



COUNTY OF BERRIEN, MICHIGAN

Audited Financial Statements

**For The Year Ended
December 31, 2004**



REHMANN ROBSON

Certified Public Accountants

COUNTY OF BERRIEN, MICHIGAN
For the Year Ended December 31, 2004

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INDEPENDENT AUDITORS' REPORT

April 8, 2005

The Board of Commissioners
County of Berrien, Michigan
St. Joseph, 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 BERRIEN, MICHIGAN**, as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements, as listed in the table of contents. These 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 Berrien County Road Commission, which represents 73% of the assets, and 92% of the revenues of the aggregate discretely presented component units of the County. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Berrien County Road Commission is based on the report 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. 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, and the report of other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Berrien, Michigan, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-14 and the historical pension information listed in the table of contents on page 63 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2005, on our consideration of the County of Berrien, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. 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 Berrien, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit and the report of other auditors, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Lehmann Lobson". The signature is written in black ink and is positioned in the lower right area of the page.

MANAGEMENT'S DISCUSSION and ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management team of **Berrien County** offers readers of the County's financial statements a narrative overview and analysis of the financial activities of the County for the **fiscal year ended December 31, 2004**. Readers are encouraged to consider the information presented here in conjunction with the accompanying audited financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole (government-wide financial statements) and present a longer-term view of the County's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This is limited to a schedule concerning the County's progress in funding its obligation to provide pension benefits to its employees including an overview of the pension funding status (page 63).

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities. One of the most important questions asked about the County's finances is, **"Is the County as a whole better off or worse off as a result of this year's activities?"** The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. One can think of the County's net assets – the difference between assets and liabilities – as a way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. **During 2004, the net assets of the County increased by \$7,534,978. The answer is, yes, the County as a whole is better off as a result of activity during 2004.** The Statement of Net Assets and the Statement of Activities present information about the following:

Governmental Activities. All of the County's basic services are considered to be governmental activities, including legislative, judicial, general government, public safety, public works, health and welfare, recreation and cultural, community development and other activities. Property taxes, state revenue sharing, grants and charges for services finance most of these activities.

Business-Type Activities. Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. These include delinquent tax collections, property foreclosures, and public works projects.

Component Units. The County includes four legally separate entities in its financial statements: the Berrien County Road Commission, the Berrien County Drain Commissioner, the Berrien County Brownfield Redevelopment Authority and the Berrien County Economic Development Corporation. Although legally separate, these component units are important because the County is financially accountable for them. Financial information for these component units is reported separately from the financial information presented for the primary government. The Berrien County Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore, has been included as an integral part of the primary government. **Financial information for component units are reported separately from the financial information presented for the primary government itself and are excluded from this summary analysis.**

The government-wide financial statements can be found on pages 15-17 of this report.

Reporting the County's Most Significant Funds

Fund Financial Statements. The fund financial statements provide detailed information about the most significant funds. Some funds are required to be established by State law and by bond covenants. However, the County establishes other funds to help it control and manage money for particular purposes and to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The County's two primary kinds of funds – **governmental and proprietary** – use different accounting approaches.

Governmental Funds. Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County maintains many individual 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, Revenue Sharing Reserve Fund and the Building Authority Capital Projects Fund which are considered to be major governmental 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 basic governmental fund financial statements can be found on pages 18-26 of this report.

Proprietary Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This accounting method is similar to the method used by private companies. The County maintains two different types of proprietary funds. **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for delinquent tax operations, property foreclosures and public works projects funds. **Internal service funds** are an accounting device used to accumulate and allocate costs equitably among the County's various functions. The County uses internal service funds to account for its self-insurance programs for health insurance, property/liability insurance, workers' compensation and unemployment compensation. 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 operations, property foreclosures and public works projects funds. Similarly, a combining statement of the four internal service funds (Property/Liability, Workers' Compensation, Health Care, and Unemployment Insurance) is prepared to show the detail that makes up the total for internal service funds. The basic proprietary fund financial statements can be found on pages 27-30 of this report.

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for certain amounts held on behalf of others. 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 directly available to support the County's own programs.** The County maintains a Pension Trust Fund which is considered a fiduciary fund because the total assets are held to pay current and future pension and retiree health insurance benefits. **The Pension Trust Fund had total assets of \$120,186,053 at December 31, 2004, an increase of \$6,804,700 during the year. The ratio of valuation assets to actuarial accrued liabilities was 105.8% at December 31, 2004, which means that the plan was well funded at year-end.** The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 31-32 of this report.

Additional Information

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-62 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 a schedule concerning the County's progress in funding its obligation to provide pension benefits to certain employees. Required supplementary information can be found on page 63 of this report.

