085	\$17,001,210	\$16,498,951	\$37,581,888	\$37,164,036
Capital assets, net	13,316,979	13,391,298	22,193,635	22,711,102	35,510,614	36,102,400
<b>Total assets</b>	<b>33,897,657</b>	<b>34,056,383</b>	<b>39,194,845</b>	<b>39,210,053</b>	<b>73,092,502</b>	<b>73,266,436</b>
<b>Liabilities</b>						
Long-term liabilities	17,836,116	19,182,529	227,386	460,186	18,063,502	19,642,715
Other liabilities	5,658,362	4,832,217	1,008,798	1,332,687	6,667,160	6,164,904
<b>Total liabilities</b>	<b>23,494,478</b>	<b>24,014,746</b>	<b>1,236,184</b>	<b>1,792,873</b>	<b>24,730,662</b>	<b>25,807,619</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	12,432,779	12,024,320	22,193,635	22,561,102	34,626,414	34,585,422
Restricted	4,554,550	8,741,152	339,251	-	4,893,801	8,741,152
Unrestricted (deficit)	(6,584,150)	(10,723,835)	15,425,775	14,856,078	8,841,625	4,132,243
<b>Total net assets</b>	<b>\$10,403,179</b>	<b>\$10,041,637</b>	<b>\$37,958,661</b>	<b>\$37,417,180</b>	<b>\$48,361,840</b>	<b>\$47,458,817</b>

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 \$903,023. The governmental activities increased by \$361,542 which is primarily due to controlled and responsible spending at the department level. The business-type activities increase of \$541,481 is due to operating the delinquent tax collection and administration activities with fewer related expenses.

	Change in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,259,990	\$ 2,105,063	\$14,977,574	\$14,820,387	\$17,237,564	\$16,925,450
Operating grants and contributions	3,470,265	4,492,120	662,824	612,065	4,133,089	5,104,185
Capital grants and contributions	118,105	273,128	195,867	108,689	313,972	381,817
General revenues:						
Property taxes	13,892,325	15,098,948	463,694	472,885	14,356,019	15,571,833
Grants and contributions not restricted to specific programs	346,689	295,145	-	-	346,689	295,145
Unrestricted investment earnings	147,038	202,540	6,221	-	153,259	202,540
Gain on sale of capital assets	14,689	-	-	-	14,689	-
<b>Total revenues</b>	<u>20,249,101</u>	<u>22,466,944</u>	<u>16,306,180</u>	<u>16,014,026</u>	<u>36,555,281</u>	<u>38,480,970</u>
<b>Expenses</b>						
General government	8,351,315	8,649,116	-	-	8,351,315	8,649,116
Public safety	7,169,789	7,035,807	-	-	7,169,789	7,035,807
Public works	57,246	248,104	-	-	57,246	248,104
Health and welfare	3,235,843	3,729,701	-	-	3,235,843	3,729,701
Recreation and cultural	678,582	681,169	-	-	678,582	681,169
Community and economic development	338,891	369,797	-	-	338,891	369,797
Interest on long-term debt	799,768	846,176	-	-	799,768	846,176
Delinquent tax administration	-	-	51,828	67,128	51,828	67,128
Thornapple Manor	-	-	13,862,711	13,624,450	13,862,711	13,624,450
Other	-	-	1,106,285	997,453	1,106,285	997,453
<b>Total expenses</b>	<u>20,631,434</u>	<u>21,559,870</u>	<u>15,020,824</u>	<u>14,689,031</u>	<u>35,652,258</u>	<u>36,248,901</u>
Change in net assets before transfers	(382,333)	907,074	1,285,356	1,324,995	903,023	2,232,069
Transfers	<u>743,875</u>	<u>-</u>	<u>(743,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	361,542	907,074	541,481	1,324,995	903,023	2,232,069
Net assets, beginning 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>
<b>Net assets, end of year</b>	<u>\$10,403,179</u>	<u>\$10,041,637</u>	<u>\$37,958,661</u>	<u>\$37,417,180</u>	<u>\$48,361,840</u>	<u>\$47,458,817</u>

## Governmental Activities

During the year, the County invested \$8,351,315 or 40 percent of governmental activities expenses to general government activities. Public safety expenditures totaled \$7,169,789 or 35 percent of governmental activities expenses. Health and welfare, public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 25 percent of governmental activities expenses.

**Business-type activities.** Business-type activities increased the County's net assets by \$541,481. Key elements of this increase are as follows:

- 2009 and 2010 Delinquent Tax Revolving funds, collecting delinquent taxes with few related expenses
- Controlled, responsible spending at the department level

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,963,696, a decrease of \$516,406 in comparison with the prior year. Approximately 19 percent of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is *restricted*, *committed* or *assigned* to indicate that it cannot be used at the County's discretion, or it is *nonspendable* 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, unassigned fund balance of the general fund was \$2,286,422. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 16 percent of total general fund expenditures and transfers out.

The fund balance of the County's general fund was increased this year only as a result of consolidating certain funds (formally presented separately as special revenue funds) into the general fund for external financial reporting purposes in accordance with GASB Statement No. 54. As in previous years, the surplus in the County's traditional general fund (fund 101) was transferred to other funds of the government, as approved by Board Resolution.

**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 \$541,481. Key elements of this change have been addressed elsewhere in this analysis.

## General Fund Budgetary Highlights

- Property tax revenue exceeded budget due to conservative forecasting of the rate of change in taxable value.
- Interest revenue on the County's deposits and investments was less than budgeted amounts due to actual interest rates being less than budgeted estimates.

- Expenditures for the Trial Court came in under budget. This was the result of operating through a plan of Concurrent Jurisdiction, implementing and utilizing numerous community-based programs, and prudent fiscal management.
- Operating transfers out exceeded the original and amended budget due to a board resolution to transfer the entire year-end surplus (exclusive of the resources related to the close-out of the budget stabilization and job skills training special revenue funds) 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, 2011, amounted to \$35,510,614 (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 the completion of McKeown Park; construction of a Fire Radio Tower; replacement of the HVAC (heating ventilation and air conditioning) system at the Barry County Jail and the purchase and implementation of a video recording system in the Unified Trial Court. The vehicle fund purchased three replacement patrol vehicles at the Barry County Sheriff's Department and the data processing fund purchased a replacement voicemail system and new software for use by various departments.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,734,208	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208	\$ 2,734,208
Construction in progress	23,513	731,124	209,100	-	232,613	731,124
Land improvements	646,495	352,109	1,256,645	1,316,637	1,903,140	1,668,746
Buildings	7,710,287	7,927,745	17,523,062	18,042,544	25,233,349	25,970,289
Machinery and equipment	2,202,476	1,646,112	3,204,828	3,351,921	5,407,304	4,998,033
<b>Total</b>	<b>\$13,316,979</b>	<b>\$13,391,298</b>	<b>\$22,193,635</b>	<b>\$22,711,102</b>	<b>\$35,510,614</b>	<b>\$36,102,400</b>

Additional information on Barry County's capital assets can be found in Note 6 on pages 64-67 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$18,063,502. Of this amount, \$17,836,116 was debt of governmental activities and \$227,386 was debt of business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$17,315,000	\$18,475,000	\$ -	\$ 150,000	\$17,315,000	\$18,625,000
Other installment debt	19,200	206,978	-	-	19,200	206,978
Compensated absences	501,916	500,551	227,386	310,186	729,302	810,737
<b>Total</b>	<b>\$17,836,116</b>	<b>\$19,182,529</b>	<b>\$ 227,386</b>	<b>\$ 460,186</b>	<b>\$18,063,502</b>	<b>\$19,642,715</b>

Additional information on the County's long-term debt can be found in Note 7 on pages 68-72 of this report.

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

The following factors were considered in preparing the County's budget for 2012:

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 adopted a multi-year budget in 2012 and is using the MSU study as the primary source for forecasting revenue estimates through 2015.

The County budget for 2012 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.

Successor labor contracts with all of the bargaining units were negotiated effective January 1, 2012 and will continue through December 31, 2014. Some of the agreed-upon terms include: compliance with Public Act 152 of 2011, capping the employer contribution to health care and limited future increases to the medical rate of inflation; eliminating the defined benefit pension program for all employees hired after May 1, 2012, with a maximum employer contribution cap of 10%; increasing the employee contribution to the defined benefit program by 2.5%; and wage freezes for 2012 and 2013, with the option for a wage reopener, by either party, in 2014.

The Governor's 2012/2013 budget recommendation includes a reduction in the revenue sharing payment, and includes requirements for best practices, consolidation and cooperation, and employee compensation in order to qualify for the funding. While the County opposes the cut in funding and requirements to obtain the reduced funding, the County is making changes to be prepared for the loss in revenue if it should occur.

In April 2012, the County issued \$6,000,000 in limited tax, general obligation bonds for Thornapple Manor, the County's Medical Care Facility, to construct a free-standing 23-bed skilled nursing facility adjacent to its existing 110-bed facility. The new facility will provide skilled nursing care to dementia patients. Debt service payments on the bonds will be funded from revenues generated from the operation of the facility. The project broke ground in April 2012 and is expected to be completed by April 2013.

## **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**



**This page intentionally left blank**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# COUNTY OF BARRY, MICHIGAN

## Statement of Net Assets

December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 4,830,369	\$ 2,839,029	\$ 7,669,398	\$ 3,802,575
Restricted cash and cash equivalents	394,507	634,624	1,029,131	-
Investments	10,216,541	9,111,915	19,328,456	410,339
Receivables, net	4,619,816	4,832,335	9,452,151	10,605,196
Internal balances	519,445	(519,445)	-	-
Inventories	-	-	-	1,850,830
Prepays and other assets	-	102,752	102,752	203,400
Capital assets not being depreciated	2,757,721	209,100	2,966,821	18,180,561
Capital assets being depreciated, net	10,559,258	21,984,535	32,543,793	19,996,607
<b>Total assets</b>	<b>33,897,657</b>	<b>39,194,845</b>	<b>73,092,502</b>	<b>55,049,508</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,148,743	1,008,798	2,157,541	616,176
Unearned revenue	4,266,519	-	4,266,519	-
Long-term liabilities:				
Due within one year	1,211,277	78,020	1,289,297	2,182,134
Due in more than one year	16,624,839	149,366	16,774,205	7,047,338
Net other postemployment benefits obligation	243,100	-	243,100	-
<b>Total liabilities</b>	<b>23,494,478</b>	<b>1,236,184</b>	<b>24,730,662</b>	<b>9,845,648</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	12,432,779	22,193,635	34,626,414	35,984,398
Restricted for:				
Property tax acceleration	682,502	-	682,502	-
Health and welfare programs	1,704,691	-	1,704,691	-
Public safety programs	1,701,969	-	1,701,969	-
Judicial programs	145,242	-	145,242	-
Recreation and cultural programs	118,618	-	118,618	-
Other state mandated programs	170,388	-	170,388	-
Property tax foreclosures	-	339,251	339,251	-
Cemetery perpetual care:				
Nonexpendable	30,925	-	30,925	-
Expendable	215	-	215	-
Unrestricted (deficit)	(6,584,150)	15,425,775	8,841,625	9,219,462
<b>Total net assets</b>	<b>\$ 10,403,179</b>	<b>\$ 37,958,661</b>	<b>\$ 48,361,840</b>	<b>\$ 45,203,860</b>

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

# COUNTY OF BARRY, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2011

		Program Revenue			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	\$ 8,351,315	\$ 1,705,181	\$ 1,679,591	\$ -	\$ (4,966,543)
Public safety	7,169,789	198,290	900,895	89,474	(5,981,130)
Public works	57,246	25,842	3,483	-	(27,921)
Health and welfare	3,235,843	171,602	832,712	-	(2,231,529)
Recreation and cultural	678,582	135,823	25,443	28,631	(488,685)
Community and economic development	338,891	23,252	28,141	-	(287,498)
Interest on long-term debt	799,768	-	-	-	(799,768)
Total governmental activities	20,631,434	2,259,990	3,470,265	118,105	(14,783,074)
Business-type activities:					
Delinquent tax administration	51,828	910,377	65,468	-	924,017
Thornapple Manor	13,862,711	13,792,507	-	-	(70,204)
Other	1,106,285	274,690	597,356	195,867	(38,372)
Total business-type activities	15,020,824	14,977,574	662,824	195,867	815,441
Total primary government	\$ 35,652,258	\$ 17,237,564	\$ 4,133,089	\$ 313,972	\$ (13,967,633)
Component units					
Road Commission	\$ 6,041,204	\$ 177,577	\$ 4,518,825	\$ 2,174,207	\$ 829,405
Drainage Districts	276,478	869,028	-	226,495	819,045
Board of Public Works	1,385,660	99,658	1,247,682	-	(38,320)
Economic Development Board	65,172	-	65,172	-	-
Airport Commission	366,353	183,314	90,390	822,173	729,524
Total component units	\$ 8,134,867	\$ 1,329,577	\$ 5,922,069	\$ 3,222,875	\$ 2,339,654

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Activities

For the Year Ended December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net assets</b>				
Net (expense) revenue	\$ (14,783,074)	\$ 815,441	\$ (13,967,633)	\$ 2,339,654
General revenue:				
Property taxes	13,892,325	463,694	14,356,019	-
Grants and contributions not restricted to specific programs	346,689	-	346,689	-
Unrestricted investment earnings	147,038	6,221	153,259	20,057
Gain on sale of capital assets	14,689	-	14,689	15,377
Transfers - internal activities	743,875	(743,875)	-	-
Total general revenue and transfers	15,144,616	(273,960)	14,870,656	35,434
<b>Change in net assets</b>	361,542	541,481	903,023	2,375,088
Net assets, beginning of year	10,041,637	37,417,180	47,458,817	42,828,772
<b>Net assets, end of year</b>	<u>\$ 10,403,179</u>	<u>\$ 37,958,661</u>	<u>\$ 48,361,840</u>	<u>\$ 45,203,860</u>

concluded

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

## **FUND FINANCIAL STATEMENTS**

## COUNTY OF BARRY, MICHIGAN

### Balance Sheet

Governmental Funds

December 31, 2011

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
<b>Assets</b>				
Cash and cash equivalents	\$ 703,744	\$ 209,305	\$ 1,211,221	\$ -
Restricted cash and cash equivalents	-	-	-	326,727
Investments	7,695,783	1,686,215	65,166	-
Taxes receivable	223,147	1,201,078	785,811	1,377,346
Due from other governments	168,788	-	76,603	-
Due from other funds	519,445	-	-	-
<b>Total assets</b>	<b>\$ 9,310,907</b>	<b>\$ 3,096,598</b>	<b>\$ 2,138,801</b>	<b>\$ 1,704,073</b>
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 5,163,840	\$ -	\$ -	\$ 98,387
Accounts payable	140,353	7,298	13,171	-
Accrued liabilities	253,927	46,562	36,778	-
Deferred revenue	-	1,376,188	900,394	1,575,429
<b>Total liabilities</b>	<b>5,558,120</b>	<b>1,430,048</b>	<b>950,343</b>	<b>1,673,816</b>
<b>Fund balances (Note 8)</b>				
Nonspendable	-	-	-	-
Restricted	-	1,666,550	1,063,458	30,257
Committed	1,466,365	-	125,000	-
Unassigned	2,286,422	-	-	-
<b>Total fund balances</b>	<b>3,752,787</b>	<b>1,666,550</b>	<b>1,188,458</b>	<b>30,257</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,310,907</b>	<b>\$ 3,096,598</b>	<b>\$ 2,138,801</b>	<b>\$ 1,704,073</b>

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



Nonmajor Governmental Funds	Totals
\$ 5,091,524	\$ 7,215,794
67,780	394,507
206,211	9,653,375
361,782	3,949,164
353,209	598,600
-	519,445
<u>\$ 6,080,506</u>	<u>\$ 22,330,885</u>
\$ 68,637	\$ 5,330,864
204,848	365,670
66,869	404,136
414,508	4,266,519
<u>754,862</u>	<u>10,367,189</u>
30,925	30,925
1,793,617	4,553,882
3,501,102	5,092,467
-	2,286,422
<u>5,325,644</u>	<u>11,963,696</u>
<u>\$ 6,080,506</u>	<u>\$ 22,330,885</u>



## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Assets of Governmental Activities  
December 31, 2011

Fund balances - total governmental funds	\$ 11,963,696
--	---------------

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	2,757,721
Capital assets being depreciated, net	9,974,024

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	3,970,268
---	-----------

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	(17,334,200)
Compensated absences	(501,916)
Accrued interest on long-term liabilities	(183,314)
Net other postemployment benefits (OPEB) obligation	(243,100)

Net assets of governmental activities	<u>\$ 10,403,179</u>
---------------------------------------	----------------------

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

**This page intentionally left blank**

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2011

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
<b>Revenue</b>				
Taxes	\$ 10,033,538	\$ 1,130,368	\$ 920,670	\$ 1,383,116
Intergovernmental	957,160	207,663	385,068	-
Licenses and permits	129,720	-	-	-
Charges for services	1,392,174	-	138,208	-
Fines and forfeitures	39,664	-	-	-
Interest and rentals	139,591	28,137	68	520
Other revenue	250,088	254	56,091	321
<b>Total revenue</b>	<b>12,941,935</b>	<b>1,366,422</b>	<b>1,500,105</b>	<b>1,383,957</b>
<b>Expenditures</b>				
Current:				
General government	5,435,228	-	-	10,593
Public safety	4,853,278	1,481,301	-	-
Public works	21,207	-	-	-
Health and welfare	987,122	-	1,378,975	-
Community and economic development	342,953	-	-	-
Recreation and cultural	9,711	-	-	-
Other	660,619	-	-	-
Debt service:				
Principal	206,978	4,425	-	600,000
Interest expense	6,392	-	-	743,125
Capital outlay	102,566	105,628	-	-
<b>Total expenditures</b>	<b>12,626,054</b>	<b>1,591,354</b>	<b>1,378,975</b>	<b>1,353,718</b>
Revenue over (under) expenditures	315,881	(224,932)	121,130	30,239
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	23,625	-	-
Proceeds on sale of capital assets	-	-	-	-
Transfers in	1,894,205	-	-	18
Transfers out	(1,908,694)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(14,489)</b>	<b>23,625</b>	<b>-</b>	<b>18</b>
<b>Net change in fund balances</b>	<b>301,392</b>	<b>(201,307)</b>	<b>121,130</b>	<b>30,257</b>
Fund balances, beginning of year, as restated	3,451,395	1,867,857	1,067,328	-
<b>Fund balances, end of year</b>	<b>\$ 3,752,787</b>	<b>\$ 1,666,550</b>	<b>\$ 1,188,458</b>	<b>\$ 30,257</b>

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



Nonmajor Governmental Funds	Totals
\$ 424,633	\$ 13,892,325
2,183,454	3,733,345
-	129,720
294,379	1,824,761
1,852	41,516
2,906	171,222
109,597	416,351
<u>3,016,821</u>	<u>20,209,240</u>
1,272,886	6,718,707
460,434	6,795,013
40,723	61,930
796,269	3,162,366
-	342,953
610,046	619,757
-	660,619
560,000	1,371,403
58,806	808,323
250,761	458,955
<u>4,049,925</u>	<u>21,000,026</u>
<u>(1,033,104)</u>	<u>(790,786)</u>
-	23,625
14,689	14,689
1,688,097	3,582,320
<u>(1,437,560)</u>	<u>(3,346,254)</u>
<u>265,226</u>	<u>274,380</u>
(767,878)	(516,406)
<u>6,093,522</u>	<u>12,480,102</u>
<u>\$ 5,325,644</u>	<u>\$ 11,963,696</u>

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Assets of Governmental Activities  
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds	\$ (516,406)
Amounts reported for <i>governmental activities</i> 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	481,266
Gain on disposal of capital assets	14,689
Proceeds from sale of capital assets	(14,689)
Depreciation expense	(625,495)
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	(266,491)
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	1,371,403
Issuance of long-term debt	(23,625)
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	8,555
Change in the accrual of compensated absences	(1,365)
Change in net other postemployment benefits (OPEB) obligation	(76,845)
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:	
Interest revenue from governmental internal service funds	25,172
Net operating transfers in governmental internal service funds	507,809
Net operating loss from governmental activities accounted for in internal service funds	(522,436)
Change in net assets of governmental activities	<u>\$ 361,542</u>

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

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>				
Taxes:				
Real and personal property taxes	\$ 9,569,814	\$ 9,971,958	\$ 10,023,523	\$ 51,565
Other taxes	9,027	9,027	10,015	988
Total taxes	9,578,841	9,980,985	10,033,538	52,553
Intergovernmental:				
Federal grants	198,431	220,431	244,718	24,287
State grants	721,166	731,983	712,442	(19,541)
Total intergovernmental	919,597	952,414	957,160	4,746
Licenses and permits:				
Gun permits	17,000	17,000	13,780	(3,220)
Dog licenses	80,700	80,700	81,797	1,097
Marriage license fees	5,400	7,400	8,800	1,400
Planning services	40,000	30,000	25,343	(4,657)
Total licenses and permits	143,100	135,100	129,720	(5,380)
Charges for services:				
Circuit Court	137,900	137,900	142,869	4,969
District Court	495,000	495,000	488,116	(6,884)
Friend of the Court	47,000	47,000	44,866	(2,134)
Probate Court	24,000	24,000	25,745	1,745
County Treasurer	1,020	1,020	2,781	1,761
County Clerk	74,660	71,151	82,884	11,733
Register of Deeds	180,100	180,100	199,566	19,466
Real estate transfer tax	115,000	115,000	123,508	8,508
Mapping department	20,921	20,921	23,252	2,331
Juvenile Court	21,120	21,120	16,182	(4,938)
Sheriff	85,300	85,300	83,042	(2,258)
Record copying	71,100	71,100	96,328	25,228
Pay phone commissions	18,000	18,000	17,949	(51)
Other	43,600	50,300	45,086	(5,214)
Total charges for services	1,334,721	1,337,912	1,392,174	54,262
Fines and forfeitures:				
Bond forfeitures	10,000	10,000	6,695	(3,305)
Ordinance fines and costs	18,000	18,000	32,969	14,969
Total fines and forfeitures	28,000	28,000	39,664	11,664

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue (concluded)</b>				
Interest and rentals:				
Interest revenue	\$ 150,020	\$ 153,020	\$ 123,716	\$ (29,304)
Rentals	14,956	14,956	14,400	(556)
Administration fees	-	-	1,475	1,475
Total interest and rentals	164,976	167,976	139,591	(28,385)
Other revenue:				
Reimbursements and refunds	123,200	245,485	247,064	1,579
Other	600	600	3,024	2,424
Total other revenue	123,800	246,085	250,088	4,003
<b>Total revenue</b>	<b>12,293,035</b>	<b>12,848,472</b>	<b>12,941,935</b>	<b>93,463</b>
<b>Expenditures</b>				
General government:				
Board of commissioners	204,127	204,127	187,468	(16,659)
Trial court	1,640,448	1,640,448	1,394,764	(245,684)
Jury board	6,975	6,975	6,333	(642)
Probate court	796,537	796,537	789,048	(7,489)
Adult probation	11,483	11,483	10,246	(1,237)
County administrator	235,486	235,486	235,334	(152)
Elections	59,536	59,536	18,710	(40,826)
Legal counsel	58,800	58,800	62,033	3,233
Clerk	451,888	461,888	435,600	(26,288)
Equalization	170,814	170,814	130,135	(40,679)
Prosecuting attorney	820,442	820,442	751,288	(69,154)
Register of deeds	170,633	240,192	241,193	1,001
Extraditions	5,880	5,880	3,317	(2,563)
Land information services	269,939	209,261	211,819	2,558
Treasurer	242,016	242,016	233,055	(8,961)
Cooperative extension	114,914	114,914	114,509	(405)
Courthouse and grounds	468,655	468,655	457,715	(10,940)
Drain commissioner	151,689	151,689	152,661	972
Total general government	5,880,262	5,899,143	5,435,228	(463,915)

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Public safety:				
Sheriff	\$ 2,561,479	\$ 2,561,479	\$ 2,488,984	\$ (72,495)
Secondary road patrol	99,995	99,995	93,525	(6,470)
Highway safety grant	16,000	16,000	10,426	(5,574)
Marine safety	127,667	127,667	123,902	(3,765)
Emergency services	103,881	125,881	112,527	(13,354)
Jail	1,819,317	1,823,983	1,796,404	(27,579)
Animal control	248,055	255,655	227,510	(28,145)
Total public safety	<u>4,976,394</u>	<u>5,010,660</u>	<u>4,853,278</u>	<u>(157,382)</u>
Public works:				
Department of Public Works	250	250	-	(250)
Building rehabilitation	4,000	75,000	21,207	(53,793)
Total public works	<u>4,250</u>	<u>75,250</u>	<u>21,207</u>	<u>(54,043)</u>
Health and welfare:				
District health department	432,449	433,251	433,721	470
Health department building	109,524	109,524	110,011	487
Soldiers' and sailors' relief	46,050	46,050	36,291	(9,759)
Medical examiner	118,877	118,877	91,455	(27,422)
Substance abuse	78,901	83,740	83,740	-
Veterans' counselor	43,609	43,609	46,464	2,855
Veterans' burials	38,581	38,581	28,800	(9,781)
Mental health	154,500	154,500	154,500	-
Appropriation to Green Gables Haven				
Community Shelter	1,900	1,900	1,900	-
Gypsy moth suppression	-	-	240	240
Total health and welfare	<u>1,024,391</u>	<u>1,030,032</u>	<u>987,122</u>	<u>(42,910)</u>
Community and economic development:				
Appropriation to Economic Development Board	65,172	65,172	65,172	-
Appropriation to Airport Commission	42,728	42,728	45,195	2,467
Appropriation to Road Commission	11,917	11,917	11,917	-
Appropriation to Soil Conservation	17,130	17,130	17,130	-
Planning and zoning	202,513	202,513	201,941	(572)
Agriculture preservation	3,100	3,100	112	(2,988)
Master land use plan	-	5,000	1,486	(3,514)
Total community and economic development	<u>342,560</u>	<u>347,560</u>	<u>342,953</u>	<u>(4,607)</u>

continued...



## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Recreation and cultural:				
Parks and recreation	\$ 10,520	\$ 10,520	\$ 9,711	\$ (809)
Other:				
Insurance and bonds	323,763	460,348	448,356	(11,992)
Other	193,803	192,903	212,263	19,360
Total other	517,566	653,251	660,619	7,368
Debt service:				
Principal	-	29,657	206,978	177,321
Interest expense	-	9,506	6,392	(3,114)
Total debt service	-	39,163	213,370	174,207
Capital outlay	87,953	213,738	102,566	(111,172)
<b>Total expenditures</b>	<b>12,843,896</b>	<b>13,279,317</b>	<b>12,626,054</b>	<b>(653,263)</b>
Revenue over (under) expenditures	(550,861)	(430,845)	315,881	746,726
<b>Other financing sources (uses)</b>				
Transfers in	1,910,300	1,727,284	1,894,205	166,921
Transfers out	(1,399,671)	(1,399,671)	(1,908,694)	(509,023)
<b>Total other financing sources (uses)</b>	<b>510,629</b>	<b>327,613</b>	<b>(14,489)</b>	<b>(342,102)</b>
<b>Net change in fund balance</b>	<b>(40,232)</b>	<b>(103,232)</b>	<b>301,392</b>	<b>404,624</b>
Fund balance, beginning of year, as restated	3,451,395	3,451,395	3,451,395	-
<b>Fund balance, end of year</b>	<b>\$ 3,411,163</b>	<b>\$ 3,348,163</b>	<b>\$ 3,752,787</b>	<b>\$ 404,624</b>

concluded

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

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - Central Dispatch Fund

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>				
Taxes	\$ 1,102,769	\$ 1,102,769	\$ 1,130,368	\$ 27,599
Intergovernmental	195,000	195,000	207,663	12,663
Interest and rentals	25,000	25,000	28,137	3,137
Other revenue	50	50	254	204
<b>Total revenue</b>	<u>1,322,819</u>	<u>1,322,819</u>	<u>1,366,422</u>	<u>43,603</u>
<b>Expenditures</b>				
Current:				
Public safety	1,646,127	1,646,702	1,481,301	(165,401)
Debt service:				
Principal	-	4,425	4,425	-
Capital outlay	200,000	195,000	105,628	(89,372)
<b>Total expenditures</b>	<u>1,846,127</u>	<u>1,846,127</u>	<u>1,591,354</u>	<u>(254,773)</u>
Revenue under expenditures	(523,308)	(523,308)	(224,932)	298,376
<b>Other financing sources</b>				
Issuance of long-term debt	-	-	23,625	23,625
<b>Net change in fund balance</b>	<u>(523,308)</u>	<u>(523,308)</u>	<u>(201,307)</u>	<u>322,001</u>
Fund balances, beginning of year	<u>1,867,857</u>	<u>1,867,857</u>	<u>1,867,857</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,344,549</u>	<u>\$ 1,344,549</u>	<u>\$ 1,666,550</u>	<u>\$ 322,001</u>

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

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - Commission on Aging Fund

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>				
Taxes	\$ 901,881	\$ 901,881	\$ 920,670	\$ 18,789
Intergovernmental	313,500	313,500	385,068	71,568
Charges for services	156,000	156,000	138,208	(17,792)
Interest and rentals	-	-	68	68
Other revenue	77,800	77,800	56,091	(21,709)
<b>Total revenue</b>	<u>1,449,181</u>	<u>1,449,181</u>	<u>1,500,105</u>	<u>50,924</u>
<b>Expenditures</b>				
Current:				
Health and welfare	1,400,763	1,400,763	1,378,975	(21,788)
Capital outlay	8,000	8,000	-	(8,000)
<b>Total expenditures</b>	<u>1,408,763</u>	<u>1,408,763</u>	<u>1,378,975</u>	<u>(29,788)</u>
<b>Net change in fund balance</b>	40,418	40,418	121,130	80,712
Fund balances, beginning of year, as restated	<u>1,067,328</u>	<u>1,067,328</u>	<u>1,067,328</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,107,746</u>	<u>\$ 1,107,746</u>	<u>\$ 1,188,458</u>	<u>\$ 80,712</u>

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

**This page intentionally left blank**

# COUNTY OF BARRY, MICHIGAN

## Statement of Net Assets

Proprietary Funds  
December 31, 2011

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2010	Thornapple Manor
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 974,320
Restricted cash and cash equivalents	-	-	295,373
Investments	7,828,997	152,299	-
Accounts receivable, net	-	-	1,762,405
Taxes receivable	10,026	1,940,236	-
Due from other governments	-	-	-
Due from other funds	1,560,000	-	-
Prepays and other assets	-	-	102,752
Total current assets	<u>9,399,023</u>	<u>2,092,535</u>	<u>3,134,850</u>
Noncurrent assets:			
Capital assets not being depreciated	-	-	209,100
Capital assets being depreciated, net	-	-	20,885,523
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>21,094,623</u>
<b>Total assets</b>	<u>9,399,023</u>	<u>2,092,535</u>	<u>24,229,473</u>
<b>Liabilities</b>			
Current liabilities:			
Negative equity in pooled cash and cash equivalents	140,081	-	-
Accounts payable	-	-	154,946
Accrued liabilities	-	-	701,952
Due to other governments	2,289	43,259	-
Due to other funds	-	1,560,000	-
Current portion of long-term debt	-	-	78,020
Total current liabilities	<u>142,370</u>	<u>1,603,259</u>	<u>934,918</u>
Long-term liabilities:			
Long-term debt, net of current portion	-	-	149,366
<b>Total liabilities</b>	<u>142,370</u>	<u>1,603,259</u>	<u>1,084,284</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	-	-	21,094,623
Restricted for property tax foreclosures	-	-	-
Unrestricted	<u>9,256,653</u>	<u>489,276</u>	<u>2,050,566</u>
<b>Total net assets</b>	<u>\$ 9,256,653</u>	<u>\$ 489,276</u>	<u>\$ 23,145,189</u>

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



Business-type Activities - Enterprise Funds			Governmental Activities
Transit	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 1,956,061	\$ 48,729	\$ 2,979,110	\$ 2,945,439
-	339,251	634,624	-
-	1,130,619	9,111,915	563,166
9,055	-	1,771,460	72,052
-	991,679	2,941,941	-
118,934	-	118,934	-
-	-	1,560,000	-
-	-	102,752	-
<u>2,084,050</u>	<u>2,510,278</u>	<u>19,220,736</u>	<u>3,580,657</u>
-	-	209,100	-
<u>1,099,012</u>	<u>-</u>	<u>21,984,535</u>	<u>585,234</u>
<u>1,099,012</u>	<u>-</u>	<u>22,193,635</u>	<u>585,234</u>
<u>3,183,062</u>	<u>2,510,278</u>	<u>41,414,371</u>	<u>4,165,891</u>
-	-	140,081	-
44,199	1,040	200,185	193,027
9,541	-	711,493	2,596
-	51,572	97,120	-
-	519,445	2,079,445	-
-	-	78,020	-
<u>53,740</u>	<u>572,057</u>	<u>3,306,344</u>	<u>195,623</u>
-	-	149,366	-
<u>53,740</u>	<u>572,057</u>	<u>3,455,710</u>	<u>195,623</u>
1,099,012	-	22,193,635	585,234
-	339,251	339,251	-
<u>2,030,310</u>	<u>1,598,970</u>	<u>15,425,775</u>	<u>3,385,034</u>
<u>\$ 3,129,322</u>	<u>\$ 1,938,221</u>	<u>\$ 37,958,661</u>	<u>\$ 3,970,268</u>

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2010	Thornapple Manor
<b>Operating revenue</b>			
Charges for services	\$ 39,791	\$ 192,787	\$ 13,792,507
Interest and penalties on delinquent taxes	5,173	297,357	-
Other	-	-	-
<b>Total operating revenue</b>	<b>44,964</b>	<b>490,144</b>	<b>13,792,507</b>
<b>Operating expenses</b>			
Operations	-	-	13,039,708
Depreciation	-	-	818,654
Other	-	2,736	-
<b>Total operating expenses</b>	<b>-</b>	<b>2,736</b>	<b>13,858,362</b>
Operating income (loss)	44,964	487,408	(65,855)
<b>Nonoperating revenue (expenses)</b>			
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Interest revenue	62,036	256	6,221
Interest expense	-	-	(4,349)
<b>Total nonoperating revenue (expenses)</b>	<b>62,036</b>	<b>256</b>	<b>1,872</b>
Income (loss) before transfers	107,000	487,664	(63,983)
<b>Transfers</b>			
Transfers in	809,216	-	-
Transfers out	(743,875)	-	-
<b>Total transfers</b>	<b>65,341</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>172,341</b>	<b>487,664</b>	<b>(63,983)</b>
Net assets, beginning of year	9,084,312	1,612	23,209,172
<b>Net assets, end of year</b>	<b>\$ 9,256,653</b>	<b>\$ 489,276</b>	<b>\$ 23,145,189</b>

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



Business-type Activities - Enterprise Funds			Governmental Activities
Transit	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 195,912	\$ 259,089	\$ 14,480,086	\$ 3,915,387
-	194,958	497,488	-
-	-	-	6,440
195,912	454,047	14,977,574	3,921,827
906,637	111,608	14,057,953	4,264,742
137,132	-	955,786	178,285
-	-	2,736	1,236
1,043,769	111,608	15,016,475	4,444,263
(847,857)	342,439	(38,901)	(522,436)
463,694	-	463,694	-
787,274	-	787,274	-
5,949	3,176	77,638	25,172
-	-	(4,349)	-
1,256,917	3,176	1,324,257	25,172
409,060	345,615	1,285,356	(497,264)
-	-	809,216	571,571
-	(809,216)	(1,553,091)	(63,762)
-	(809,216)	(743,875)	507,809
409,060	(463,601)	541,481	10,545
2,720,262	2,401,822	37,417,180	3,959,723
\$ 3,129,322	\$ 1,938,221	\$ 37,958,661	\$ 3,970,268



## COUNTY OF BARRY, MICHIGAN

### Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2010	Thornapple Manor
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 49,846	\$ 3,852,086	\$ 14,841,022
Cash received from interfund services	-	-	-
Cash payments to suppliers for goods and services	(162,839)	(2,736)	(4,292,772)
Cash payments to employees for services	-	-	(9,287,336)
Cash payments to purchase delinquent taxes	-	(5,285,098)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(112,993)</b>	<b>(1,435,748)</b>	<b>1,260,914</b>
<b>Cash flows from non-capital financing activities</b>			
Transfers in	809,216	-	-
Transfers out	(743,875)	-	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Long-term advances to other funds	(4,022,417)	-	-
Long-term advances from other funds	-	4,022,417	-
Payments on long-term advances to other funds	4,118,417	-	-
Payments on long-term advances from other funds	-	(2,462,417)	-
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>161,341</b>	<b>1,560,000</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>			
Principal payments on long-term debt	-	-	(150,000)
Interest payments on long-term debt	-	-	1,872
Intergovernmental capital grants	-	-	-
Purchases of capital assets	-	-	(241,737)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(389,865)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(3,043,714)	(152,299)	-
Interest received	62,036	256	-
<b>Net cash provided by (used in) investing activities</b>	<b>(2,981,678)</b>	<b>(152,043)</b>	<b>-</b>



Business-type Activities - Enterprise Funds			Governmental Activities
Transit	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 196,678	\$ 2,529,811	\$ 21,469,443	\$ -
-	-	-	4,031,681
(412,698)	(135,903)	(5,006,948)	(36,450)
(452,691)	-	(9,740,027)	(4,107,831)
-	-	(5,285,098)	-
<hr/>			
(668,711)	2,393,908	1,437,370	(112,600)
<hr/>			
-	-	809,216	571,571
-	(809,216)	(1,553,091)	(63,762)
463,694	-	463,694	-
604,595	-	604,595	-
-	-	(4,022,417)	-
-	-	4,022,417	-
-	-	4,118,417	-
-	(1,656,000)	(4,118,417)	-
<hr/>			
1,068,289	(2,465,216)	324,414	507,809
<hr/>			
-	-	(150,000)	-
-	-	1,872	-
140,588	-	140,588	-
(196,582)	-	(438,319)	(248,195)
<hr/>			
(55,994)	-	(445,859)	(248,195)
<hr/>			
-	(1,130,619)	(4,326,632)	(563,166)
5,949	3,176	71,417	25,172
<hr/>			
5,949	(1,127,443)	(4,255,215)	(537,994)
<hr/>			

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2010	Thornapple Manor
<b>Net increase (decrease) in cash and cash equivalents</b>	\$ (2,933,330)	\$ (27,791)	\$ 871,049
Cash and cash equivalents, beginning of year	2,793,249	27,791	398,644
<b>Cash and cash equivalents, end of year</b>	<u>\$ (140,081)</u>	<u>\$ -</u>	<u>\$ 1,269,693</u>
<b>Balance sheet classification of cash and cash equivalents</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 974,320
Restricted cash and cash equivalents	-	-	295,373
Negative equity in pooled cash and cash equivalents	(140,081)	-	-
	<u>\$ (140,081)</u>	<u>\$ -</u>	<u>\$ 1,269,693</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 44,964	\$ 487,408	\$ (65,855)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	818,654
Changes in:			
Accounts receivable	759	-	1,048,515
Taxes receivable	1,834	(1,402,511)	-
Due from other funds	-	-	-
Prepays and other assets	-	-	(42,395)
Accounts payable	(22,758)	-	(444,476)
Accrued liabilities	-	-	29,271
Due to other governments	2,289	43,259	-
Due to other funds	(140,081)	(563,904)	-
Compensated absences	-	-	(82,800)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (112,993)</u>	<u>\$ (1,435,748)</u>	<u>\$ 1,260,914</u>

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



Business-type Activities - Enterprise Funds			Governmental Activities
Transit	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 349,533	\$ (1,198,751)	\$ (2,939,290)	\$ (390,980)
1,606,528	1,586,731	6,412,943	3,336,419
<u>\$ 1,956,061</u>	<u>\$ 387,980</u>	<u>\$ 3,473,653</u>	<u>\$ 2,945,439</u>
\$ 1,956,061	\$ 48,729	\$ 2,979,110	\$ 2,945,439
-	339,251	634,624	-
-	-	(140,081)	-
<u>\$ 1,956,061</u>	<u>\$ 387,980</u>	<u>\$ 3,473,653</u>	<u>\$ 2,945,439</u>
\$ (847,857)	\$ 342,439	\$ (38,901)	\$ (522,436)
137,132	-	955,786	178,285
766	8,967	1,059,007	109,854
-	1,495,779	95,102	-
-	-	-	-
-	-	(42,395)	-
38,936	(24,294)	(452,592)	122,089
2,312	-	31,583	(392)
-	51,572	97,120	-
-	519,445	(184,540)	-
-	-	-	-
<u>\$ (668,711)</u>	<u>\$ 2,393,908</u>	<u>\$ 1,437,370</u>	<u>\$ (112,600)</u>

concluded

## COUNTY OF BARRY, MICHIGAN

### Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2011

	Agency Funds	Private Purpose Trust Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 383,506	\$ 33,453
Investments	41,472	-
<b>Total assets</b>	<u>\$ 424,978</u>	<u>33,453</u>
<b>Liabilities</b>		
Accounts payable	\$ 169,599	-
Due to other governments	120,907	-
Undistributed receipts	134,472	-
<b>Total liabilities</b>	<u>\$ 424,978</u>	<u>-</u>
<b>Net assets</b>		
Held in trust for private purposes		<u>\$ 33,453</u>

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

## COUNTY OF BARRY, MICHIGAN

### ■ Statement of Changes in Fiduciary Net Assets

Private Purpose Trust Funds

For the Year Ended December 31, 2011

#### Additions

Intergovernmental	\$	44,565
-------------------	----	--------

#### Deductions

Services to beneficiaries		<u>40,817</u>
---------------------------	--	---------------

#### Change in net assets

3,748

Net assets, beginning of year

29,705

Net assets, end of year

\$ 33,453

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

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Net Assets

Discretely Presented Component Units

December 31, 2011

	Road Commission	Drainage Districts	Board of Public Works
<b>Assets</b>			
Cash and cash equivalents	\$ 3,575,396	\$ 6,576	\$ 83,720
Investments	-	185,561	224,778
Receivables	2,474,866	1,199,521	6,930,809
Inventories	1,822,795	-	-
Prepays and other assets	203,400	-	-
Capital assets not being depreciated	17,274,802	620,759	-
Capital assets being depreciated, net	16,174,296	1,894,442	-
<b>Total assets</b>	<b>41,525,555</b>	<b>3,906,859</b>	<b>7,239,307</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	481,221	41,535	90,014
Long-term liabilities:			
Due within one year	1,470,764	108,370	603,000
Due in more than one year	-	884,400	6,162,938
<b>Total liabilities</b>	<b>1,951,985</b>	<b>1,034,305</b>	<b>6,855,952</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	32,249,098	1,522,431	-
Unrestricted	7,324,472	1,350,123	383,355
<b>Total net assets</b>	<b>\$ 39,573,570</b>	<b>\$ 2,872,554</b>	<b>\$ 383,355</b>

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



Economic Development Board	Airport Commission	Totals
\$ -	\$ 136,883	\$ 3,802,575
-	-	410,339
-	-	10,605,196
-	28,035	1,850,830
-	-	203,400
-	285,000	18,180,561
-	1,927,869	19,996,607
<hr/>		
-	2,377,787	55,049,508
<hr/>		
-	3,406	616,176
-	-	2,182,134
-	-	7,047,338
<hr/>		
-	3,406	9,845,648
<hr/>		
-	2,212,869	35,984,398
-	161,512	9,219,462
<hr/>		
\$ -	\$ 2,374,381	\$ 45,203,860
<hr/> <hr/>		



## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2011

	Road Commission	Drainage Districts	Board of Public Works
<b>Expenses</b>			
Road Commission	\$ 6,041,204	\$ -	\$ -
Drainage Districts	-	276,478	-
Board of Public Works	-	-	1,385,660
Economic Development Board	-	-	-
Airport Commission	-	-	-
<b>Total expenses</b>	<u>6,041,204</u>	<u>276,478</u>	<u>1,385,660</u>
<b>Program revenue</b>			
Charges for services	177,577	869,028	99,658
Operating grants and contributions	4,518,825	-	1,247,682
Capital grants and contributions	2,174,207	226,495	-
<b>Total program revenue</b>	<u>6,870,609</u>	<u>1,095,523</u>	<u>1,347,340</u>
<b>Net revenue (expenses)</b>	<u>829,405</u>	<u>819,045</u>	<u>(38,320)</u>
<b>General revenues</b>			
Unrestricted investment earnings	13,738	3,917	2,402
Gain on sale of capital assets	15,377	-	-
<b>Total general revenues</b>	<u>29,115</u>	<u>3,917</u>	<u>2,402</u>
<b>Change in net assets</b>	<u>858,520</u>	<u>822,962</u>	<u>(35,918)</u>
<b>Net assets, beginning of year</b>	<u>38,715,050</u>	<u>2,049,592</u>	<u>419,273</u>
<b>Net assets, end of year</b>	<u>\$ 39,573,570</u>	<u>\$ 2,872,554</u>	<u>\$ 383,355</u>

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



Economic Development Board	Airport Commission	Totals
\$ -	\$ -	\$ 6,041,204
-	-	276,478
-	-	1,385,660
65,172	-	65,172
-	366,353	366,353
<hr/>		
65,172	366,353	8,134,867
<hr/>		
-	183,314	1,329,577
65,172	90,390	5,922,069
-	822,173	3,222,875
<hr/>		
65,172	1,095,877	10,474,521
<hr/>		
-	729,524	2,339,654
<hr/>		
-	-	20,057
-	-	15,377
<hr/>		
-	-	35,434
<hr/>		
-	729,524	2,375,088
<hr/>		
-	1,644,857	42,828,772
<hr/>		
\$ -	\$ 2,374,381	\$ 45,203,860
<hr/> <hr/>		

**This page intentionally left blank**

## **NOTES TO THE FINANCIAL STATEMENTS**

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *County of Barry, 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.

#### *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, 2011.

#### *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.

# COUNTY OF BARRY, MICHIGAN

## ■ Notes to Financial Statements

The financial statements of the Barry County Transit (the "Transit") are presented for the year ended September 30, 2011 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, 2011. 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.

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.

## COUNTY OF BARRY, MICHIGAN

### ■ Notes to Financial Statements

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.

#### *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.

## COUNTY OF BARRY, MICHIGAN

### ■ Notes to Financial Statements

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.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who 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.

#### ***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.



# COUNTY OF BARRY, MICHIGAN

## ■ Notes to Financial Statements

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, with the exception of special assessments in the drain commission component unit which are based on a 180-day period of availability, and expenditure-driven grants which are based on a one-year period of availability. 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 accounted for and reported in another fund.

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

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

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. Debt service payments are funded by a dedicated property tax millage.

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 *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.

The *transit fund* accounts for the operation of a demand response transportation system and the associated capital costs. Funding includes federal and state financial assistance and a dedicated property tax millage.

# COUNTY OF BARRY, MICHIGAN

## ■ Notes to Financial Statements

Additionally, the County reports the following fund types:

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

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

*Capital projects funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

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

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

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.

# COUNTY OF BARRY, MICHIGAN

## ■ Notes to Financial Statements

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.

### **Assets, liabilities and equity**

#### ***Deposits and investments***

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

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

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

Restricted cash and cash equivalents consist of amounts set-aside for repayment of general obligation bonds and related interest thereon, in accordance with terms of the restricted debt agreements. In addition, proceeds from the sale of foreclosed property, net of unpaid taxes and fees and auction costs, are restricted for various delinquent tax administration purposes, as defined in the General Property Tax Act 206 of 1893. Such amounts are reported in the foreclosure enterprise fund.

#### ***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. At December 31, 2011, management has recorded an allowance of \$75,000 for uncollectible balance in the Thornapple Manor enterprise fund.

Leases receivable consist of amounts collectible from local municipalities 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

*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.

*Capital assets*

*Primary Government and Component Units (excluding Thornapple Manor, Transit, 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:

Assets	Years
Buildings	7-50
Land improvements	5-25
Machinery, equipment, and vehicle	2-25
Drain infrastructure	50

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *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.

Assets	Years
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:

Assets	Years
Land improvements	5-25
Building and improvements	10-40
Equipment	5-25

#### *Transit - Blended Component Unit*

Capital assets are capitalized at total acquisition cost, provided such cost exceeds \$5,000 and the expected useful life of the asset is more than one year. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building and improvements	20
Vehicles	5-10
Furniture and equipment	2-10

# COUNTY OF BARRY, MICHIGAN

## ■ Notes to Financial Statements

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as defined in the Revenue and Expense Manual published by the Michigan Department of Transportation and/or as approved by the Bureau of Passenger Transportation (BPT).

### *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.

### *Long-term obligations*

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

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

### *Fund equity*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

# COUNTY OF BARRY, MICHIGAN

## ■ Notes to Financial Statements

### *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.

## ■ 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### *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.

### *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.

### *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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

During the year ended December 31, 2011 the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Expenditures	Budget Variance
<b>General fund</b>			
General government:			
Legal Counsel	\$ 58,800	\$ 62,033	\$ 3,233
Register of deeds	240,192	241,193	1,001
Land information services	209,261	211,819	2,558
Drain Commissioner	151,689	152,661	972
Health and welfare:			
District health department	433,251	433,721	470
Health department building	109,524	110,011	487
Veterans' counselor	43,609	46,464	2,855
Gypsy moth suppression	-	240	240
Community and economic development:			
Appropriation to Airport Commission	42,728	45,195	2,467
Other:			
Other	192,903	212,263	19,360
Debt service - principal	29,657	206,978	177,321
Transfers out	1,399,671	1,908,694	509,023
<b>Nonmajor governmental funds</b>			
Charlton park - recreation and cultural	593,510	610,046	16,536
Crime victims rights week - general government	47,826	50,340	2,514
Job skills training program - transfers out	-	201	201
Veterans' trust - health and welfare	4,683	5,555	872
FEMA elevation - public works	-	1,213	1,213

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.

### 3. 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.



## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2011:

	Primary Government	Component Units	Total
Cash on hand	\$ 5,441	\$ 100	\$ 5,541
Checking and savings accounts	13,126,724	3,863,368	16,990,092
Certificates of deposit - all due within one year	757,941	304,500	1,062,441
Investments	14,595,310	44,946	14,640,256
<b>Total</b>	<b>\$ 28,485,416</b>	<b>\$ 4,212,914</b>	<b>\$ 32,698,330</b>
<b>Statement of net assets</b>			
Cash and cash equivalents	\$ 7,669,398	\$ 3,802,575	\$ 11,471,973
Restricted cash and cash equivalents	1,029,131	-	1,029,131
Investments	19,328,456	410,339	19,738,795
	28,026,985	4,212,914	32,239,899
<b>Statement of fiduciary net assets</b>			
Cash and cash equivalents - agency funds	383,506	-	383,506
Investments - agency funds	41,472	-	41,472
Cash and cash equivalents - private purpose trusts	33,453	-	33,453
	458,431	-	458,431
<b>Total</b>	<b>\$ 28,485,416</b>	<b>\$ 4,212,914</b>	<b>\$ 32,698,330</b>

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$18,115,318 of the County's bank balance of \$20,041,549 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

*Custodial Credit Risk - Investments.* Following is a summary of the County's investments as of December 31, 2011:

U.S. agencies	\$ 6,483,882
Money market funds	8,156,374
<b>Total</b>	<b>\$ 14,640,256</b>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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	\$ 7,515,981
S&P AAA	506,722
S&P Aaa	5,977,160
Fitch AAA-V1	<u>640,393</u>
<b>Total</b>	<b><u>\$ 14,640,256</u></b>

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

No maturity	\$ 8,156,374
1 - 5 years	2,296,677
6 - 10 years	3,011,288
11 - 15 years	168,244
16 - 20 years	203,153
21 - 24 years	<u>804,520</u>
<b>Total</b>	<b><u>\$ 14,640,256</u></b>

*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.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 4. RECEIVABLES AND PAYABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 3,949,164	\$ -	\$ -
Taxes (delinquent)	-	2,941,941	-
Accounts	72,052	1,846,460	853,134
Allowance for uncollectible accounts			
accounts	-	(75,000)	-
Due from other governments	598,600	118,934	1,631,586
Special assessments	-	-	1,282,953
Leases	-	-	6,837,523
<b>Total</b>	<b>\$ 4,619,816</b>	<b>\$ 4,832,335</b>	<b>\$ 10,605,196</b>

Of the amounts detailed above, \$1,050,203 of special assessments receivable in the component units are not expected to be collected within one year. Similarly, \$6,162,938 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
<b>Governmental funds</b>			
Property taxes	\$ -	\$ 4,266,519	\$ 4,266,519

#### *Accounts payable and accrued liabilities*

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 558,697	\$ 200,185	\$ 223,497
Accrued liabilities	406,732	711,493	216,014
Due to other governments	-	97,120	94,613
Accrued interest on			
long-term debt	183,314	-	82,052
<b>Total</b>	<b>\$ 1,148,743</b>	<b>\$ 1,008,798</b>	<b>\$ 616,176</b>

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2011, was as follows:

	Due to and from primary government funds	
	Due from fund	Due to fund
General fund	\$ 519,445	\$ -
Delinquent tax umbrella fund	1,560,000	-
Delinquent tax revolving 2010 fund	-	1,560,000
Nonmajor enterprise funds	-	519,445
<b>Total</b>	<b>\$ 2,079,445</b>	<b>\$ 2,079,445</b>

  

	Due to and from drainage district funds	
	Due from fund	Due to fund
Algonquin Lake Dam Project	\$ 102,682	\$ -
Regular Drain	-	102,682
<b>Total</b>	<b>\$ 102,682</b>	<b>\$ 102,682</b>

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

For the year ended December 31, 2011, interfund transfers consisted of the following:

Transfers in	Transfers out					Totals
	General Fund	Nonmajor Governmental Funds	Delinquent Tax Umbrella	Nonmajor Enterprise Funds	Internal Service Funds	
General fund	\$ -	\$ 1,437,542	\$ 456,663	\$ -	\$ -	\$ 1,894,205
Thornapple Manor debt service	-	18	-	-	-	18
Nonmajor governmental funds	1,400,885	-	287,212	-	-	1,688,097
Delinquent tax umbrella	-	-	-	809,216	-	809,216
Internal service funds	507,809	-	-	-	63,762	571,571
<b>Totals</b>	<b>\$ 1,908,694</b>	<b>\$ 1,437,560</b>	<b>\$ 743,875</b>	<b>\$ 809,216</b>	<b>\$ 63,762</b>	<b>\$ 4,963,107</b>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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.

#### 6. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,734,208	\$ -	\$ -	\$ -	\$ 2,734,208
Construction in progress	731,124	23,513	-	(731,124)	23,513
	<u>3,465,332</u>	<u>23,513</u>	<u>-</u>	<u>(731,124)</u>	<u>2,757,721</u>
Capital assets being depreciated:					
Land improvements	796,290	43,844	-	277,256	1,117,390
Buildings	13,198,056	97,530	-	-	13,295,586
Equipment	5,456,509	564,574	(101,760)	453,868	6,373,191
	<u>19,450,855</u>	<u>705,948</u>	<u>(101,760)</u>	<u>731,124</u>	<u>20,786,167</u>
Less accumulated depreciation for:					
Land improvements	444,181	26,714	-	-	470,895
Buildings	5,270,311	314,988	-	-	5,585,299
Equipment	3,810,397	462,078	(101,760)	-	4,170,715
	<u>9,524,889</u>	<u>803,780</u>	<u>(101,760)</u>	<u>-</u>	<u>10,226,909</u>
Total capital assets being depreciated, net	<u>9,925,966</u>	<u>(97,832)</u>	<u>-</u>	<u>731,124</u>	<u>10,559,258</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 13,391,298</u>	<u>\$ (74,319)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,316,979</u>

At December 31, 2011, the County had outstanding commitments for governmental activities totaling approximately \$136,000.

Of the amounts reported in capital assets, \$25,125 of equipment was purchased through a capital lease agreement. The net book value of the asset at December 31, 2011 amounted to \$23,241.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ 209,100	\$ -	\$ -	\$ 209,100
Capital assets being depreciated:					
Land improvements	1,525,531	6,006	(9,557)	-	1,521,980
Buildings	20,543,353	-	-	-	20,543,353
Vehicles	1,169,404	190,576	-	-	1,359,980
Equipment	3,677,252	32,637	(11,609)	-	3,698,280
	<u>26,915,540</u>	<u>229,219</u>	<u>(21,166)</u>	<u>-</u>	<u>27,123,593</u>
Less accumulated depreciation for:					
Land improvements	208,894	65,998	(9,557)	-	265,335
Buildings	2,500,809	519,482	-	-	3,020,291
Vehicles	415,503	112,587	-	-	528,090
Equipment	1,079,232	257,719	(11,609)	-	1,325,342
	<u>4,204,438</u>	<u>955,786</u>	<u>(21,166)</u>	<u>-</u>	<u>5,139,058</u>
Total capital assets being depreciated, net	<u>22,711,102</u>	<u>(726,567)</u>	<u>-</u>	<u>-</u>	<u>21,984,535</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 22,711,102</u>	<u>\$ (517,467)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,193,635</u>

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

### Depreciation of governmental activities by function

General government	\$ 256,452
Culture and recreation	54,082
Public safety	248,007
Health and welfare	66,954
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>178,285</u>
	<u>\$ 803,780</u>

### Depreciation of business-type activities by function

Thornapple Manor	\$ 818,654
Transit	<u>137,132</u>
	<u>\$ 955,786</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *Discretely presented component units*

Capital assets activity for the component units for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Road Commission</b>					
Capital assets not being depreciated:					
Land	\$ 85,433	\$ -	\$ -	\$ -	\$ 85,433
Land improvements	16,440,988	24,764	-	-	16,465,752
Right-of-ways	723,617	-	-	-	723,617
	<u>17,250,038</u>	<u>24,764</u>	<u>-</u>	<u>-</u>	<u>17,274,802</u>
Capital assets being depreciated:					
Land improvements	214,808	-	-	-	214,808
Buildings	742,697	36,796	-	-	779,493
Road equipment	7,265,681	150,497	(310,321)	-	7,105,857
Shop equipment	117,299	-	-	-	117,299
Office equipment	85,682	5,722	(2,595)	-	88,809
Engineering equipment	66,926	-	-	-	66,926
Yard/storage equipment	103,147	-	-	-	103,147
Pit depletion	620,811	80,387	-	-	701,198
Infrastructure - bridges	6,239,664	28,056	-	-	6,267,720
Infrastructure - roads	14,769,707	622,958	(332,681)	-	15,059,984
	<u>30,226,422</u>	<u>924,416</u>	<u>(645,597)</u>	<u>-</u>	<u>30,505,241</u>
Less accumulated depreciation for:					
Land improvements	105,332	10,740	-	-	116,072
Buildings	556,587	13,477	-	-	570,064
Road equipment	6,619,748	227,671	(272,061)	-	6,575,358
Shop equipment	115,986	483	-	-	116,469
Office equipment	72,591	6,405	(2,422)	-	76,574
Engineering equipment	63,904	1,979	-	-	65,883
Yard/storage equipment	103,147	-	-	-	103,147
Pit depletion	160,072	8,282	-	-	168,354
Infrastructure - bridges	1,189,501	134,560	-	-	1,324,061
Infrastructure - roads	4,832,461	715,183	(332,681)	-	5,214,963
	<u>13,819,329</u>	<u>1,118,780</u>	<u>(607,164)</u>	<u>-</u>	<u>14,330,945</u>
Total capital assets being depreciated, net	<u>16,407,093</u>	<u>(194,364)</u>	<u>(38,433)</u>	<u>-</u>	<u>16,174,296</u>
<b>Road Commission</b>					
capital assets, net	<u>\$ 33,657,131</u>	<u>\$ (169,600)</u>	<u>\$ (38,433)</u>	<u>\$ -</u>	<u>\$ 33,449,098</u>

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Units (continued)</b>					
<b>Drainage Districts</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 156,712	\$ 488,258	\$ -	\$ (24,211)	\$ 620,759
Capital assets being depreciated:					
Drain infrastructure	2,474,711	312,250	(7,000)	24,211	2,804,172
Less accumulated depreciation for:					
Drain infrastructure	871,729	45,001	(7,000)	-	909,730
Total capital assets being depreciated, net	1,602,982	267,249	-	24,211	1,894,442
<b>Drainage Districts capital assets, net</b>	<b>\$ 1,759,694</b>	<b>\$ 755,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,515,201</b>

At December 31, 2011, the County had outstanding commitments for drain construction projects totaling approximately \$62,600.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Airport Commission</b>					
Capital assets not being depreciated:					
Land	\$ 285,000	\$ -	\$ -	\$ -	\$ 285,000
Construction in progress	67,265	-	-	(67,265)	-
	352,265	-	-	(67,265)	285,000
Capital assets being depreciated:					
Land improvements	3,373,055	276,064	-	67,265	3,716,384
Buildings	222,600	584,932	(5,700)	-	801,832
Equipment	38,595	15,046	-	-	53,641
	3,634,250	876,042	(5,700)	67,265	4,571,857
Less accumulated depreciation for:					
Land improvements	2,322,389	172,401	-	-	2,494,790
Buildings	112,992	7,686	(5,700)	-	114,978
Equipment	33,312	908	-	-	34,220
	2,468,693	180,995	(5,700)	-	2,643,988
Total capital assets being depreciated, net	1,165,557	695,047	-	67,265	1,927,869
<b>Airport Commission capital assets, net</b>	<b>\$ 1,517,822</b>	<b>\$ 695,047</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,212,869</b>



# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 7. 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, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government</b>					
<b>Governmental activities</b>					
General obligation bonds	\$ 18,475,000	\$ -	\$ 1,160,000	\$ 17,315,000	\$ 990,000
Capital leases	206,978	23,625	211,403	19,200	4,800
Subtotal	18,681,978	23,625	1,371,403	17,334,200	994,800
Compensated absences	500,551	211,537	210,172	501,916	216,477
<b>Total governmental activities</b>	<b>\$ 19,182,529</b>	<b>\$ 235,162</b>	<b>\$ 1,581,575</b>	<b>\$ 17,836,116</b>	<b>\$ 1,211,277</b>
<b>Business-type activities</b>					
General obligation bonds	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -
Compensated absences	310,186	375,550	458,350	227,386	78,020
<b>Total business-type activities</b>	<b>\$ 460,186</b>	<b>\$ 375,550</b>	<b>\$ 608,350</b>	<b>\$ 227,386</b>	<b>\$ 78,020</b>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component Units</b>					
<b>Road Commission</b>					
State infrastructure bank proceeds	\$ 1,925,000	\$ -	\$ 725,000	\$ 1,200,000	\$ 1,200,000
Compensated absences	266,108	4,656	-	270,764	270,764
<b>Total</b>	<b>\$ 2,191,108</b>	<b>\$ 4,656</b>	<b>\$ 725,000</b>	<b>\$ 1,470,764</b>	<b>\$ 1,470,764</b>

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component Units (Concluded)</b>					
<b>Drainage Districts</b>					
Drain notes and other debt	\$ 190,340	\$ 828,000	\$ 25,570	\$ 992,770	\$ 108,370
<b>Board of Public Works</b>					
General obligation bonds	\$ 6,625,096	\$ 1,005,842	\$ 865,000	\$ 6,765,938	\$ 603,000
<b>Airport Commission</b>					
Loan payable	\$ 12,144	\$ -	\$ 12,144	\$ -	\$ -

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, 2011 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.	\$ 240,000
\$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.	625,000
\$18,850,000 Building Authority - Medical Care Facility Bonds, dated August 1, 2006, due in annual installments ranging from \$350,000 to \$1,750,000 through April 1, 2025, with interest ranging from 4.25 to 4.50%, payable semi-annually.	16,450,000
Total general obligation debt - governmental activities	<u>\$ 17,315,000</u>

Capital leases for governmental activities are as follows:

\$23,625 Installment purchase agreement to finance the acquisition of a recording system for central dispatch, due in annual installments of \$4,800, with 0% interest, payable annually.	<u>\$ 19,200</u>
---	------------------

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

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *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.

\$ 1,200,000

Notes payable and amounts owed to other governmental units at December 31, 2011 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.

\$ 2,370

\$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.

162,400

\$380,000 Chase drain special assessment district note dated September 23, 2011, due in annual installments of \$38,000 through June 1, 2021, with interest payable at 2.92% per annum.

380,000

\$448,000 Sandy Beach drain special assessment district note dated October 25, 2011, due in annual installments of \$44,800 through June 1, 2021, with interest payable at 3.89% per annum.

448,000

Total notes payable - Drainage Districts

\$ 992,770

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *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, 2011, 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.	\$ 620,000
\$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.	525,000
\$650,000 Water Supply System Bonds dated June 26, 2003, due in annual installments ranging from \$25,000 to \$40,000 through October 1, 2024, with interest at 2.5%, payable semi-annually.	453,281
\$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.	865,000
\$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.	155,000
\$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.	375,000
\$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.	370,000
\$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.	970,000
\$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.	<u>2,432,657</u>
Total bonds payable - Board of Public Works	<u>\$ 6,765,938</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *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 initial \$100,000 loan were used to construct airplane taxi streets and an access road. The final payment on the loan was made in 2011.

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

Year Ended December 31,	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2012	\$ 994,800	\$ 754,702	\$ 1,911,370	\$ 298,791
2013	754,800	718,213	706,000	246,941
2014	854,800	683,188	736,000	221,280
2015	854,800	644,987	521,000	194,377
2016	950,000	603,987	521,000	175,693
2017-2021	6,375,000	2,251,661	2,475,400	592,450
2022-2026	6,550,000	608,625	1,863,281	203,762
2027-2030	-	-	224,657	2,491
<b>Total</b>	<b>\$ 17,334,200</b>	<b>\$ 6,265,363</b>	<b>\$ 8,958,708</b>	<b>\$ 1,935,785</b>

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 8. FUND BALANCES - GOVERNMENTAL FUNDS

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt	Nonmajor Governmental Funds	Totals
<b>Nonspendable</b>						
Permanent fund corpus	\$ -	\$ -	\$ -	\$ -	\$ 30,925	\$ 30,925
<b>Restricted</b>						
Central dispatch/E-911	-	1,666,550	-	-	-	1,666,550
Senior services	-	-	1,063,458	-	-	1,063,458
Cemetery perpetual care	-	-	-	-	215	215
Thornapple Manor debt	-	-	-	30,257	-	30,257
County parks	-	-	-	-	118,618	118,618
Animal services/shelter	-	-	-	-	200,202	200,202
Child and family services	-	-	-	-	113,388	113,388
Community outreach	-	-	-	-	11,045	11,045
Register of deeds systems	-	-	-	-	170,388	170,388
Judicial programs	-	-	-	-	63,484	63,484
Law enforcement	-	-	-	-	117,177	117,177
Revenue sharing reserve	-	-	-	-	682,502	682,502
Housing assistance	-	-	-	-	14,654	14,654
Criminal diversion	-	-	-	-	298,622	298,622
Other purposes	-	-	-	-	3,322	3,322
	-	1,666,550	1,063,458	30,257	1,793,617	4,553,882
<b>Committed</b>						
Senior services	-	-	125,000	-	-	125,000
Hazardous waste disposal	-	-	-	-	142,466	142,466
Remonumentation plan	-	-	-	-	18,269	18,269
Child and family services	-	-	-	-	2,607,612	2,607,612
Public safety programs	-	-	-	-	436,296	436,296
Debt service	-	-	-	-	282,128	282,128
Building improvements	1,407,715	-	-	-	-	1,407,715
Other purposes	58,650	-	-	-	14,331	72,981
	1,466,365	-	125,000	-	3,501,102	5,092,467
<b>Unassigned</b>	2,286,422	-	-	-	-	2,286,422
<b>Total fund balances - governmental funds</b>	<u>\$ 3,752,787</u>	<u>\$ 1,666,550</u>	<u>\$ 1,188,458</u>	<u>\$ 30,257</u>	<u>\$ 5,325,644</u>	<u>\$11,963,696</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### 9. 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, 2011, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 2,757,721	\$ 209,100	\$ 18,180,561
Capital assets being depreciated, net	10,559,258	21,984,535	19,996,607
	<u>13,316,979</u>	<u>22,193,635</u>	<u>38,177,168</u>
Related debt:			
Total bonds and notes payable	17,334,200	-	8,958,708
Bonds payable related to capital leases	(16,450,000)	-	(6,765,938)
	<u>884,200</u>	<u>-</u>	<u>2,192,770</u>
Invested in capital assets, net of related debt	<u>\$ 12,432,779</u>	<u>\$ 22,193,635</u>	<u>\$ 35,984,398</u>

#### 10. 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.

Effective January 1, 2010, the County was no longer self-insured for health insurance benefits. Claims with an incident date of December 31, 2009 or prior were accepted for a two-year period, which ended on December 31, 2011. Based on information provided by the County's third-party claims provided, the County expects to receive a final settlement for this plan of approximately \$46,000. This amount has been recorded in accounts receivable of the health insurance internal service fund.

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.

## COUNTY OF BARRY, MICHIGAN

### ■ Notes to Financial Statements

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. During the year ended December 31, 2011, the County received a distribution of excess net assets from MMRMA in the amount of \$117,619. This amount has been recognized as "other revenue" in the general fund.

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

At December 31, 2011, the County has funds on deposit of \$258,524 with the Authority and reserves for reported claims of \$22,209. 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, 2011.



## COUNTY OF BARRY, MICHIGAN

### ■ Notes to Financial Statements

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.

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, 2011, there were no claims that exceeded insurance coverage. The Road Commission did not have any significant reduction in insurance coverage from previous years.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 11. 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.

### 12. 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.

### 13. 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 open divisions is 4.63% to 36.08% of annual covered payroll, depending on the employee group. Contributions for closed divisions are based on a flat monthly dollar amount. Participating employees are required to contribute 0% to 6.53% 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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

For the year ended December 31, 2011, the annual pension cost of \$1,992,201 was equal to the required contributions of the County. Member contributions for the same period totaled \$228,788. 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, 2010.

Three-Year Trend Information			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 1,219,760	100%	\$ -
2010	1,406,166	100%	-
2011	1,992,201	100%	-

#### *Funded Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the plan was 74 percent funded. The actuarial accrued liability for benefits was \$49,246,224, and the actuarial value of assets was \$36,553,096, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,693,128. The covered payroll (annual payroll of active employees covered by the plan) was \$14,818,563, and the ratio of the UAAL to the covered payroll was 86 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.

## COUNTY OF BARRY, 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, 2011, the outstanding loan balances were \$132,548. Employee and employer contributions are paid to the plan on each payroll date (bi-weekly) and for the year ended December 31, 2011 employee and employer contributions totaled \$160,187 and \$138,523, respectively.

#### 14. 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, 2011, the County contributed \$86,852 to the Plan, all of which was to fund current year benefits. Retirees receiving benefits contributed \$47,979, or approximately 40 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.

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

Annual required contribution	\$ 168,902
Interest on net OPEB obligation	9,975
Adjustment to annual required contribution	<u>(15,180)</u>
Net OPEB cost (expense)	163,697
Contributions made	<u>(86,852)</u>
Increase in net OPEB obligation	76,845
Net OPEB obligation, beginning of year	<u>166,255</u>
Net OPEB obligation, end of year	<u>\$ 243,100</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2011 and the two previous years was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 73,277	60%	\$ 45,962
2010	160,464	25%	166,255
2011	163,697	53%	243,100

*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.

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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *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, 21 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, 2011, the Road Commission expended \$126,307 for 21 participants currently eligible to receive benefits.

*Funding progress.* For the year beginning January 1, 2011 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.

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	\$ 126,307
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	126,307
Contributions made	(126,307)
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ -

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 108.2 percent.

## COUNTY OF BARRY, MICHIGAN

### ■ Notes to Financial Statements

*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, 2011, was 22 years.

#### 15. SUBSEQUENT EVENT

On April 26, 2012, the County Building Authority issued \$6,000,000 in limited tax general obligation bonds for the purpose of constructing a free-standing 23-bed skilled nursing facility and other site improvements at the Barry County Medical Care Facility ("Thornapple Manor"). Debt service payments on the bonds will be funded through an ad valorem property tax levy.

#### 16. RESTATEMENTS

As described in Note 8, The County adopted the provisions of GASB Statement No. 54 in the current year. While the classifications of fund balance in the County's various governmental funds were revised, the implementation of this standard had no effect on total fund balance. Beginning fund balance of the general fund increased by \$1,305,478, which was comprised entirely of the following special revenue funds (no longer separately presented): gypsy moth suppression, building rehabilitation, parks and recreation, agriculture prevention, and master land use plan. As a result, the beginning fund balance of nonmajor governmental funds was decreased by the same amount. Beginning fund balance of the commission on aging special revenue fund was increased by \$512,506, which was comprised of the commission on aging building fund (no longer separately presented). As a result, the beginning fund balance of nonmajor governmental funds was decreased by the same amount. The total impact on beginning fund balance of nonmajor governmental funds was \$1,817,984.

■ ■ ■ ■ ■

## **REQUIRED SUPPLEMENTARY INFORMATION**



## COUNTY OF BARRY, MICHIGAN

### Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Plan  
Primary Government

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)
12/31/2005	\$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%
12/31/2010	36,553,096	49,246,224	12,693,128	74.2%	14,818,563	85.7%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2006	\$ 1,499,340	100%
2007	1,679,165	100%
2008	1,807,135	100%
2009	1,219,760	100%
2010	1,406,166	100%
2011	1,992,201	100%

## COUNTY OF BARRY, MICHIGAN

### Required Supplementary Information

Single Employer Other Postemployment Benefit Plan  
Primary Government

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

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 72,953	60%
2010	161,627	25%
2011	168,902	51%

## COUNTY OF BARRY, MICHIGAN

### Required Supplementary Information

Single Employer Other Postemployment Benefit Plan  
Road Commission Component Unit

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)
12/31/2009	\$ -	\$ 1,993,289	\$ 1,993,289	0.0%	\$ 2,074,182	96.1%
12/31/2010	-	1,894,640	1,894,640	0.0%	1,751,054	108.2%

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 130,942	100%
2010	130,811	100%
2011	126,307	100%

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

General Fund - By Activity

December 31, 2011

	General Fund	Gypsy Moth	Building Rehab
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 18,837	\$ 643,566
Investments	6,891,721	-	804,062
Taxes receivable	223,147	-	-
Due from other governments	166,543	2,245	-
Due from other funds	519,445	-	-
<b>Total assets</b>	<b>\$ 7,800,856</b>	<b>\$ 21,082</b>	<b>\$ 1,447,628</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ 5,163,840	\$ -	\$ -
Accounts payable	96,667	-	39,913
Accrued liabilities	253,927	-	-
<b>Total liabilities</b>	<b>5,514,434</b>	<b>-</b>	<b>39,913</b>
<b>Fund balances</b>			
Committed	-	21,082	1,407,715
Unassigned	2,286,422	-	-
<b>Total fund balances</b>	<b>2,286,422</b>	<b>21,082</b>	<b>1,407,715</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,800,856</b>	<b>\$ 21,082</b>	<b>\$ 1,447,628</b>



Parks and Recreation	Agriculture Preservation	Master Land Use Plan	Total
\$ 19,778	\$ 3,550	\$ 18,013	\$ 703,744
-	-	-	7,695,783
-	-	-	223,147
-	-	-	168,788
-	-	-	519,445
<u>\$ 19,778</u>	<u>\$ 3,550</u>	<u>\$ 18,013</u>	<u>\$ 9,310,907</u>
\$ -	\$ -	\$ -	\$ 5,163,840
3,773	-	-	140,353
-	-	-	253,927
<u>3,773</u>	<u>-</u>	<u>-</u>	<u>5,558,120</u>
16,005	3,550	18,013	1,466,365
-	-	-	2,286,422
<u>16,005</u>	<u>3,550</u>	<u>18,013</u>	<u>3,752,787</u>
<u>\$ 19,778</u>	<u>\$ 3,550</u>	<u>\$ 18,013</u>	<u>\$ 9,310,907</u>

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances - General Fund - By Activity For the Year Ended December 31, 2011

	General Fund	Gypsy Moth	Building Rehab
<b>Revenue</b>			
Taxes	\$ 10,033,538	\$ -	\$ -
Intergovernmental	957,160	-	-
Licenses and permits	129,720	-	-
Charges for services	1,392,174	-	-
Fines and forfeitures	39,664	-	-
Interest and rentals	136,108	-	3,483
Other revenue	249,336	-	-
<b>Total revenue</b>	<b>12,937,700</b>	<b>-</b>	<b>3,483</b>
<b>Expenditures</b>			
Current:			
General government	5,435,228	-	-
Public safety	4,853,278	-	-
Public works	-	-	21,207
Health and welfare	986,882	240	-
Community and economic development	341,355	-	-
Recreation and cultural	-	-	-
Other	660,619	-	-
Debt service:			
Principal	206,978	-	-
Interest expense	6,392	-	-
Capital outlay	13,431	-	89,135
<b>Total expenditures</b>	<b>12,504,163</b>	<b>240</b>	<b>110,342</b>
Revenue over (under) expenditures	433,537	(240)	(106,859)
<b>Other financing sources (uses)</b>			
Transfers in	1,882,744	-	265,365
Transfers out	(2,175,776)	-	-
<b>Total other financing sources (uses)</b>	<b>(293,032)</b>	<b>-</b>	<b>265,365</b>
<b>Net changes in fund balances</b>	<b>140,505</b>	<b>(240)</b>	<b>158,506</b>
Fund balances, beginning of year	2,145,917	21,322	1,249,209
<b>Fund balances, end of year</b>	<b>\$ 2,286,422</b>	<b>\$ 21,082</b>	<b>\$ 1,407,715</b>



Parks and Recreation	Agriculture Preservation	Master Land Use Plan	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ 10,033,538
-	-	-	-	957,160
-	-	-	-	129,720
-	-	-	-	1,392,174
-	-	-	-	39,664
-	-	-	-	139,591
752	-	-	-	250,088
752	-	-	-	12,941,935
-	-	-	-	5,435,228
-	-	-	-	4,853,278
-	-	-	-	21,207
-	-	-	-	987,122
-	112	1,486	-	342,953
9,711	-	-	-	9,711
-	-	-	-	660,619
-	-	-	-	206,978
-	-	-	-	6,392
-	-	-	-	102,566
9,711	112	1,486	-	12,626,054
(8,959)	(112)	(1,486)	-	315,881
13,178	-	-	(267,082)	1,894,205
-	-	-	267,082	(1,908,694)
13,178	-	-	-	(14,489)
4,219	(112)	(1,486)	-	301,392
11,786	3,662	19,499	-	3,451,395
\$ 16,005	\$ 3,550	\$ 18,013	\$ -	\$ 3,752,787



## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>				
General fund:				
Taxes:				
Real and personal property taxes	\$ 9,569,814	\$ 9,971,958	\$ 10,023,523	\$ 51,565
Other taxes	9,027	9,027	10,015	988
Total taxes	9,578,841	9,980,985	10,033,538	52,553
Intergovernmental:				
Federal grants	198,431	220,431	244,718	24,287
State grants	721,166	731,983	712,442	(19,541)
Total intergovernmental	919,597	952,414	957,160	4,746
Licenses and permits:				
Gun permits	17,000	17,000	13,780	(3,220)
Dog licenses	80,700	80,700	81,797	1,097
Marriage license fees	5,400	7,400	8,800	1,400
Planning services	40,000	30,000	25,343	(4,657)
Total licenses and permits	143,100	135,100	129,720	(5,380)
Charges for services:				
Circuit Court	137,900	137,900	142,869	4,969
District Court	495,000	495,000	488,116	(6,884)
Friend of the Court	47,000	47,000	44,866	(2,134)
Probate Court	24,000	24,000	25,745	1,745
County Treasurer	1,020	1,020	2,781	1,761
County Clerk	74,660	71,151	82,884	11,733
Register of Deeds	180,100	180,100	199,566	19,466
Real estate transfer tax	115,000	115,000	123,508	8,508
Mapping department	20,921	20,921	23,252	2,331
Juvenile Court	21,120	21,120	16,182	(4,938)
Sheriff	85,300	85,300	83,042	(2,258)
Record copying	71,100	71,100	96,328	25,228
Pay phone commissions	18,000	18,000	17,949	(51)
Other	43,600	50,300	45,086	(5,214)
Total charges for services	1,334,721	1,337,912	1,392,174	54,262
Fines and forfeitures:				
Bond forfeitures	10,000	10,000	6,695	(3,305)
Ordinance fines and costs	18,000	18,000	32,969	14,969
Total fines and forfeitures	28,000	28,000	39,664	11,664

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue (concluded)</b>				
General fund (concluded):				
Interest and rentals:				
Interest revenue	\$ 150,020	\$ 150,020	\$ 120,233	\$ (29,787)
Rentals	14,956	14,956	14,400	(556)
Administration fees	-	-	1,475	1,475
Total interest and rentals	164,976	164,976	136,108	(28,868)
Other revenue:				
Reimbursements and refunds	123,200	245,485	247,064	1,579
Other	600	600	2,272	1,672
Total other revenue	123,800	246,085	249,336	3,251
Total general fund	12,293,035	12,845,472	12,937,700	92,228
Building rehab fund:				
Interest and rentals:				
Interest revenue	-	3,000	3,483	483
Parks and recreation fund:				
Other revenue:				
Donations	-	-	752	752
<b>Total revenue</b>	<b>12,293,035</b>	<b>12,848,472</b>	<b>12,941,935</b>	<b>93,463</b>
<b>Expenditures</b>				
General fund:				
General government:				
Board of commissioners	204,127	204,127	187,468	(16,659)
Trial court	1,640,448	1,640,448	1,394,764	(245,684)
Jury board	6,975	6,975	6,333	(642)
Probate court	796,537	796,537	789,048	(7,489)
Adult probation	11,483	11,483	10,246	(1,237)
County administrator	235,486	235,486	235,334	(152)
Elections	59,536	59,536	18,710	(40,826)
Legal counsel	58,800	58,800	62,033	3,233
Clerk	451,888	461,888	435,600	(26,288)
Equalization	170,814	170,814	130,135	(40,679)
Prosecuting attorney	820,442	820,442	751,288	(69,154)
Register of deeds	170,633	240,192	241,193	1,001

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
General fund (continued):				
General government (concluded):				
Extraditions	\$ 5,880	\$ 5,880	\$ 3,317	\$ (2,563)
Land information services	269,939	209,261	211,819	2,558
Treasurer	242,016	242,016	233,055	(8,961)
Cooperative extension	114,914	114,914	114,509	(405)
Courthouse and grounds	468,655	468,655	457,715	(10,940)
Drain commissioner	151,689	151,689	152,661	972
Total general government	5,880,262	5,899,143	5,435,228	(463,915)
Public safety:				
Sheriff	2,561,479	2,561,479	2,488,984	(72,495)
Secondary road patrol	99,995	99,995	93,525	(6,470)
Highway safety grant	16,000	16,000	10,426	(5,574)
Marine safety	127,667	127,667	123,902	(3,765)
Emergency services	103,881	125,881	112,527	(13,354)
Jail	1,819,317	1,823,983	1,796,404	(27,579)
Animal control	248,055	255,655	227,510	(28,145)
Total public safety	4,976,394	5,010,660	4,853,278	(157,382)
Public works:				
Department of Public Works	250	250	-	(250)
Health and welfare:				
District health department	432,449	433,251	433,721	470
Health department building	109,524	109,524	110,011	487
Soldiers' and sailors' relief	46,050	46,050	36,291	(9,759)
Medical examiner	118,877	118,877	91,455	(27,422)
Substance abuse	78,901	83,740	83,740	-
Veterans' counselor	43,609	43,609	46,464	2,855
Veterans' burials	38,581	38,581	28,800	(9,781)
Mental health	154,500	154,500	154,500	-
Appropriation to Green Gables Haven				
Community Shelter	1,900	1,900	1,900	-
Total health and welfare	1,024,391	1,030,032	986,882	(43,150)

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
General fund (continued):				
Community and economic development:				
Appropriation to Economic Development				
Board	\$ 65,172	\$ 65,172	\$ 65,172	\$ -
Appropriation to Airport Commission	42,728	42,728	45,195	2,467
Appropriation to Road Commission	11,917	11,917	11,917	-
Appropriation to Soil Conservation	17,130	17,130	17,130	-
Planning and zoning	202,513	202,513	201,941	(572)
Total community and economic development	339,460	339,460	341,355	1,895
Other:				
Insurance and bonds	323,763	460,348	448,356	(11,992)
Other	193,803	192,903	212,263	19,360
Total other	517,566	653,251	660,619	7,368
Debt service:				
Principal	-	29,657	206,978	177,321
Interest expense	-	9,506	6,392	(3,114)
Total debt service	-	39,163	213,370	174,207
Capital outlay	52,163	187,948	13,431	(174,517)
Total general fund	12,790,486	13,159,907	12,504,163	(655,744)
Gypsy moth fund:				
Health and welfare	-	-	240	240
Building rehab fund:				
Public works	4,000	75,000	21,207	(53,793)
Capital outlay	30,000	20,000	89,135	69,135
Total building rehab fund	34,000	95,000	110,342	15,342
Parks and recreation fund:				
Recreation and cultural	10,520	10,520	9,711	(809)
Capital outlay	5,790	5,790	-	(5,790)
Total parks and recreation fund	16,310	16,310	9,711	(6,599)

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Agriculture preservation fund:				
Community and economic development	\$ 3,100	\$ 3,100	\$ 112	\$ (2,988)
Master land use plan fund:				
Community and economic development	-	5,000	1,486	(3,514)
<b>Total expenditures</b>	<b>12,843,896</b>	<b>13,279,317</b>	<b>12,626,054</b>	<b>(653,263)</b>
Revenue over (under) expenditures	(550,861)	(430,845)	315,881	746,726
<b>Other financing sources (uses)</b>				
General fund:				
Transfers in	1,910,300	1,727,284	1,882,744	155,460
Transfers out	(1,412,849)	(1,412,849)	(2,175,776)	(762,927)
Total general fund	497,451	314,435	(293,032)	(607,467)
Building rehab fund:				
Transfers in	-	-	265,365	265,365
Parks and recreation fund:				
Transfers in	13,178	13,178	13,178	-
Eliminations:				
Transfers in	(13,178)	(13,178)	(267,082)	(253,904)
Transfers out	13,178	13,178	267,082	253,904
Total eliminations	-	-	-	-
<b>Total other financing (uses)</b>	<b>510,629</b>	<b>327,613</b>	<b>(14,489)</b>	<b>(342,102)</b>
<b>Net change in fund balance</b>	<b>(40,232)</b>	<b>(103,232)</b>	<b>301,392</b>	<b>404,624</b>
Fund balance, beginning of year, as restated	3,451,395	3,451,395	3,451,395	-
<b>Fund balance, end of year</b>	<b>\$ 3,411,163</b>	<b>\$ 3,348,163</b>	<b>\$ 3,752,787</b>	<b>\$ 404,624</b>

concluded

**This page intentionally left blank**

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds  
December 31, 2011

	Special Revenue	Debt Service	Capital Projects
<b>Assets</b>			
Cash and cash equivalents	\$ 4,877,096	\$ 214,348	\$ -
Restricted cash and cash equivalents	-	67,780	-
Investments	175,151	-	-
Taxes receivable	361,782	-	-
Due from other governments	300,282	-	52,927
<b>Total assets</b>	<u>\$ 5,714,311</u>	<u>\$ 282,128</u>	<u>\$ 52,927</u>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ 25,460	\$ -	\$ 43,177
Accounts payable	201,554	-	3,294
Accrued liabilities	66,869	-	-
Deferred revenue	414,508	-	-
<b>Total liabilities</b>	<u>708,391</u>	<u>-</u>	<u>46,471</u>
<b>Fund balances</b>			
Nonspendable	-	-	-
Restricted	1,786,946	-	6,456
Committed	3,218,974	282,128	-
<b>Total fund balances</b>	<u>5,005,920</u>	<u>282,128</u>	<u>6,456</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,714,311</u>	<u>\$ 282,128</u>	<u>\$ 52,927</u>



Permanent Fund	
Cemetery Perpetual Care	Totals
\$ 80	\$ 5,091,524
-	67,780
31,060	206,211
-	361,782
-	353,209
<hr/>	
\$ 31,140	\$ 6,080,506
<hr/>	
\$ -	\$ 68,637
-	204,848
-	66,869
-	414,508
<hr/>	
-	754,862
<hr/>	
30,925	30,925
215	1,793,617
-	3,501,102
<hr/>	
31,140	5,325,644
<hr/>	
\$ 31,140	\$ 6,080,506
<hr/>	



## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2011

	Special Revenue	Debt Service	Capital Projects
<b>Revenue</b>			
Taxes	\$ 424,633	\$ -	\$ -
Intergovernmental	1,880,629	274,194	28,631
Charges for services	294,379	-	-
Fines and forfeits	1,852	-	-
Interest and rentals	2,406	135	-
Other revenue	109,597	-	-
<b>Total revenue</b>	<b>2,713,496</b>	<b>274,329</b>	<b>28,631</b>
<b>Expenditures</b>			
Current:			
General government	1,272,594	-	-
Public safety	460,434	-	-
Public works	40,723	-	-
Health and welfare	796,269	-	-
Recreation and cultural	610,046	-	-
Debt service:			
Principal	-	560,000	-
Interest expense	-	58,806	-
Capital outlay	212,317	-	38,444
<b>Total expenditures</b>	<b>3,392,383</b>	<b>618,806</b>	<b>38,444</b>
Revenue over (under) expenditures	(678,887)	(344,477)	(9,813)
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	14,689	-	-
Transfers in	1,098,389	589,708	-
Transfers out	(1,437,542)	-	(18)
<b>Total other financing sources (uses)</b>	<b>(324,464)</b>	<b>589,708</b>	<b>(18)</b>
<b>Net changes in fund balances</b>	<b>(1,003,351)</b>	<b>245,231</b>	<b>(9,831)</b>
Fund balances, beginning of year, as restated	6,009,271	36,897	16,287
<b>Fund balances, end of year</b>	<b>\$ 5,005,920</b>	<b>\$ 282,128</b>	<b>\$ 6,456</b>



Permanent Fund		
Cemetery Perpetual Care		Totals
\$ -	\$	424,633
-		2,183,454
-		294,379
-		1,852
365		2,906
-		109,597
<hr/>		
365		3,016,821
<hr/>		
292		1,272,886
-		460,434
-		40,723
-		796,269
-		610,046
-		560,000
-		58,806
-		250,761
<hr/>		
292		4,049,925
<hr/>		
73		(1,033,104)
<hr/>		
-		14,689
-		1,688,097
-		(1,437,560)
<hr/>		
-		265,226
<hr/>		
73		(767,878)
<hr/>		
31,067		6,093,522
<hr/>		
\$ 31,140	\$	5,325,644
<hr/>		

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

	Charlton Park	Friend of the Court	Local Corrections Officer Training
<b>Assets</b>			
Cash and cash equivalents	\$ 112,361	\$ 367,658	\$ 34,531
Investments	93,241	-	-
Taxes receivable	361,782	-	-
Due from other governments	-	83,519	-
<b>Total assets</b>	<u>\$ 567,384</u>	<u>\$ 451,177</u>	<u>\$ 34,531</u>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	31,145	4,462	-
Accrued liabilities	9,569	26,409	-
Deferred revenue	414,508	-	-
<b>Total liabilities</b>	<u>455,222</u>	<u>30,871</u>	<u>-</u>
<b>Fund balances</b>			
Restricted	112,162	-	34,531
Committed	-	420,306	-
<b>Total fund balances</b>	<u>112,162</u>	<u>420,306</u>	<u>34,531</u>
<b>Total liabilities and fund balances</b>	<u>\$ 567,384</u>	<u>\$ 451,177</u>	<u>\$ 34,531</u>



Solid Waste	Building Strong Families	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Healthy Start
\$ 143,106	\$ 10,021	\$ 2,678	\$ 198,150	\$ 5,803	\$ 25,261
-	-	-	-	5,242	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 143,106</u>	<u>\$ 10,021</u>	<u>\$ 2,678</u>	<u>\$ 198,150</u>	<u>\$ 11,045</u>	<u>\$ 25,261</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
640	-	-	626	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>640</u>	<u>-</u>	<u>-</u>	<u>626</u>	<u>-</u>	<u>-</u>
-	10,021	2,678	197,524	11,045	25,261
<u>142,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>142,466</u>	<u>10,021</u>	<u>2,678</u>	<u>197,524</u>	<u>11,045</u>	<u>25,261</u>
<u>\$ 143,106</u>	<u>\$ 10,021</u>	<u>\$ 2,678</u>	<u>\$ 198,150</u>	<u>\$ 11,045</u>	<u>\$ 25,261</u>

continued...

# COUNTY OF BARRY, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

	Abstract	Remonu- mentation	Register of Deeds Automation
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 170,388
Investments	-	-	-
Taxes receivable	-	-	-
Due from other governments	-	28,903	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 28,903</u>	<u>\$ 170,388</u>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ 10,634	\$ -
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>10,634</u>	<u>-</u>
<b>Fund balances</b>			
Restricted	-	-	170,388
Committed	-	18,269	-
<b>Total fund balances</b>	<u>-</u>	<u>18,269</u>	<u>170,388</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 28,903</u>	<u>\$ 170,388</u>



Budget Stabilization	Victim Services Unit	School Liason	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
\$ -	\$ 2,154	\$ 17,066	\$ 888	\$ -	\$ 21,290
-	12,297	-	-	7,248	-
-	-	-	-	-	-
-	-	-	-	-	13,034
<u>\$ -</u>	<u>\$ 14,451</u>	<u>\$ 17,066</u>	<u>\$ 888</u>	<u>\$ 7,248</u>	<u>\$ 34,324</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	3,312	-	-	1,663
-	-	-	-	-	-
-	-	3,312	-	-	1,663
-	14,451	-	888	-	32,661
-	-	13,754	-	7,248	-
-	14,451	13,754	888	7,248	32,661
<u>\$ -</u>	<u>\$ 14,451</u>	<u>\$ 17,066</u>	<u>\$ 888</u>	<u>\$ 7,248</u>	<u>\$ 34,324</u>

continued...

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

	Law Library	CDBG Housing	Middleville Police Services
<b>Assets</b>			
Cash and cash equivalents	\$ 13,569	\$ 13,155	\$ -
Investments	-	1,499	-
Taxes receivable	-	-	-
Due from other governments	-	-	34,525
<b>Total assets</b>	<u>\$ 13,569</u>	<u>\$ 14,654</u>	<u>\$ 34,525</u>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 8,854
Accounts payable	598	-	2,193
Accrued liabilities	-	-	8,302
Deferred revenue	-	-	-
<b>Total liabilities</b>	<u>598</u>	<u>-</u>	<u>19,349</u>
<b>Fund balances</b>			
Restricted	-	14,654	-
Committed	12,971	-	15,176
<b>Total fund balances</b>	<u>12,971</u>	<u>14,654</u>	<u>15,176</u>
<b>Total liabilities and fund balances</b>	<u>\$ 13,569</u>	<u>\$ 14,654</u>	<u>\$ 34,525</u>



MSHDA Home Grant	Job Skills Training Program	Community Corrections	Adult Drug Court	Juvenile Drug Court	Michigan Justice Training
\$ -	\$ -	\$ -	\$ 58,644	\$ 368,266	\$ 16,372
-	-	-	-	-	-
-	-	-	-	-	-
-	-	16,314	22,512	34,566	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,314</u>	<u>\$ 81,156</u>	<u>\$ 402,832</u>	<u>\$ 16,372</u>
\$ -	\$ -	\$ 5,972	\$ -	\$ -	\$ -
-	-	967	1,112	2,011	-
-	-	2,478	3,810	2,076	-
-	-	-	-	-	-
-	-	9,417	4,922	4,087	-
-	-	-	-	81,758	16,372
-	-	6,897	76,234	316,987	-
-	-	6,897	76,234	398,745	16,372
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,314</u>	<u>\$ 81,156</u>	<u>\$ 402,832</u>	<u>\$ 16,372</u>

continued...



## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

	Social Welfare	Child Care	Revenue Sharing Reserve
<b>Assets</b>			
Cash and cash equivalents	\$ 124,312	\$ 2,053,505	\$ 682,502
Investments	55,624	-	-
Taxes receivable	-	-	-
Due from other governments	-	66,909	-
<b>Total assets</b>	<u>\$ 179,936</u>	<u>\$ 2,120,414</u>	<u>\$ 682,502</u>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	-	25,688	-
Accrued liabilities	-	9,250	-
Deferred revenue	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>34,938</u>	<u>-</u>
<b>Fund balances</b>			
Restricted	78,106	-	682,502
Committed	101,830	2,085,476	-
<b>Total fund balances</b>	<u>179,936</u>	<u>2,085,476</u>	<u>682,502</u>
<b>Total liabilities and fund balances</b>	<u>\$ 179,936</u>	<u>\$ 2,120,414</u>	<u>\$ 682,502</u>



Veterans' Trust	Diverted Felons	Bench Warrant	FEMA Elevation	Total
\$ 3,322	\$ 430,734	\$ 1,360	\$ -	\$ 4,877,096
-	-	-	-	175,151
-	-	-	-	361,782
-	-	-	-	300,282
<u>\$ 3,322</u>	<u>\$ 430,734</u>	<u>\$ 1,360</u>	<u>\$ -</u>	<u>\$ 5,714,311</u>
\$ -	\$ -	\$ -	\$ -	\$ 25,460
-	132,112	-	-	201,554
-	-	-	-	66,869
-	-	-	-	414,508
<u>-</u>	<u>132,112</u>	<u>-</u>	<u>-</u>	<u>708,391</u>
3,322	298,622	-	-	1,786,946
-	-	1,360	-	3,218,974
<u>3,322</u>	<u>298,622</u>	<u>1,360</u>	<u>-</u>	<u>5,005,920</u>
<u>\$ 3,322</u>	<u>\$ 430,734</u>	<u>\$ 1,360</u>	<u>\$ -</u>	<u>\$ 5,714,311</u>

concluded

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Charlton Park	Friend of the Court	Local Corrections Officer Training
<b>Revenue</b>			
Taxes	\$ 424,633	\$ -	\$ -
Intergovernmental	24,691	594,558	10,078
Charges for services	135,823	-	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	60,010	-
<b>Total revenue</b>	<b>585,147</b>	<b>654,568</b>	<b>10,078</b>
<b>Expenditures</b>			
Current:			
General government	-	859,399	-
Public safety	-	-	4,905
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	610,046	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>610,046</b>	<b>859,399</b>	<b>4,905</b>
Revenue over (under) expenditures	(24,899)	(204,831)	5,173
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	14,689	-	-
Transfers in	-	318,174	-
Transfers out	(11,461)	-	-
<b>Total other financing sources (uses)</b>	<b>3,228</b>	<b>318,174</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(21,671)</b>	<b>113,343</b>	<b>5,173</b>
Fund balances, beginning of year	133,833	306,963	29,358
<b>Fund balances, end of year</b>	<b>\$ 112,162</b>	<b>\$ 420,306</b>	<b>\$ 34,531</b>



Solid Waste	Building Strong Families	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Healthy Start
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	22,756	-	-	1,350	13,996
25,842	-	-	-	-	-
-	-	-	-	-	-
-	-	-	570	5	-
34,962	-	2,010	4,503	-	-
60,804	22,756	2,010	5,073	1,355	13,996
-	-	-	-	-	-
-	-	-	-	-	-
39,510	-	-	-	-	-
-	27,837	2,130	10,579	812	7,290
-	-	-	-	-	-
-	-	-	-	-	-
39,510	27,837	2,130	10,579	812	7,290
21,294	(5,081)	(120)	(5,506)	543	6,706
-	-	-	-	-	-
1,117	-	-	-	-	-
-	-	-	-	-	-
1,117	-	-	-	-	-
22,411	(5,081)	(120)	(5,506)	543	6,706
120,055	15,102	2,798	203,030	10,502	18,555
\$ 142,466	\$ 10,021	\$ 2,678	\$ 197,524	\$ 11,045	\$ 25,261

continued....

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Abstract	Remonu- mentation	Register of Deeds Automation
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	47,304	-
Charges for services	-	-	52,373
Fines and forfeits	-	-	-
Interest and rentals	-	800	-
Other revenue	-	-	-
<b>Total revenue</b>	-	48,104	52,373
<b>Expenditures</b>			
Current:			
General government	-	65,071	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	37,437
<b>Total expenditures</b>	-	65,071	37,437
Revenue over (under) expenditures	-	(16,967)	14,936
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	24,593	-
Transfers out	(150,955)	-	-
<b>Total other financing sources (uses)</b>	(150,955)	24,593	-
<b>Net changes in fund balances</b>	(150,955)	7,626	14,936
Fund balances, beginning of year	150,955	10,643	155,452
<b>Fund balances, end of year</b>	\$ -	\$ 18,269	\$ 170,388



Budget Stabilization	Victim Services Unit	School Liason	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,250	82,500	-	-	48,116
-	-	-	-	-	-
-	-	-	888	964	-
618	13	-	-	9	-
-	646	7,174	-	-	-
618	1,909	89,674	888	973	48,116
-	-	-	-	-	50,340
-	2,679	118,832	-	3,694	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,679	118,832	-	3,694	50,340
618	(770)	(29,158)	888	(2,721)	(2,224)
-	-	-	-	-	-
-	-	42,893	-	-	-
(140,303)	-	-	-	-	-
(140,303)	-	42,893	-	-	-
(139,685)	(770)	13,735	888	(2,721)	(2,224)
139,685	15,221	19	-	9,969	34,885
\$ -	\$ 14,451	\$ 13,754	\$ 888	\$ 7,248	\$ 32,661

continued...

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Law Library	CDBG Housing	Middleville Police Services
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	6,500	37,862	240,515
Charges for services	-	33,394	-
Fines and forfeits	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>6,500</b>	<b>71,256</b>	<b>240,515</b>
<b>Expenditures</b>			
Current:			
General government	17,823	-	-
Public safety	-	-	243,736
Public works	-	-	-
Health and welfare	-	64,020	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>17,823</b>	<b>64,020</b>	<b>243,736</b>
Revenue over (under) expenditures	(11,323)	7,236	(3,221)
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	11,450	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>11,450</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>127</b>	<b>7,236</b>	<b>(3,221)</b>
Fund balances, beginning of year	12,844	7,418	18,397
<b>Fund balances, end of year</b>	<b>\$ 12,971</b>	<b>\$ 14,654</b>	<b>\$ 15,176</b>



MSHDA Home Grant	Job Skills Training Program	Community Corrections	Adult Drug Court	Juvenile Drug Court	Michigan Justice Training
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,349	-	77,873	66,097	142,042	5,841
-	-	-	46,947	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	292
20,349	-	77,873	113,044	142,042	6,133
-	-	-	160,149	119,812	-
-	-	79,949	-	-	6,639
-	-	-	-	-	-
20,686	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,686	-	79,949	160,149	119,812	6,639
(337)	-	(2,076)	(47,105)	22,230	(506)
-	-	-	-	-	-
-	-	-	78,400	44,547	-
-	(201)	-	-	-	-
-	(201)	-	78,400	44,547	-
(337)	(201)	(2,076)	31,295	66,777	(506)
337	201	8,973	44,939	331,968	16,878
\$ -	\$ -	\$ 6,897	\$ 76,234	\$ 398,745	\$ 16,372

continued...



## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Social Welfare	Child Care	Revenue Sharing Reserve
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	4,277	316,515	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Interest and rentals	391	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<b>4,668</b>	<b>316,515</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	9,716	640,978	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>9,716</b>	<b>640,978</b>	<b>-</b>
Revenue over (under) expenditures	(5,048)	(324,463)	-
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	576,002	-
Transfers out	-	-	(1,134,622)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>576,002</b>	<b>(1,134,622)</b>
<b>Net changes in fund balances</b>	<b>(5,048)</b>	<b>251,539</b>	<b>(1,134,622)</b>
Fund balances, beginning of year	184,984	1,833,937	1,817,124
<b>Fund balances, end of year</b>	<b>\$ 179,936</b>	<b>\$ 2,085,476</b>	<b>\$ 682,502</b>

--

Veterans' Trust	Diverted Felons	Bench Warrant	FEMA Elevation	Total
\$ -	\$ -	\$ -	\$ -	\$ 424,633
2,168	113,991	-	-	1,880,629
-	-	-	-	294,379
-	-	-	-	1,852
-	-	-	-	2,406
-	-	-	-	109,597
2,168	113,991	-	-	2,713,496
-	-	-	-	1,272,594
-	-	-	-	460,434
-	-	-	1,213	40,723
5,555	6,666	-	-	796,269
-	-	-	-	610,046
-	174,880	-	-	212,317
5,555	181,546	-	1,213	3,392,383
(3,387)	(67,555)	-	(1,213)	(678,887)
-	-	-	-	14,689
-	-	-	1,213	1,098,389
-	-	-	-	(1,437,542)
-	-	-	1,213	(324,464)
(3,387)	(67,555)	-	-	(1,003,351)
6,709	366,177	1,360	-	6,009,271
\$ 3,322	\$ 298,622	\$ 1,360	\$ -	\$ 5,005,920

concluded

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011

	Charlton Park		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ 416,000	\$ 424,633	\$ 8,633
Intergovernmental	25,000	24,691	(309)
Charges for services	143,450	135,823	(7,627)
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<u>584,450</u>	<u>585,147</u>	<u>697</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	593,510	610,046	16,536
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>593,510</u>	<u>610,046</u>	<u>16,536</u>
Revenue over (under) expenditures	<u>(9,060)</u>	<u>(24,899)</u>	<u>(15,839)</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	14,689	14,689
Transfers in	-	-	-
Transfers out	(11,461)	(11,461)	-
<b>Total other financing sources (uses)</b>	<u>(11,461)</u>	<u>3,228</u>	<u>14,689</u>
<b>Net changes in fund balances</b>	<u>(20,521)</u>	<u>(21,671)</u>	<u>(1,150)</u>
Fund balances, beginning of year	<u>133,833</u>	<u>133,833</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 113,312</u>	<u>\$ 112,162</u>	<u>\$ (1,150)</u>



Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
646,000	594,558	(51,442)	10,000	10,078	78
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	60,010	59,010	-	-	-
647,000	654,568	7,568	10,000	10,078	78
1,027,855	859,399	(168,456)	-	-	-
-	-	-	10,000	4,905	(5,095)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500	-	(500)	-	-	-
1,028,355	859,399	(168,956)	10,000	4,905	(5,095)
(381,355)	(204,831)	176,524	-	5,173	5,173
-	-	-	-	-	-
318,174	318,174	-	-	-	-
-	-	-	-	-	-
318,174	318,174	-	-	-	-
(63,181)	113,343	176,524	-	5,173	5,173
306,963	306,963	-	29,358	29,358	-
\$ 243,782	\$ 420,306	\$ 176,524	\$ 29,358	\$ 34,531	\$ 5,173

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011

	Solid Waste		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	41,000	25,842	(15,158)
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	19,240	34,962	15,722
<b>Total revenue</b>	<b>60,240</b>	<b>60,804</b>	<b>564</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	61,710	39,510	(22,200)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>61,710</b>	<b>39,510</b>	<b>(22,200)</b>
<b>Revenue over (under) expenditures</b>	<b>(1,470)</b>	<b>21,294</b>	<b>22,764</b>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	1,117	1,117	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,117</b>	<b>1,117</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(353)</b>	<b>22,411</b>	<b>22,764</b>
<b>Fund balances, beginning of year</b>	<b>120,055</b>	<b>120,055</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 119,702</b>	<b>\$ 142,466</b>	<b>\$ 22,764</b>



Building Strong Families			C SNIP Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,308	22,756	(9,552)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,100	2,010	(1,090)
32,308	22,756	(9,552)	3,100	2,010	(1,090)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,308	27,837	(4,471)	3,100	2,130	(970)
-	-	-	-	-	-
-	-	-	-	-	-
32,308	27,837	(4,471)	3,100	2,130	(970)
-	(5,081)	(5,081)	-	(120)	(120)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(5,081)	(5,081)	-	(120)	(120)
15,102	15,102	-	2,798	2,798	-
\$ 15,102	\$ 10,021	\$ (5,081)	\$ 2,798	\$ 2,678	\$ (120)

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011

	Animal Shelter Donation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	500	570	70
Other revenue	3,500	4,503	1,003
<b>Total revenue</b>	<u>4,000</u>	<u>5,073</u>	<u>1,073</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	17,500	10,579	(6,921)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>17,500</u>	<u>10,579</u>	<u>(6,921)</u>
Revenue over (under) expenditures	<u>(13,500)</u>	<u>(5,506)</u>	<u>7,994</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(13,500)</u>	<u>(5,506)</u>	<u>7,994</u>
Fund balances, beginning of year	<u>203,030</u>	<u>203,030</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 189,530</u>	<u>\$ 197,524</u>	<u>\$ 7,994</u>



Community Resource Network			Healthy Start		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,500	1,350	(1,150)	18,077	13,996	(4,081)
-	-	-	-	-	-
-	-	-	-	-	-
13	5	(8)	-	-	-
-	-	-	-	-	-
2,513	1,355	(1,158)	18,077	13,996	(4,081)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,500	812	(1,688)	18,077	7,290	(10,787)
-	-	-	-	-	-
-	-	-	-	-	-
2,500	812	(1,688)	18,077	7,290	(10,787)
13	543	530	-	6,706	6,706
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13	543	530	-	6,706	6,706
10,502	10,502	-	18,555	18,555	-
\$ 10,515	\$ 11,045	\$ 530	\$ 18,555	\$ 25,261	\$ 6,706

continued...



## COUNTY OF BARRY, MICHIGAN

### **Schedule of Revenue, Expenditures** and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Abstract		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	-	-	-
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	-	-	-
Revenue over (under) expenditures	-	-	-
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(136,000)	(150,955)	(14,955)
<b>Total other financing sources (uses)</b>	(136,000)	(150,955)	(14,955)
<b>Net changes in fund balances</b>	(136,000)	(150,955)	(14,955)
Fund balances, beginning of year	150,955	150,955	-
<b>Fund balances, end of year</b>	<u>\$ 14,955</u>	<u>\$ -</u>	<u>\$ (14,955)</u>



Remonumentation			Register of Deeds Automation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46,309	47,304	995	-	-	-
-	-	-	50,000	52,373	2,373
-	-	-	-	-	-
-	800	800	-	-	-
-	-	-	-	-	-
46,309	48,104	1,795	50,000	52,373	2,373
70,902	65,071	(5,831)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	85,000	37,437	(47,563)
70,902	65,071	(5,831)	85,000	37,437	(47,563)
(24,593)	(16,967)	7,626	(35,000)	14,936	49,936
-	-	-	-	-	-
24,593	24,593	-	-	-	-
-	-	-	-	-	-
24,593	24,593	-	-	-	-
-	7,626	7,626	(35,000)	14,936	49,936
10,643	10,643	-	155,452	155,452	-
\$ 10,643	\$ 18,269	\$ 7,626	\$ 120,452	\$ 170,388	\$ 49,936

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011

	Budget Stabilization		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	1,500	618	(882)
Other revenue	-	-	-
<b>Total revenue</b>	<u>1,500</u>	<u>618</u>	<u>(882)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>1,500</u>	<u>618</u>	<u>(882)</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	(140,303)	(140,303)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(140,303)</u>	<u>(140,303)</u>
<b>Net changes in fund balances</b>	<u>1,500</u>	<u>(139,685)</u>	<u>(141,185)</u>
Fund balances, beginning of year	<u>139,685</u>	<u>139,685</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 141,185</u>	<u>\$ -</u>	<u>\$ (141,185)</u>



Victim Services Unit			School Liaison		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
900	1,250	350	82,500	82,500	-
-	-	-	-	-	-
-	-	-	-	-	-
50	13	(37)	-	-	-
350	646	296	7,000	7,174	174
1,300	1,909	609	89,500	89,674	174
-	-	-	-	-	-
5,000	2,679	(2,321)	132,393	118,832	(13,561)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	2,679	(2,321)	132,393	118,832	(13,561)
(3,700)	(770)	2,930	(42,893)	(29,158)	13,735
-	-	-	-	-	-
-	-	-	42,893	42,893	-
-	-	-	-	-	-
-	-	-	42,893	42,893	-
(3,700)	(770)	2,930	-	13,735	13,735
15,221	15,221	-	19	19	-
\$ 11,521	\$ 14,451	\$ 2,930	\$ 19	\$ 13,754	\$ 13,735

continued...

## COUNTY OF BARRY, MICHIGAN

### **Schedule of Revenue, Expenditures** and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Drug Law Enforcement		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	888	888
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	-	888	888
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	32,000	-	(32,000)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	32,000	-	(32,000)
Revenue over (under) expenditures	(32,000)	888	32,888
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-
<b>Net changes in fund balances</b>	(32,000)	888	32,888
Fund balances, beginning of year	-	-	-
<b>Fund balances, end of year</b>	<u>\$ (32,000)</u>	<u>\$ 888</u>	<u>\$ 32,888</u>



Special Investigation			Crime Victims' Rights Week		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	47,826	48,116	290
-	-	-	-	-	-
980	964	(16)	-	-	-
20	9	(11)	-	-	-
-	-	-	-	-	-
1,000	973	(27)	47,826	48,116	290
-	-	-	47,826	50,340	2,514
5,000	3,694	(1,306)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	3,694	(1,306)	47,826	50,340	2,514
(4,000)	(2,721)	1,279	-	(2,224)	(2,224)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(4,000)	(2,721)	1,279	-	(2,224)	(2,224)
9,969	9,969	-	34,885	34,885	-
\$ 5,969	\$ 7,248	\$ 1,279	\$ 34,885	\$ 32,661	\$ (2,224)

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2011

	Law Library		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	6,500	6,500	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<u>6,500</u>	<u>6,500</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
General government	20,000	17,823	(2,177)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>20,000</u>	<u>17,823</u>	<u>(2,177)</u>
Revenue over (under) expenditures	<u>(13,500)</u>	<u>(11,323)</u>	<u>2,177</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	11,450	11,450	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>11,450</u>	<u>11,450</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(2,050)</u>	<u>127</u>	<u>2,177</u>
Fund balances, beginning of year	<u>12,844</u>	<u>12,844</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 10,794</u>	<u>\$ 12,971</u>	<u>\$ 2,177</u>



CDBG Housing			Middleville Police Services		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99,375	37,862	(61,513)	271,755	240,515	(31,240)
-	33,394	33,394	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
99,375	71,256	(28,119)	271,755	240,515	(31,240)
-	-	-	-	-	-
-	-	-	271,755	243,736	(28,019)
-	-	-	-	-	-
99,375	64,020	(35,355)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
99,375	64,020	(35,355)	271,755	243,736	(28,019)
-	7,236	7,236	-	(3,221)	(3,221)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,236	7,236	-	(3,221)	(3,221)
7,418	7,418	-	18,397	18,397	-
\$ 7,418	\$ 14,654	\$ 7,236	\$ 18,397	\$ 15,176	\$ (3,221)

continued...



## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011

	MSHDA Home Grant		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	50,000	20,349	(29,651)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<u>50,000</u>	<u>20,349</u>	<u>(29,651)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	50,000	20,686	(29,314)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>50,000</u>	<u>20,686</u>	<u>(29,314)</u>
Revenue over (under) expenditures	<u>-</u>	<u>(337)</u>	<u>(337)</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>(337)</u>	<u>(337)</u>
Fund balances, beginning of year	<u>337</u>	<u>337</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 337</u>	<u>\$ -</u>	<u>\$ (337)</u>



Job Skills Training Program			Community Corrections		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	97,038	77,873	(19,165)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	97,038	77,873	(19,165)
-	-	-	-	-	-
-	-	-	97,038	79,949	(17,089)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	97,038	79,949	(17,089)
-	-	-	-	-	-
-	-	-	-	(2,076)	(2,076)
-	-	-	-	-	-
-	-	-	-	-	-
-	(201)	(201)	-	-	-
-	(201)	(201)	-	-	-
-	(201)	(201)	-	(2,076)	(2,076)
201	201	-	8,973	8,973	-
\$ 201	\$ -	\$ (201)	\$ 8,973	\$ 6,897	\$ (2,076)

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2011

	Adult Drug Court		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	87,570	66,097	(21,473)
Charges for services	12,430	46,947	34,517
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<u>100,000</u>	<u>113,044</u>	<u>13,044</u>
<b>Expenditures</b>			
Current:			
General government	178,400	160,149	(18,251)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>178,400</u>	<u>160,149</u>	<u>(18,251)</u>
Revenue over (under) expenditures	<u>(78,400)</u>	<u>(47,105)</u>	<u>31,295</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	78,400	78,400	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>78,400</u>	<u>78,400</u>	<u>-</u>
<b>Net changes in fund balances</b>	-	31,295	31,295
Fund balances, beginning of year	<u>44,939</u>	<u>44,939</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 44,939</u>	<u>\$ 76,234</u>	<u>\$ 31,295</u>



Juvenile Drug Court			Michigan Justice Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114,676	142,042	27,366	6,000	5,841	(159)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	292	292
114,676	142,042	27,366	6,000	6,133	133
172,751	119,812	(52,939)	-	-	-
-	-	-	7,500	6,639	(861)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
172,751	119,812	(52,939)	7,500	6,639	(861)
(58,075)	22,230	80,305	(1,500)	(506)	994
-	-	-	-	-	-
44,547	44,547	-	-	-	-
-	-	-	-	-	-
44,547	44,547	-	-	-	-
(13,528)	66,777	80,305	(1,500)	(506)	994
331,968	331,968	-	16,878	16,878	-
\$ 318,440	\$ 398,745	\$ 80,305	\$ 15,378	\$ 16,372	\$ 994

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Social Welfare		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	4,200	4,277	77
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	300	391	91
Other revenue	-	-	-
<b>Total revenue</b>	<b>4,500</b>	<b>4,668</b>	<b>168</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	10,500	9,716	(784)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>10,500</b>	<b>9,716</b>	<b>(784)</b>
Revenue over (under) expenditures	(6,000)	(5,048)	952
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(6,000)</b>	<b>(5,048)</b>	<b>952</b>
Fund balances, beginning of year	184,984	184,984	-
<b>Fund balances, end of year</b>	<b>\$ 178,984</b>	<b>\$ 179,936</b>	<b>\$ 952</b>



Child Care			Revenue Sharing Reserve		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
425,796	316,515	(109,281)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
425,796	316,515	(109,281)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,077,451	640,978	(436,473)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,077,451	640,978	(436,473)	-	-	-
(651,655)	(324,463)	327,192	-	-	-
-	-	-	-	-	-
576,002	576,002	-	-	-	-
-	-	-	(1,134,622)	(1,134,622)	-
576,002	576,002	-	(1,134,622)	(1,134,622)	-
(75,653)	251,539	327,192	(1,134,622)	(1,134,622)	-
1,833,937	1,833,937	-	1,817,124	1,817,124	-
\$ 1,758,284	\$ 2,085,476	\$ 327,192	\$ 682,502	\$ 682,502	\$ -

continued...

## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2011

	Veterans' Trust		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	4,683	2,168	(2,515)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	<u>4,683</u>	<u>2,168</u>	<u>(2,515)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	4,683	5,555	872
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>4,683</u>	<u>5,555</u>	<u>872</u>
Revenue over (under) expenditures	<u>-</u>	<u>(3,387)</u>	<u>(3,387)</u>
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>(3,387)</u>	<u>(3,387)</u>
Fund balances, beginning of year	<u>6,709</u>	<u>6,709</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 6,709</u>	<u>\$ 3,322</u>	<u>\$ (3,387)</u>



Diverted Felons			Bench Warrant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85,000	113,991	28,991	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,000	113,991	28,991	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	6,666	(3,334)	-	-	-
-	-	-	-	-	-
212,060	174,880	(37,180)	-	-	-
222,060	181,546	(40,514)	-	-	-
(137,060)	(67,555)	69,505	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(137,060)	(67,555)	69,505	-	-	-
366,177	366,177	-	1,360	1,360	-
\$ 229,117	\$ 298,622	\$ 69,505	\$ 1,360	\$ 1,360	\$ -

continued...



## COUNTY OF BARRY, MICHIGAN

### Schedule of Revenue, Expenditures

and Changes in Fund Balances - Budget and Actual

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2011

	FEMA Elevation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
<b>Total revenue</b>	-	-	-
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	1,213	1,213
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	-	1,213	1,213
Revenue over (under) expenditures	-	(1,213)	(1,213)
<b>Other financing sources (uses)</b>			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	1,213	1,213
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	-	1,213	1,213
<b>Net changes in fund balances</b>	-	-	-
Fund balances, beginning of year	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -



Total		
Final Budget	Actual	Actual Over (Under) Final Budget
\$ 416,000	\$ 424,633	\$ 8,633
2,164,013	1,880,629	(283,384)
246,880	294,379	47,499
980	1,852	872
2,383	2,406	23
34,190	109,597	75,407
<u>2,864,446</u>	<u>2,713,496</u>	<u>(150,950)</u>
1,517,734	1,272,594	(245,140)
560,686	460,434	(100,252)
61,710	40,723	(20,987)
1,325,494	796,269	(529,225)
593,510	610,046	16,536
297,560	212,317	(85,243)
<u>4,356,694</u>	<u>3,392,383</u>	<u>(964,311)</u>
<u>(1,492,248)</u>	<u>(678,887)</u>	<u>813,361</u>
-	14,689	14,689
1,097,176	1,098,389	1,213
<u>(1,282,083)</u>	<u>(1,437,542)</u>	<u>(155,459)</u>
<u>(184,907)</u>	<u>(324,464)</u>	<u>(139,557)</u>
(1,677,155)	(1,003,351)	673,804
<u>6,009,271</u>	<u>6,009,271</u>	<u>-</u>
<u>\$ 4,332,116</u>	<u>\$ 5,005,920</u>	<u>\$ 673,804</u>

concluded

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2011

	Building Authority			
	Friend of the Court Renovation	Kellogg Community College	Courts and Law	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 15,735	\$ -	\$ 198,613	\$ 214,348
Restricted cash and cash equivalents	-	-	67,780	67,780
<b>Total assets</b>	<u>\$ 15,735</u>	<u>\$ -</u>	<u>\$ 266,393</u>	<u>\$ 282,128</u>
<b>Liabilities</b>				
Deferred revenue	\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>				
Committed	<u>15,735</u>	<u>-</u>	<u>266,393</u>	<u>282,128</u>
<b>Total liabilities and fund balances</b>	<u>\$ 15,735</u>	<u>\$ -</u>	<u>\$ 266,393</u>	<u>\$ 282,128</u>

## COUNTY OF BARRY, MICHIGAN

### **Combining Statement of Revenue, Expenditures** and Changes in Fund Balances - Nonmajor Debt Service Funds For the Year Ended December 31, 2011

	Building Authority			
	Friend of the Court Renovation	Kellogg Community College	Courts and Law	Total
<b>Revenue</b>				
Intergovernmental	\$ -	\$ 274,194	\$ -	\$ 274,194
Interest	-	-	135	135
<b>Total revenue</b>	-	274,194	135	274,329
<b>Expenditures</b>				
Debt service:				
Principal	50,000	265,000	245,000	560,000
Interest expense	36,588	9,194	13,024	58,806
<b>Total expenditures</b>	86,588	274,194	258,024	618,806
Revenue over (under) expenditures	(86,588)	-	(257,889)	(344,477)
<b>Other financing sources</b>				
Transfers in	87,613	-	502,095	589,708
<b>Net changes in fund balances</b>	1,025	-	244,206	245,231
Fund balances, beginning of year	14,710	-	22,187	36,897
<b>Fund balances, end of year</b>	<u>\$ 15,735</u>	<u>\$ -</u>	<u>\$ 266,393</u>	<u>\$ 282,128</u>

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2011

	Building Authority		
	Thornapple Manor Construction	McKeown Bridge Construction	Total
<b>Assets</b>			
Due from other governments	\$ -	\$ 52,927	\$ 52,927
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ 43,177	\$ 43,177
Accounts payable	-	3,294	3,294
<b>Total liabilities</b>	-	46,471	46,471
<b>Fund balances</b>			
Restricted	-	6,456	6,456
<b>Total liabilities and fund balances</b>	\$ -	\$ 52,927	\$ 52,927

## COUNTY OF BARRY, MICHIGAN

### **Combining Statement of Revenue, Expenditures** and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2011

	Building Authority		
	Thornapple Manor Construction	McKeown Bridge Construction	Total
<b>Revenue</b>			
Intergovernmental	\$ -	\$ 28,631	\$ 28,631
<b>Expenditures</b>			
Capital outlay	-	38,444	38,444
Revenue over (under) expenditures	-	(9,813)	(9,813)
<b>Other financing uses</b>			
Transfers out	(18)	-	(18)
<b>Net changes in fund balances</b>	(18)	(9,813)	(9,831)
Fund balances, beginning of year	18	16,269	16,287
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 6,456</u>	<u>\$ 6,456</u>

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Net Assets

Nonmajor Enterprise Funds

December 31, 2011

	2007 Delinquent Tax Revolving	2008 Delinquent Tax Revolving	2009 Delinquent Tax Revolving
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
Investments	-	784,136	315,774
Delinquent taxes receivable	-	23,382	448,852
	<hr/>	<hr/>	<hr/>
<b>Total assets (all current)</b>	-	807,518	764,626
	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	-	-
Due to other governments	-	1,726	20,807
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total liabilities (all current)</b>	-	1,726	20,807
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>			
Restricted for property tax foreclosures	-	-	-
Unrestricted	-	805,792	743,819
	<hr/>	<hr/>	<hr/>
<b>Total net assets</b>	<u>\$ -</u>	<u>\$ 805,792</u>	<u>\$ 743,819</u>



2011 Delinquent Tax Revolving	Foreclosure	Jail Commissary	Total
\$ -	\$ 12,885	\$ 35,844	\$ 48,729
-	339,251	-	339,251
30,709	-	-	1,130,619
519,445	-	-	991,679
<u>550,154</u>	<u>352,136</u>	<u>35,844</u>	<u>2,510,278</u>
-	-	1,040	1,040
29,039	-	-	51,572
519,445	-	-	519,445
<u>548,484</u>	<u>-</u>	<u>1,040</u>	<u>572,057</u>
-	339,251	-	339,251
1,670	12,885	34,804	1,598,970
<u>\$ 1,670</u>	<u>\$ 352,136</u>	<u>\$ 34,804</u>	<u>\$ 1,938,221</u>



## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds For the Year Ended December 31, 2011

	2007 Delinquent Tax Revolving	2008 Delinquent Tax Revolving	2009 Delinquent Tax Revolving
<b>Operating revenue</b>			
Charges for services	\$ 1,154	\$ 47,997	\$ 63,101
Interest and penalties on delinquent taxes	873	8,197	185,387
<b>Total operating revenue</b>	2,027	56,194	248,488
<b>Operating expense</b>			
Operations	-	16,969	32,523
<b>Operating income (loss)</b>	2,027	39,225	215,965
<b>Nonoperating revenue</b>			
Interest revenue	1,918	741	192
<b>Income (loss) before transfers</b>	3,945	39,966	216,157
<b>Transfers</b>			
Transfers out	(809,216)	-	-
<b>Change in net assets</b>	(805,271)	39,966	216,157
<b>Net assets, beginning of year</b>	805,271	765,826	527,662
<b>Net assets, end of year</b>	\$ -	\$ 805,792	\$ 743,819



2011 Delinquent Tax Revolving	Foreclosure	Jail Commissary	Total
\$ 1,164 501	\$ 66,895 -	\$ 78,778 -	\$ 259,089 194,958
1,665	66,895	78,778	454,047
-	(400)	62,516	111,608
1,665	67,295	16,262	342,439
5	320	-	3,176
1,670	67,615	16,262	345,615
-	-	-	(809,216)
1,670	67,615	16,262	(463,601)
-	284,521	18,542	2,401,822
\$ 1,670	\$ 352,136	\$ 34,804	\$ 1,938,221

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2011

	2007 Delinquent Tax Revolving	2008 Delinquent Tax Revolving	2009 Delinquent Tax Revolving
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 18,409	\$ 488,793	\$ 1,846,231
Cash payments to suppliers for goods and services	(19,616)	(17,469)	(32,523)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,207)</b>	<b>471,324</b>	<b>1,813,708</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers out	(809,216)	-	-
Payments on long-term advances from other funds	-	-	(1,656,000)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(809,216)</b>	<b>-</b>	<b>(1,656,000)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	-	(784,136)	(315,774)
Interest received	1,918	741	192
<b>Net cash provided by (used in) investing activities</b>	<b>1,918</b>	<b>(783,395)</b>	<b>(315,582)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(808,505)</b>	<b>(312,071)</b>	<b>(157,874)</b>
Cash and cash equivalents, beginning of year	808,505	312,071	157,874
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



2011 Delinquent Tax Revolving	Foreclosure	Jail Commissary	Total
\$ 30,704 -	\$ 66,896 (1)	\$ 78,778 (66,294)	\$ 2,529,811 (135,903)
30,704	66,895	12,484	2,393,908
-	-	-	(809,216)
-	-	-	(1,656,000)
-	-	-	(2,465,216)
(30,709) 5	- 320	- -	(1,130,619) 3,176
(30,704)	320	-	(1,127,443)
-	67,215	12,484	(1,198,751)
-	284,921	23,360	1,586,731
\$ -	\$ 352,136	\$ 35,844	\$ 387,980

continued...

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2011

	2007 Delinquent Tax Revolving	2008 Delinquent Tax Revolving	2009 Delinquent Tax Revolving
<b>Balance sheet classification of cash and cash equivalents</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>			
Operating income	\$ 2,027	\$ 39,225	\$ 215,965
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Changes in:			
Accounts receivable	230	8,737	-
Taxes receivable	16,152	422,136	1,576,936
Accounts payable	(19,616)	(500)	-
Due to other governments	-	1,726	20,807
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (1,207)</u>	<u>\$ 471,324</u>	<u>\$ 1,813,708</u>



2011 Delinquent Tax Revolving	Foreclosure	Jail Commissary	Total
\$ -	\$ 12,885	\$ 35,844	\$ 48,729
-	339,251	-	339,251
<hr/>			
\$ -	\$ 352,136	\$ 35,844	\$ 387,980
<hr/>			
<hr/>			
\$ 1,665	\$ 67,295	\$ 16,262	\$ 342,439
-	-	-	8,967
(519,445)	-	-	1,495,779
-	(400)	(3,778)	(24,294)
29,039	-	-	51,572
519,445	-	-	519,445
<hr/>			
\$ 30,704	\$ 66,895	\$ 12,484	\$ 2,393,908
<hr/>			
<hr/>			

concluded

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Net Assets

Internal Service Funds

December 31, 2011

	Data Processing	Telephone	Vehicle
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 893,360	\$ 49,512	\$ 613,647
Investments	-	-	-
Accounts receivable	-	-	-
Total current assets	<u>893,360</u>	<u>49,512</u>	<u>613,647</u>
Noncurrent assets:			
Capital assets being depreciated, net	<u>211,666</u>	<u>-</u>	<u>373,568</u>
<b>Total assets</b>	<u>1,105,026</u>	<u>49,512</u>	<u>987,215</u>
<b>Liabilities</b>			
Accounts payable	19,178	-	1,174
Accrued liabilities	-	-	-
<b>Total liabilities (all current)</b>	<u>19,178</u>	<u>-</u>	<u>1,174</u>
<b>Net assets</b>			
Invested in capital assets	211,666	-	373,568
Unrestricted	<u>874,182</u>	<u>49,512</u>	<u>612,473</u>
<b>Total net assets</b>	<u>\$ 1,085,848</u>	<u>\$ 49,512</u>	<u>\$ 986,041</u>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 231,361	\$ 545,477	\$ 82,320	\$ 177,737	\$ 5,587	\$ 187,561
-	-	-	563,166	-	-
-	72,052	-	-	-	-
<u>231,361</u>	<u>617,529</u>	<u>82,320</u>	<u>740,903</u>	<u>5,587</u>	<u>187,561</u>
-	-	-	-	-	-
<u>231,361</u>	<u>617,529</u>	<u>82,320</u>	<u>740,903</u>	<u>5,587</u>	<u>187,561</u>
690	-	-	500	-	132,263
-	-	2,596	-	-	-
<u>690</u>	<u>-</u>	<u>2,596</u>	<u>500</u>	<u>-</u>	<u>132,263</u>
-	-	-	-	-	-
<u>230,671</u>	<u>617,529</u>	<u>79,724</u>	<u>740,403</u>	<u>5,587</u>	<u>55,298</u>
<u>\$ 230,671</u>	<u>\$ 617,529</u>	<u>\$ 79,724</u>	<u>\$ 740,403</u>	<u>\$ 5,587</u>	<u>\$ 55,298</u>

continued...



## COUNTY OF BARRY, MICHIGAN

### **Combining Statement of Net Assets** Internal Service Funds December 31, 2011

	Dental and Optical	Unemployment	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 105,575	\$ 53,302	\$ 2,945,439
Investments	-	-	563,166
Accounts receivable	-	-	72,052
Total current assets	105,575	53,302	3,580,657
Noncurrent assets:			
Capital assets being depreciated, net	-	-	585,234
<b>Total assets</b>	105,575	53,302	4,165,891
<b>Liabilities</b>			
Accounts payable	-	39,222	193,027
Accrued liabilities	-	-	2,596
<b>Total liabilities (all current)</b>	-	39,222	195,623
<b>Net assets</b>			
Invested in capital assets	-	-	585,234
Unrestricted	105,575	14,080	3,385,034
<b>Total net assets</b>	\$ 105,575	\$ 14,080	\$ 3,970,268

concluded

**This page intentionally left blank**

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenses and Changes in Fund Net Assets Internal Service Funds For the Year Ended December 31, 2011

	Data Processing	Telephone	Vehicle
<b>Operating revenue</b>			
Charges for services	\$ -	\$ 53,086	\$ -
Other revenue	-	-	-
<b>Total operating revenue</b>	-	53,086	-
<b>Operating expense</b>			
Operations	94,153	46,679	-
Depreciation	56,316	-	121,969
Other expense	1,236	-	-
<b>Total operating expense</b>	151,705	46,679	121,969
Operating income (loss)	(151,705)	6,407	(121,969)
<b>Nonoperating revenue</b>			
Interest revenue	-	-	-
Income (loss) before transfers	(151,705)	6,407	(121,969)
<b>Transfers</b>			
Transfers in	317,667	-	253,904
Transfers out	-	(63,762)	-
<b>Total transfers</b>	317,667	(63,762)	253,904
<b>Change in net assets</b>	165,962	(57,355)	131,935
Net assets, beginning of year	919,886	106,867	854,106
<b>Net assets, end of year</b>	<u>\$ 1,085,848</u>	<u>\$ 49,512</u>	<u>\$ 986,041</u>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 130,547 6,440	\$ 1,965,870 -	\$ 83,045 -	\$ 137,183 -	\$ 17,902 -	\$ 1,442,031 -
136,987	1,965,870	83,045	137,183	17,902	1,442,031
57,939	1,815,553	79,817	58,176	19,191	1,992,202
-	-	-	-	-	-
-	-	-	-	-	-
57,939	1,815,553	79,817	58,176	19,191	1,992,202
79,048	150,317	3,228	79,007	(1,289)	(550,171)
-	-	-	25,172	-	-
79,048	150,317	3,228	104,179	(1,289)	(550,171)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79,048	150,317	3,228	104,179	(1,289)	(550,171)
151,623	467,212	76,496	636,224	6,876	605,469
\$ 230,671	\$ 617,529	\$ 79,724	\$ 740,403	\$ 5,587	\$ 55,298

continued...

## COUNTY OF BARRY, MICHIGAN

### **Combining Statement of Revenue, Expenses** **and Changes in Fund Net Assets** **Internal Service Funds** **For the Year Ended December 31, 2011**

	Dental and Optical	Unemployment	Total
<b>Operating revenue</b>			
Charges for services	\$ 60,400	\$ 25,323	\$ 3,915,387
Other revenue	-	-	6,440
	<u>60,400</u>	<u>25,323</u>	<u>3,921,827</u>
<b>Operating expense</b>			
Operations	61,810	39,222	4,264,742
Depreciation	-	-	178,285
Other expense	-	-	1,236
	<u>61,810</u>	<u>39,222</u>	<u>4,444,263</u>
Operating income (loss)	(1,410)	(13,899)	(522,436)
<b>Nonoperating revenue</b>			
Interest revenue	-	-	25,172
	<u>(1,410)</u>	<u>(13,899)</u>	<u>(497,264)</u>
Income (loss) before transfers			
<b>Transfers</b>			
Transfers in	-	-	571,571
Transfers out	-	-	(63,762)
	<u>-</u>	<u>-</u>	<u>507,809</u>
<b>Total transfers</b>			
	<u>-</u>	<u>-</u>	<u>507,809</u>
<b>Change in net assets</b>	(1,410)	(13,899)	10,545
Net assets, beginning of year	106,985	27,979	3,959,723
<b>Net assets, end of year</b>	<u>\$ 105,575</u>	<u>\$ 14,080</u>	<u>\$ 3,970,268</u>

concluded

**This page intentionally left blank**

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2011

	Data Processing	Telephone	Vehicle
<b>Cash flows from operating activities</b>			
Cash received from interfund services	\$ -	\$ 53,086	\$ -
Cash payments to suppliers for goods and services	(80,260)	(49,515)	(11,938)
Cash payments to employees for services	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(80,260)</b>	<b>3,571</b>	<b>(11,938)</b>
<b>Cash flows from non-capital financing activities</b>			
Transfers in	317,667	-	253,904
Transfers out	-	(63,762)	-
<b>Net cash provided by (used in) non-capital financial activities</b>	<b>317,667</b>	<b>(63,762)</b>	<b>253,904</b>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(145,412)	-	(102,783)
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	-
Interest income received	-	-	-
<b>Cash flows provided by (used in) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>91,995</b>	<b>(60,191)</b>	<b>139,183</b>
Cash and cash equivalents, beginning of year	801,365	109,703	474,464
<b>Cash and cash equivalents, end of year</b>	<b>\$ 893,360</b>	<b>\$ 49,512</b>	<b>\$ 613,647</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ (151,705)	\$ 6,407	\$ (121,969)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	56,316	-	121,969
(Increase) decrease in:			
Accounts receivable	-	-	-
Accounts payable	15,129	(2,836)	(11,938)
Accrued liabilities	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (80,260)</b>	<b>\$ 3,571</b>	<b>\$ (11,938)</b>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 136,987	\$ 2,075,724	\$ 83,045	\$ 137,183	\$ 17,902	\$ 1,442,031
-	(27,500)	-	500	-	132,263
(57,363)	(1,815,553)	(80,209)	(58,176)	(19,191)	(1,992,202)
<u>79,624</u>	<u>232,671</u>	<u>2,836</u>	<u>79,507</u>	<u>(1,289)</u>	<u>(417,908)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(563,166)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>25,172</u>	<u>-</u>	<u>-</u>
-	-	-	(537,994)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
79,624	232,671	2,836	(458,487)	(1,289)	(417,908)
<u>151,737</u>	<u>312,806</u>	<u>79,484</u>	<u>636,224</u>	<u>6,876</u>	<u>605,469</u>
<u>\$ 231,361</u>	<u>\$ 545,477</u>	<u>\$ 82,320</u>	<u>\$ 177,737</u>	<u>\$ 5,587</u>	<u>\$ 187,561</u>
\$ 79,048	\$ 150,317	\$ 3,228	\$ 79,007	\$ (1,289)	\$ (550,171)
-	-	-	-	-	-
-	109,854	-	-	-	-
576	(27,500)	-	500	-	132,263
<u>-</u>	<u>-</u>	<u>(392)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 79,624</u>	<u>\$ 232,671</u>	<u>\$ 2,836</u>	<u>\$ 79,507</u>	<u>\$ (1,289)</u>	<u>\$ (417,908)</u>

continued...



# COUNTY OF BARRY, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2011

	Dental and Optical	Unemployment	Total
<b>Cash flows from operating activities</b>			
Cash received from interfund services	\$ 60,400	\$ 25,323	\$ 4,031,681
Cash payments to suppliers for goods and services	-	-	(36,450)
Cash payments to employees for services	(61,810)	(23,327)	(4,107,831)
<b>Net cash provided by (used in) operating activities</b>	<u>(1,410)</u>	<u>1,996</u>	<u>(112,600)</u>
<b>Cash flows from non-capital financing activities</b>			
Transfers in	-	-	571,571
Transfers out	-	-	(63,762)
<b>Net cash provided by (used in) non-capital financial activities</b>	<u>-</u>	<u>-</u>	<u>507,809</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	-	-	(248,195)
<b>Cash flows from investing activities</b>			
Purchase of investments	-	-	(563,166)
Interest income received	-	-	25,172
<b>Net cash flows provided by (used in) investing activities</b>	<u>-</u>	<u>-</u>	<u>(537,994)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1,410)</u>	<u>1,996</u>	<u>(390,980)</u>
Cash and cash equivalents, beginning of year	<u>106,985</u>	<u>51,306</u>	<u>3,336,419</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 105,575</u></u>	<u><u>\$ 53,302</u></u>	<u><u>\$ 2,945,439</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ (1,410)	\$ (13,899)	\$ (522,436)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	-	-	178,285
(Increase) decrease in:			
Accounts receivable	-	-	109,854
Accounts payable	-	15,895	122,089
Accrued liabilities	-	-	(392)
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ (1,410)</u></u>	<u><u>\$ 1,996</u></u>	<u><u>\$ (112,600)</u></u>

concluded

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
December 31, 2011

	Trust and Agency	Library	Inmate Trust	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 383,495	\$ -	\$ 11	\$ 383,506
Investments	-	41,472	-	41,472
<b>Total assets</b>	<u>\$ 383,495</u>	<u>\$ 41,472</u>	<u>\$ 11</u>	<u>\$ 424,978</u>
<b>Liabilities</b>				
Accounts payable	\$ 169,588	\$ -	\$ 11	\$ 169,599
Due to other governments	120,907	-	-	120,907
Undistributed receipts	93,000	41,472	-	134,472
<b>Total liabilities</b>	<u>\$ 383,495</u>	<u>\$ 41,472</u>	<u>\$ 11</u>	<u>\$ 424,978</u>

## COUNTY OF BARRY, MICHIGAN

### ■ Combining Statement of Fiduciary Net Assets

Private Purpose Trust Funds

December 31, 2011

	Cooperative Extension 4H	Norris Road Trees	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 26,257	\$ 7,196	\$ 33,453
<b>Net assets</b>			
Held in trust for private purposes	\$ 26,257	\$ 7,196	\$ 33,453

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Assets Private Purpose Trust Funds For the Year Ended December 31, 2011

	Cooperative Extension 4H	Norris Road Trees	Total
<b>Additions</b>			
Intergovernmental	\$ 44,565	\$ -	\$ 44,565
<b>Deductions</b>			
Services to beneficiaries	40,817	-	40,817
<b>Change in net assets</b>	3,748	-	3,748
Net assets, beginning of year	22,509	7,196	29,705
<b>Net assets, end of year</b>	<u>\$ 26,257</u>	<u>\$ 7,196</u>	<u>\$ 33,453</u>

# COUNTY OF BARRY, MICHIGAN

## Combining Balance Sheet

Drainage Districts Component Unit

December 31, 2011

	Debt Service	Capital Projects		
	Algonquin Lake Dam Project	Regular Drain	Revolving Drain Maintenance	Total
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 9,206	\$ 103	\$ 9,309
Investments	-	175,099	10,462	185,561
Special assessments receivable	-	1,199,521	-	1,199,521
Due from other funds	102,682	-	-	102,682
<b>Total assets</b>	<b>\$ 102,682</b>	<b>\$ 1,383,826</b>	<b>\$ 10,565</b>	<b>\$ 1,497,073</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 2,733	\$ -	\$ -	\$ 2,733
Accounts payable	-	31,068	-	31,068
Due to other funds	-	102,682	-	102,682
Deferred revenue	-	1,050,203	-	1,050,203
<b>Total liabilities</b>	<b>2,733</b>	<b>1,183,953</b>	<b>-</b>	<b>1,186,686</b>
<b>Fund balances</b>				
Restricted	99,949	199,873	10,565	310,387
<b>Total liabilities and fund balances</b>	<b>\$ 102,682</b>	<b>\$ 1,383,826</b>	<b>\$ 10,565</b>	<b>\$ 1,497,073</b>

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Assets of Governmental Activities  
Drainage Districts Component Unit  
December 31, 2011

Fund balances - total governmental funds	\$	310,387
--	----	---------

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	620,759
Capital assets being depreciated, net	1,894,442

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	1,050,203
---	-----------

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	(992,770)
Accrued interest payable	(10,467)
	<hr/>

Net assets	\$	<u><u>2,872,554</u></u>
------------	----	-------------------------

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenue, Expenditures and Changes in Fund Balances Drainage Districts Component Unit For the Year Ended December 31, 2011

	Debt Service	Capital Projects		
	Algonquin Lake Dam Project	Regular Drain	Revolving Drain Maintenance	Total
<b>Revenue</b>				
Special assessments	\$ -	\$ 226,495	\$ -	\$ 226,495
Interest	1	3,856	60	3,917
<b>Total revenue</b>	<u>1</u>	<u>230,351</u>	<u>60</u>	<u>230,412</u>
<b>Expenditures</b>				
Current:				
Public works	1	1,018,027	94	1,018,122
Debt service:				
Principal	-	25,570	-	25,570
Interest	-	8,132	-	8,132
<b>Total expenditures</b>	<u>1</u>	<u>1,051,729</u>	<u>94</u>	<u>1,051,824</u>
Revenue (under) over expenditures	-	(821,378)	(34)	(821,412)
<b>Other financing sources</b>				
Issuance of long-term debt	-	828,000	-	828,000
<b>Net changes in fund balances</b>	-	6,622	(34)	6,588
Fund balances, beginning of year	99,949	193,251	10,599	303,799
<b>Fund balances, end of year</b>	<u>\$ 99,949</u>	<u>\$ 199,873</u>	<u>\$ 10,565</u>	<u>\$ 310,387</u>

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Assets of Governmental Activities  
Drainage District Component Unit  
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds	\$ 6,588
Amounts reported for <i>governmental activities</i> 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	800,508
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-liabilities.	
Principal payments on long-term liabilities	25,570
Issuance of long-term debt	(828,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Change in deferred special assessments receivable	869,028
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	(5,731)
Change in net assets	<u>\$ 822,962</u>



## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet - Governmental Funds

Board of Public Works Component Unit  
December 31, 2011

	Debt Service			
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1994 Middleville Sewer	1999 Middleville Sewer
<b>Assets</b>				
Cash and cash equivalents	\$ 47	\$ -	\$ -	\$ 221
Investments	-	-	-	-
Special assessments receivable	-	-	-	-
Leases receivable	378,933	-	-	531,197
Due from other governments	-	-	-	-
<b>Total assets</b>	<u>\$ 378,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 531,418</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	378,933	-	-	531,197
<b>Total liabilities</b>	378,933	-	-	531,197
<b>Fund balances</b>				
Restricted	47	-	-	221
<b>Total liabilities and fund balances</b>	<u>\$ 378,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 531,418</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
\$ 3,462	\$ 535	\$ 3,431	\$ 5,513	\$ 1,441	\$ -
-	-	-	-	-	11,454
-	-	-	-	-	-
623,826	456,114	371,966	869,596	155,823	2,448,139
-	-	-	-	-	-
<u>\$ 627,288</u>	<u>\$ 456,649</u>	<u>\$ 375,397</u>	<u>\$ 875,109</u>	<u>\$ 157,264</u>	<u>\$ 2,459,593</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
623,826	456,114	371,966	869,596	155,823	2,448,139
623,826	456,114	371,966	869,596	155,823	2,448,139
3,462	535	3,431	5,513	1,441	11,454
<u>\$ 627,288</u>	<u>\$ 456,649</u>	<u>\$ 375,397</u>	<u>\$ 875,109</u>	<u>\$ 157,264</u>	<u>\$ 2,459,593</u>

continued...

# COUNTY OF BARRY, MICHIGAN

## Combining Balance Sheet - Governmental Funds

Board of Public Works Component Unit

December 31, 2011

	Capital Projects				Total
	Finkbeiner Crane Debt	Yankee Springs Water Tower	Gun Lake Weed Assessment	Leach - Middle Sewer Construction	
<b>Assets</b>					
Cash and cash equivalents	\$ 17,047	\$ -	\$ 43,448	\$ 8,575	\$ 83,720
Investments	-	-	213,324	-	224,778
Special assessments receivable	-	-	83,432	-	83,432
Leases receivable	1,001,929	-	-	-	6,837,523
Due from other governments	-	-	-	9,854	9,854
<b>Total assets</b>	<b>\$ 1,018,976</b>	<b>\$ -</b>	<b>\$ 340,204</b>	<b>\$ 18,429</b>	<b>\$ 7,239,307</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 18,429	\$ 18,429
Deferred revenue	1,001,929	-	-	-	6,837,523
<b>Total liabilities</b>	<b>1,001,929</b>	<b>-</b>	<b>-</b>	<b>18,429</b>	<b>6,855,952</b>
<b>Fund balances</b>					
Restricted	17,047	-	340,204	-	383,355
<b>Total liabilities and fund balances</b>	<b>\$ 1,018,976</b>	<b>\$ -</b>	<b>\$ 340,204</b>	<b>\$ 18,429</b>	<b>\$ 7,239,307</b>

concluded

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Assets of Governmental Activities  
Board of Public Works Component Unit  
December 31, 2011

Fund balances - total governmental funds	\$ 383,355
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the funds	
Deferred leases receivable	6,837,523
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	(6,765,938)
Accrued interest payable	<u>(71,585)</u>
Net assets	<u>\$ 383,355</u>

## COUNTY OF BARRY, 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, 2011

	Debt Service			
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1994 Middleville Sewer	1999 Middleville Sewer
<b>Revenue</b>				
Intergovernmental	\$ 41,568	\$ 477,851	\$ -	\$ 103,425
Special assessments	-	-	-	-
Interest	6	11	-	10
<b>Total revenue</b>	<u>41,574</u>	<u>477,862</u>	<u>-</u>	<u>103,435</u>
<b>Expenditures</b>				
Current:				
Public works	321	-	-	-
Debt service:				
Principal	25,000	455,000	-	75,000
Interest	16,247	22,863	50	28,425
<b>Total expenditures</b>	<u>41,568</u>	<u>477,863</u>	<u>50</u>	<u>103,425</u>
Revenue over (under) expenditures	<u>6</u>	<u>(1)</u>	<u>(50)</u>	<u>10</u>
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>6</u>	<u>(1)</u>	<u>(50)</u>	<u>10</u>
Fund balances, beginning of year	<u>41</u>	<u>1</u>	<u>50</u>	<u>211</u>
<b>Fund balances, end of year</b>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221</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
\$ 209,552	\$ 42,082	\$ 28,288	\$ 63,253	\$ 13,506	\$ -
-	-	-	-	-	-
2	6	4	6	1	7
209,554	42,088	28,292	63,259	13,507	7
250	-	-	-	-	-
180,000	30,000	20,000	45,000	10,000	-
29,030	12,082	8,288	18,253	3,505	35,189
209,280	42,082	28,288	63,253	13,505	35,189
274	6	4	6	2	(35,182)
-	-	-	-	-	-
-	52	-	-	-	-
-	-	-	-	-	-
-	52	-	-	-	-
274	58	4	6	2	(35,182)
3,188	477	3,427	5,507	1,439	46,636
\$ 3,462	\$ 535	\$ 3,431	\$ 5,513	\$ 1,441	\$ 11,454

continued...

## COUNTY OF BARRY, 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, 2011

	Capital Projects				
	Finkbeiner Crane Debt	Yankee Springs Water Tower	Gun Lake Weed Assessment	Leach - Middle Sewer Construction	Total
<b>Revenue</b>					
Intergovernmental	\$ 120,379	\$ -	\$ 6,936	\$ -	\$ 1,106,840
Special assessments	-	-	99,658	-	99,658
Interest	-	-	2,349	-	2,402
<b>Total revenue</b>	<u>120,379</u>	<u>-</u>	<u>108,943</u>	<u>-</u>	<u>1,208,900</u>
<b>Expenditures</b>					
Current:					
Public works	-	-	126,983	1,005,842	1,133,396
Debt service:					
Principal	25,000	-	-	-	865,000
Interest	78,332	-	-	-	252,264
<b>Total expenditures</b>	<u>103,332</u>	<u>-</u>	<u>126,983</u>	<u>1,005,842</u>	<u>2,250,660</u>
Revenue over (under) expenditures	<u>17,047</u>	<u>-</u>	<u>(18,040)</u>	<u>(1,005,842)</u>	<u>(1,041,760)</u>
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	-	-	1,005,842	1,005,842
Transfers in	-	-	-	-	52
Transfers out	-	(52)	-	-	(52)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(52)</u>	<u>-</u>	<u>1,005,842</u>	<u>1,005,842</u>
<b>Net changes in fund balances</b>	<u>17,047</u>	<u>(52)</u>	<u>(18,040)</u>	<u>-</u>	<u>(35,918)</u>
Fund balances, beginning of year	<u>-</u>	<u>52</u>	<u>358,244</u>	<u>-</u>	<u>419,273</u>
<b>Fund balances, end of year</b>	<u>\$ 17,047</u>	<u>\$ -</u>	<u>\$ 340,204</u>	<u>\$ -</u>	<u>\$ 383,355</u>

concluded

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Assets of Governmental Activities  
Board of Public Works Component Unit  
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds	\$ (35,918)
--	-------------

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

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	865,000
Issuance of long-term debt	(1,005,842)

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>140,842</u>
--------------------------------------	----------------

Change in net assets	<u><u>\$ (35,918)</u></u>
----------------------	---------------------------



COUNTY OF BARRY, MICHIGAN

**Balance Sheet**

Economic Development Board Component Unit  
December 31, 2011

<b>Assets</b>	
Cash and cash equivalents	\$ -
<b>Liabilities</b>	
Accounts payable	\$ -
<b>Fund balance</b>	
Restricted	-
<b>Total liabilities and fund balance</b>	\$ -

## COUNTY OF BARRY, MICHIGAN

### ■ Statement of Revenue, Expenditures

and Changes in Fund Balance - Economic Development Board Component Unit  
For the Year Ended December 31, 2011

#### Revenue

Intergovernmental	\$ 65,172
-------------------	-----------

#### Expenditures

##### Current:

Community and economic development	<u>65,172</u>
------------------------------------	---------------

#### Net changes in fund balances

-

Fund balance, beginning of year

-

Fund balance, end of year

\$ -

## COUNTY OF BARRY, MICHIGAN

### Balance Sheet

Airport Commission Component Unit  
December 31, 2011

#### Assets

Cash and cash equivalents	\$ 136,883
Inventories	<u>28,035</u>

<b>Total assets</b>	<b><u>\$ 164,918</u></b>
---------------------	--------------------------

#### Liabilities

Accounts payable	<u>\$ 3,406</u>
------------------	-----------------

#### Fund balance

Nonspendable	28,035
Restricted	<u>133,477</u>

<b>Total fund balance</b>	<b><u>161,512</u></b>
---------------------------	-----------------------

<b>Total liabilities and fund balance</b>	<b><u>\$ 164,918</u></b>
---	--------------------------

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Assets of Governmental Activities  
Airport Commission Component Unit  
December 31, 2011

Fund balances - total governmental fund	\$ 161,512
---	------------

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	285,000
Capital assets being depreciated, net	<u>1,927,869</u>

Net assets	<u><u>\$ 2,374,381</u></u>
------------	----------------------------

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenue, Expenditures and Change in

Fund Balance - Airport Commission Component Unit

For the Year Ended December 31, 2011

#### Revenue

Intergovernmental	\$ 90,390
Charges for services	<u>183,314</u>

#### Total revenue

273,704

#### Expenditures

##### Current:

Public works	184,986
Debt service:	
Principal	12,144
Interest	558
Capital outlay	<u>53,869</u>

#### Total expenditures

251,557

#### Net change in fund balance

22,147

Fund balance, beginning of year

139,365

Fund balance, end of year

\$ 161,512

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Assets of Governmental Activities  
Airport Commission Component Unit  
For the Year Ended December 31, 2011

Net change in fund balance - total governmental funds	\$ 22,147
---	-----------

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	53,869
Donated capital assets	822,173
Depreciation expense	(180,995)

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 debt	12,144
--------------------------------------	--------

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	186
------------------------------------	-----

Change in net assets	<u>\$ 729,524</u>
----------------------	-------------------

COUNTY OF  
BARRY, MICHIGAN



For the  
Year Ended  
December 31,  
2011

Single Audit Act  
Compliance



# COUNTY OF BARRY, MICHIGAN

## ■ Table of Contents

	<u>Page</u>
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of Federal Awards	2-3
Notes to Schedule of Expenditures of Federal Awards	4-5
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
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	9-10
Schedule of Findings and Questioned Costs	11-13
Summary Schedule of Prior Audit Findings	14





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

May 18, 2012

Honorable Members of the  
Board of Commissioners  
of the County of Barry, 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, 2011, which collectively comprise the basic financial statements, and have issued our report thereon dated June 15, 2012. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



# COUNTY OF BARRY, MICHIGAN

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2011

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Food Donation:				
FY 2011	10.565	RIII-B	11BCCOA1	\$ 31,942
FY 2012	10.565	RIII-B	12BCCOA1	16,857
				<u>48,799</u>
National Forest Revenue	10.665	MDNR	-n/a-	<u>11</u>
<b>Total U.S. Department of Agriculture</b>				<u>48,810</u>
<b>U.S. Department of Housing and Urban Development</b>				
Community Development Block Grant	14.228	MSHDA	MSC-2009-0769-HOA	37,862
Home Investment Partnership Program (HOME)	14.239	MSHDA	M-2007-0769-02	<u>20,349</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>58,211</u>
<b>U.S. Department of Justice</b>				
Edward Byrne Memorial Justice Assistance Grant Program:				
FY 2011 Adult Felony Drug Court	16.738	MDCH	SCAO-2011-061	40,915
FY 2012 Adult Felony Drug Court	16.738	MDCH	SCAO-2012-061	22,512
FY 2011 Juvenile Drug Court	16.738	MDCH	SCAO-2011-003	39,474
FY 2012 Juvenile Drug Court	16.738	MDCH	SCAO-2012-003	23,661
FY 2011 Southwest Enforcement Team	16.738	MDCH	70888-3-11-B	16,802
FY 2012 Southwest Enforcement Team	16.738	MDCH	70888-4-12-B	<u>9,942</u>
<b>Total U.S. Department of Justice</b>				<u>153,306</u>
<b>U.S. Department of Transportation</b>				
Passed through the Michigan State Police:				
FY 2011 State and Community Highway Safety	20.600	MSP	PT-11-19	<u>10,430</u>
<b>U.S. Department of Health and Human Services</b>				
Aging Cluster:				
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:				
FY 2011	93.044	RIII-B	11BCCOA1	15,962
FY 2012	93.044	RIII-B	12BCCOA1	5,161

continued...

# COUNTY OF BARRY, MICHIGAN

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2011

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (Concluded)</b>				
Aging Cluster (Concluded):				
Title III-C Special Programs for the Aging,				
Nutrition Services:				
FY 2011 Nutrition Congregate	93.045	RIII-B	11BCCOA1	\$ 62,587
FY 2012 Nutrition Congregate	93.045	RIII-B	12BCCOA1	22,235
FY 2011 Nutrition Home Delivered Meals	93.045	RIII-B	11BCCOA1	21,594
FY 2012 Nutrition Home Delivered Meals	93.045	RIII-B	12BCCOA1	2,710
				<u>130,249</u>
Title IIIIE/National Family Caregiver Support:				
FY 2011	93.052	RIII-B	SFSC-04-10001-5	22,895
FY 2012	93.052	RIII-B	SFSC-04-11001-5	4,384
				<u>27,279</u>
Building Strong Families	93.556	DHS	SFSC 09-08001	22,756
Promoting Safe and Stable Families	93.556	DHS	WRAP-11-08001	27,540
				<u>50,296</u>
Child Support Enforcement:				
FY 2011 Friend of the Court	93.563	DHS	CS/FOC-11-08001	358,144
FY 2012 Friend of the Court	93.563	DHS	CS/FOC-12-08001	126,780
Incentive Payments	93.563	DHS	-n/a-	89,643
FY 2011 Prosecuting Attorney	93.563	DHS	CS/PA-11-08002	22,333
FY 2012 Prosecuting Attorney	93.563	DHS	CS/PA-12-08002	17,266
				<u>614,166</u>
Access and Visitation Grant	93.597	SCAO	-n/a-	<u>1,282</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>823,272</u>
<b>U.S. Department of Homeland Security</b>				
Emergency Management Performance Grant:				
FY 2011	97.042	MSP	2011-EP-00044-S01	21,515
FY 2012	97.042	MSP	2012-EP-00044-S01	7,578
				<u>29,093</u>
Homeland Security Grant	97.067	MSP	08-00019	<u>22,222</u>
<b>Total U.S. Department of Homeland Security</b>				<u>51,315</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 1,145,344</u>

concluded

See notes to schedule of expenditures of federal awards.

# COUNTY OF BARRY, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Barry, Michigan (the "County") under programs of the federal government for the year ended December 31, 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Annual Financial Report. The County's financial statements include the operations of the Barry County Road Commission discretely-presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2011, as this entity was separately audited.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

### 3. OTHER FEDERAL REVENUE

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 was \$71,737, of which 95 percent, or \$68,150 was federal. Of the total federal award of \$68,150, \$63,902 and \$4,248 were recognized for the years ended December 31, 2010 and 2011, respectively. 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.

COUNTY OF BARRY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

The County receives certain federal awards indirectly through pass-through grantor agencies. These agencies have been abbreviated on the Schedule, as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
RIII-B	Region 3B Area Agency on Aging
MDNR	Michigan Department of Natural Resources
MSHDA	Michigan State Housing Development Authority
MDCH	Michigan Department of Community Health
MSP	Michigan State Police
DHS	Michigan Department of Human Services
SCAO	Michigan State Court Administrative Office

5. SUBRECIPIENTS

The County administers certain federal awards programs through subrecipients. Those subrecipients are not considered part of the County's reporting entity. Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients as follows:

Program Title	CFDA Number	Amount Provided to Subrecipients
State and Community Highway Safety	20.600	\$ 3,361

■ ■ ■ ■ ■

This page intentionally left blank

**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 18, 2012

Honorable Members of the  
Board of Commissioners  
of the County of Barry, 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* (the "County"), as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the County, and have issued our report thereon dated May 18, 2012. 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. 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. The financial statements of the Road Commission and the Barry County Medical Care Facility (Thornapple Manor) were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

Management of the County of Barry, Michigan is responsible for establishing and maintaining effective 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Barry'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 internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs at 2011-FS-1 to be a material weakness.

### **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 other matters that we reported to management of County of Barry, Michigan in a separate letter dated May 18, 2012.

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

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. However, it is a matter of public record, and its distribution is not limited.

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 18, 2012

Honorable Members of the  
Board of Commissioners  
of the County of Barry, 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, 2011. 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. The County of Barry, Michigan's basic financial statements include the operations of the Barry County Road Commission discretely presented component unit, the Barry County Medical Care Facility (Thornapple Manor) enterprise fund, and the Barry County Transit enterprise fund. Our audit, described below, did not include the operations 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 because those component units arranged to have their audits completed separately.

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 and the reports of the other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Barry, Michigan's compliance with those requirements.

In our opinion, the County of Barry, Michigan complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2011-SA-1.

### **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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Barry, Michigan's internal control over compliance.

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

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

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

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. However, it is a matter of public record, and its distribution is not limited.

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

## COUNTY OF BARRY, MICHIGAN

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

#### 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?

       yes   X   no

Significant deficiency(ies) identified?

       yes   X   none reported

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

Unqualified

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

  X   yes        no

Identification of major programs:

##### CFDA Number

##### Name of Federal Program or Cluster

93.563

Child Support Enforcement

Dollar threshold used to distinguish  
between Type A and Type B programs:

  \$      300,000  

Auditee qualified as low-risk auditee?

       yes   X   no

# COUNTY OF BARRY, MICHIGAN

## Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2011

### SECTION II - FINANCIAL STATEMENT FINDINGS

#### 2011-FS-1 - Material Audit Adjustments

**Finding Type.** 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 a material adjustment (which was approved and posted by management) to adjust the County's capital asset records, which initially excluded a drain infrastructure project of over \$200,000. In addition, we proposed an adjustment to accrue the County-portion of the December retirement expense in the amount of approximately \$132,000.

**Cause.** This condition was the result of management oversight in recording all capital asset additions for the Drain Commission component unit. Such expenditures are tracked for all drain projects in a single general ledger account, which also includes routine costs for repairs and maintenance that are appropriately excluded from capital asset additions. The aggregated level of detail made it difficult to identify errors or omissions. The retirement payment is made through a wire transfer, rather than by check. As such, it was not subjected to the County's standard accounts payable process.

**Effect.** As a result of this condition, the County's capital asset records were initially misstated by an amount that was quantitatively material to a single opinion unit.

**Recommendation.** Management has already taken appropriate corrective action by reviewing and approving the proposed audit adjustments. In future years, we recommend that management review a drain expenditure ledger by drainage district (which is maintained in a separate system) in order to determine whether all significant projects have been capitalized.

**View of Responsible Officials.** Management agrees with the adjustments mentioned above. The County's general ledger and capital asset records have been updated accordingly. In future periods, the County's contracted accountants will obtain and review a detailed drain expenditure report from the office of the Drain Commissioner in order to verify completeness of capital asset additions.

## COUNTY OF BARRY, MICHIGAN

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

#### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### 2011-SA-1 - Timeliness of Financial Reporting

###### **Finding Type.** Immaterial Noncompliance (Reporting)

**Program.** Child Support Enforcement Program; U.S. Department of Health and Human Services; CFDA Number 93.563; Michigan Department of Human Services; Award Numbers CS/FOC-11-08001, CS/FOC-12-08001, CS/PA-11-08002 and CS/PA-12-08002.

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

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

**Cause.** This condition appears to be caused by a delay in processing at the third-party management company used by the County to compile the necessary information in the required format. The underlying data appeared to be provided by the County to the third-party in a reasonable amount of time for processing and submission of the reports to occur within the 30-day time limit.

**Effect.** Based on the terms of the contract with DHS, the County was exposed to the risk that DHS would deny payment for the late submissions.

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

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

**View of Responsible Officials.** During 2011 the State of Michigan converted there reporting requirements from a manual to an automated system. The State did not accept reports from October 2010 until August 2011 and would not accept reports until the prior months report was approved. Our third party administrator diligently worked to complete the reports for October 2010 until current as promptly as the State would approve them. Due to this new reporting requirement the thirty day time limit was not met with regard to the reporting of two months. Now that the conversion process is complete the reports will be filed on time.

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

# COUNTY OF BARRY, MICHIGAN

## ■ Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2011

### Finding 2010-1 - Material Audit Adjustments

The 2010 audit identified the need for material adjustments to the County's financial statements. This finding was repeated for unrelated audit adjustments. Refer to 2011-FS-1.

### Finding 2010-2 - Material Adjustments to Schedule of Expenditures of Federal Awards (SEFA)

The 2010 audit identified the need for material changes to the County's SEFA. The audit identified the need modifications to the SEFA in the current year. However, these amounts were not material. Therefore, this finding was corrected in 2011.

### Finding 2010-3 - Grant Draws in Excess of Immediate Cash Needs - CFDA # 66.468 - ARRA Drinking Water Revolving Funds

The County failed to minimize the amount of time between receipt of funds and disbursement to the vendor, as required by the OMB Circular A-133 Compliance Supplement for reimbursement-based grants. In 2011, the County drew down \$15,000 related to retainage payable that had not yet been disbursed to the vendor as of audit fieldwork. However, the Federal portion of the grant award was fully expended in the previous year. Therefore, while the County was in violation of the terms of the State Revolving Fund agreement, there was no noncompliance with the provisions of OMB Circular A-133.

### Finding 2010-4 Internal Controls Over Suspension and Debarment - CFDA # 97.039 - Hazard Mitigation Grant

The County has a formal policy in place requiring department heads to ensure that vendors being paid over \$25,000 of federal funds are not suspended or debarred from doing business with the government. However, the department head administering this program was unaware of the policy and was not performing the control activity. This specific federal award was not required to be tested in the current year and did utilize any vendor/contractor in the amount of \$25,000 or more for this award. Suspension/debarment procedures did not apply to the major program tested in the current year as no vendor was utilized in the amount of \$25,000 or more.

### Finding 2010-5 - Internal Controls Over Reporting - CFDA# 97.039 - Hazard Mitigation Grant

The County failed to complete regular cash draw requests, resulting in a large receivable at year end. Additionally, the County inadvertently transferred expenditures of approximately \$35,000 to another fund of the County, where they would not be easily identified in preparing the next reimbursement request. In 2011, the grant was closed and the outstanding receivables were collected in full.

■ ■ ■ ■ ■

May 18, 2012

Board of Commissioners  
County of Barry, 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** (the "County") for the year ended December 31, 2011, and have issued our report thereon dated May 18, 2012. 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, 2012, 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.



**Other Information in Documents Containing Audited Financial Statements**

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

**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 February 23, 2012.

**Significant Results of the Audit***Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 8 to the financial statements, the County changed accounting policies related to the presentation of fund balance by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The cumulative effect of the accounting change as of the beginning of the year is reported in the Governmental Funds Balance Sheet. 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. Attachment B to this letter summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole. In addition, we identified a material adjustment to capital assets, which was 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 18, 2012.

#### *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 governing body and management of the County of Barry, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

# COUNTY OF BARRY, MICHIGAN

## Attachment A - Consideration of Internal Control Over Financial Reporting For the December 31, 2011 Audit

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, 2011, and have issued our report thereon dated May 18, 2012. 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.

In planning and performing our audit 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. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

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 deficiency we noted that we consider to be a material weakness is described in the Summary of Findings and Questioned Costs issued as part of our report on Single Audit Act compliance.

### Other Matters

#### *Information Technology Control Activities*

We noted that certain employees have access to accounting modules that are not specific to their job responsibilities. We recommend that management review access rights and job responsibilities periodically to ensure there are proper limitations in place to provide appropriate segregation of incompatible duties.

In addition, we noted that while the County's electronic accounting records are regularly backed-up, there is no process in place to periodically verify the integrity and completeness of the data. We recommend that management implement a process to test the back-up data periodically to ensure that it is usable in the event of an emergency.

# COUNTY OF BARRY, MICHIGAN

■

Attachment A - Consideration of Internal Control Over Financial Reporting

For the December 31, 2011 Audit

## *Segregation of Incompatible Duties*

The County has made significant progress over the last few years in reviewing, evaluating, and redesigning internal controls over accounting functions. There was a substantial amount of time and effort made in this undertaking and we want to acknowledge the improvements made thus far. Nevertheless, there still remain certain incompatible accounting functions performed by the same individual that are not subject to a consistent independent review and approval. In order to mitigate this risk, the County has contracted with a local CPA firm to provide periodic oversight of these activities, on a sampling basis, which, in management's judgment, is sufficient given the County's resources. As personnel and organizational changes occur, we recommend that the County periodically re-evaluate whether the cost of implementing additional controls does in fact exceed the anticipated benefit and make adjustments to the control structure accordingly. Based on our review of existing controls and the extent of oversight procedures performed by the County's contracted accountants, we have not identified any deficiencies in the segregation of incompatible duties that we consider to be *material*, as defined above.

## *Trust and Agency Fund Recommendations*

The County holds various funds in a fiduciary capacity in its agency funds. Such amounts should generally be supported by subsidiary ledgers which indicate the individuals or cases for which the funds are held. During our audit, subsidiary detail for certain accounts was unavailable or did not reconcile to the balance reported in the general ledger. The amounts were not material individually or in the aggregate. We recognize that the County has been working on this matter and progress has been made in reconciling balances. Given the volume of trust and agency fund liability accounts, many of which have not been reconciled for many years, this reconciliation process is still in progress. We encourage management to continue investigating unreconciled accounts and escheating funds to the State of Michigan as necessary. We further recommend that a policy be developed for the periodic reconciliation and review of these accounts, which should include comparison of the general ledger balance to the subsidiary detail. Particular attention should be made to balances which have remained stagnant for several years.

The County uses an account in its trust and agency fund to account for pension costs charged to the County's various funds and departments. Agency funds are custodial in nature and are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments). As such, it is not appropriate to hold funds of the County in an agency fund. We recommend that the County account for such activity in an internal service fund in the future, which would allow the County to better track any surpluses or deficits accumulated.

## *Internal Controls over Subrecipient Monitoring*

The County passed through federal awards to another local government during the year, but was unaware of this subrecipient relationship prior to the audit. We recommend that the County review its records for potential subrecipient relationships each year and ensure that monitoring procedures in accordance with the OMB Circular A-133 Compliance Supplement are performed if any such relationships are noted.

■ ■ ■ ■ ■

## COUNTY OF BARRY, MICHIGAN

### Attachment B - Schedule of Adjustments Passed (SOAP) For the December 31, 2011 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 those charged with governance 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
<b>General fund</b>					
Variance between grants receivable subledger and amount recorded in the trial balance in the prior year (corrected in 2011)	\$ -	\$ -	\$ 5,944	\$ (5,944)	\$ -
Variance between accounts payable subsidiary detail and amount recorded in the trial balance (corrected in 2011)	-	-	(3,749)	-	(3,749)
Payments in lieu of insurance related to 2010 payroll were not recorded (corrected in 2011)	-	-	6,368	-	6,368
Effect of recording fringe benefits payable for elected officials who receive compensation on a different schedule than general employees	-	7,989	-	-	7,989
December revenue not transferred from trust and agency fund	(34,860)	-	(39,095)	4,235	-
<b>Total general fund</b>	<u>\$ (34,860)</u>	<u>\$ 7,989</u>	<u>\$ (30,532)</u>	<u>\$ (1,709)</u>	<u>\$ 10,608</u>
<b>Central dispatch fund</b>					
Payments in lieu of insurance related to 2010 payroll were not recorded (corrected in 2011)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,364</u>	<u>\$ -</u>	<u>\$ 1,364</u>

continued...

## COUNTY OF BARRY, MICHIGAN

### Attachment B - Schedule of Adjustments Passed (SOAP) For the December 31, 2011 Audit

Effect of Passed Adjustment - Over(Under)Statement					
	Assets	Liabilities	Beginning Equity	Revenue	Expenses/ Expenditures
<b>Commission on aging fund</b>					
Variance between grants receivable subledger and amount recorded in the trial balance in prior year (corrected in 2011)	\$ -	\$ -	\$ (3,776)	\$ 3,776	\$ -
<b>Internal service fund</b>					
Effect of not accruing the December 2010 retirement expense in the prior year	-	-	106,467	-	106,467
<b>Governmental activities</b>					
Cumulative effect of items noted above	\$ (34,860)	\$ 7,989	\$ 73,523	\$ 2,067	\$ 118,439
<b>Drain Commission component unit</b>					
Effect of treating a prior year cash receipt as operating revenue instead of long-term debt in the government-wide statements. The balance of the loan was paid in full during the current year (corrected in 2011)	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
<b>Airport Commission component unit</b>					
Effect of recording capital grant revenue in 2011 for which ownership was transferred to the County in 2010 (corrected in 2011)	\$ -	\$ -	\$ (57,450)	\$ 57,450	\$ -



# BARRY COUNTY

**Michael C. Brown**  
County Administrator

---

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



May 18, 2012

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 the *County of Barry, Michigan* as of December 31, 2011 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 the County of Barry, Michigan 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 over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of May 18, 2012, 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 audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
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.
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 generally accepted accounting principles 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 generally accepted accounting principles.
17. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience 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. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
21. 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.
22. The financial statements properly classify all funds and activities.
23. 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.
24. Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
25. Investments, derivative transactions, and land and other real estate held by endowments are properly valued.
26. Provisions for uncollectible receivables have been properly identified and recorded.
27. 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.

28. 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.
29. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
30. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
31. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
32. We have appropriately disclosed the County's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
33. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
34. We acknowledge our responsibility for the required supplementary information (RSI). The required supplementary information is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
35. With respect to the County:
  - a. We acknowledge our responsibility for presenting the County in accordance with accounting principles generally accepted in the United States of America, and we believe the County, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the County have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the County is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
36. We have evaluated the County's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.
37. With respect to federal award programs:
  - a. We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.



- b. We have prepared the schedule of expenditures of federal awards in accordance with OMB Circular A-133, and have identified and disclosed in the schedule 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 acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b and we believe the SEFA, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- d. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- e. We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133.
- f. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- g. 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.
- h. 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 related to federal programs and related activities.
- i. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- j. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), 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.

- k. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- m. 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*.
- n. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- o. We have made available to you all documentation related to compliance with the direct and material requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- p. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- q. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- r. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- s. 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.
- t. 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.
- u. 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.



- v. 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 and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
  - w. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
  - x. We have charged costs to federal awards in accordance with applicable cost principles.
  - y. 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.
  - z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
  - aa. We are responsible for preparing and implementing a corrective action plan for each audit finding.
  - bb. 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.
38. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. 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.



---

Michael Brown  
County Administrator



---

Sue Vandecar  
County Treasurer