The combining and individual fund financial statements and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund financial statements and schedules can be found on pages 64-153 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$76,985,608 (net assets). As summarized on the table that follows, the majority of these net assets are restricted for investment in capital assets or for other purposes and may not be used to meet the government's regular ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$7,534,978 during 2004. Net assets from governmental activities increased by \$6,164,909 while net assets from business-type activities (i.e. Delinquent Tax funds, Public Works Projects funds) increased by \$1,370,069.
- As of the close of 2004, the County's governmental funds (which includes the general fund, special revenue, capital projects and internal service funds) reported combined ending fund balances of \$31,655,864, an increase of \$6,537,197 during the year. Of this fund balance amount, \$30,410,864 is available for spending at the government's discretion as unreserved fund balance while the remaining balance of \$1,245,000 is reserved for advances to component units.
- The General Fund showed an increase of \$474,736 during 2004 as compared to an increase of \$209,831 during 2003. At December 31, 2004, unreserved fund balance for the General Fund was \$8,801,446, or 21.88% of total general fund expenditures. A healthy General Fund balance is necessary due to the discontinuance of State Shared Revenue payments for counties, increasing health and retirement plan costs, and the loss of other State funding. The total fund balance for the General Fund was \$10,046,446 at December 31, 2004.
- Effective October 1, 2004, the State of Michigan eliminated revenue sharing payments to counties and replaced it with a funding mechanism that involves a gradual shift in county operating property tax millage from a winter tax levy to a summer tax levy. The new legislation required the establishment of a restricted fund known as the Revenue Sharing Reserve Fund which is used to accumulate monies to replace the revenue sharing payments formerly made by the State. The fund balance in the Revenue Sharing Reserve Fund was \$6,913,489 at December 31, 2004.
- The County's total long-term installment debt decreased by \$447,577 during 2004 and was a total of \$19,863,914 at December 31, 2004. Total debt was \$122.27 on a per capita basis (162,453 population-2000 Census). The County maintains low debt levels in comparison with other local units of government in Michigan and borrows only for public works, capital improvements and tax revolving fund purposes—not for ongoing operations.
- On January 11, 2005 Standard & Poor's rating agency increased Berrien County's bond credit rating from A+ to AA-. This enhanced rating reflects the County's recent history of strong financial reserves and maintenance of low overall debt burden.

Financial Analysis of the County as a Whole

The government-wide financial analysis focuses on the net assets and changes in net assets of the County’s governmental and business-type activities. As noted earlier, net assets may, over time, serve as a useful indicator of a government’s financial position. **As the following table demonstrates, the assets for Berrien County exceeded its liabilities by \$76,985,608 for the fiscal year ending December 31, 2004.**

**Berrien County’s Net Assets
December 31, 2004-2003**

	Governmental Activities		Business-type Activities		Total	
	12/31/04	12/31/03	12/31/04	12/31/03	12/31/04	12/31/03
Current and other assets	\$61,787,404	\$62,412,190	\$38,399,379	\$36,827,859	\$100,186,783	\$ 99,240,049
Capital Assets	24,984,304	25,389,080	56,138	90,563	25,040,442	25,479,643
Total Assets	86,771,708	87,801,270	38,455,517	36,918,422	125,227,225	124,719,692
Long-term Liab.	10,140,414	10,676,797	11,563,914	11,411,491	21,704,328	22,088,288
Other Liabilities	26,305,345	32,963,433	231,944	217,341	26,537,289	33,180,774
Total Liabilities	36,445,759	43,640,230	11,795,858	11,628,832	48,241,617	55,269,062
Net Assets :						
Invested in capital assets, net of related debt	17,057,014	17,099,984	224	-	17,057,238	17,099,984
Restricted	21,506,531	16,419,891	-	-	21,506,531	16,419,891
Unrestricted	11,762,404	10,641,165	26,659,435	25,289,590	38,421,839	35,930,755
Total Net Assets	\$50,325,949	\$44,161,040	\$26,659,659	\$25,289,590	\$ 76,985,608	\$ 69,450,630

Berrien County had a net investment in capital assets of \$17,057,238 at December 31, 2004. This represents 22.16% of total net assets. The County’s investment in capital assets (i.e., land, buildings, vehicles, computers, equipment) is shown net of 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’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County conducts an annual inventory of its capital assets using the services of American Appraisal Associates.

In addition, the County has restricted net assets of \$21,506,531 at December 31, 2004. This represents 27.94% total net assets. Restricted net assets represents resources that are subject to external restrictions on how they may be used. Restricted net assets include, for example, restrictions for capital projects, debt service, grants, 911 operations and the Register of Deeds Automation Fund. Restricted net assets increased by \$5,086,640 during 2004 primarily due to the creation of the Revenue Sharing Reserve Fund.

Finally, the County has unrestricted net assets in the amount of \$38,421,839 at December 31, 2004. This represents 49.90% of total net assets. Unrestricted net assets may be used to meet the government’s ongoing obligations to its citizens and creditors.

At December 31, 2004, the County is able to report positive balances in all three categories (invested in capital assets-net of related debt, restricted and unrestricted) of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Berrien County's Changes in Net Assets December 31, 2004-2003

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	12/31/04	12/31/03	12/31/04	12/31/03	12/31/04	12/31/03
Revenue :						
Program revenue :						
Charges for services	\$13,326,586	\$12,912,259	\$ 4,345,101	\$ 2,404,567	\$17,671,687	\$15,316,826
Operating grants and contributions	20,123,596	20,903,033	486,913	360,197	20,610,509	21,263,230
General revenue :						
Property taxes	35,918,564	27,566,738	-	-	35,918,564	27,566,738
Unrestricted grants/contributions	1,253,431	1,287,838	-	-	1,253,431	1,287,838
Unrestricted Investment Earnings	753,528	421,601	-	-	753,528	421,601
Total Revenue	71,375,705	63,091,469	4,832,014	2,764,764	76,207,719	65,856,233
Expenses :						
Legislative	785,565	687,777	-	-	785,565	687,777
Judicial	11,303,199	11,079,431	-	-	11,303,199	11,079,431
General Government	7,072,176	6,950,581	-	-	7,072,176	6,950,581
Public Safety	18,208,234	16,845,338	-	-	18,208,234	16,845,338
Public Works	778,483	579,514	-	-	778,483	579,514
Health and welfare	14,586,515	13,600,567	-	-	14,586,515	13,600,567
Recreation/Cultural	2,577,849	2,491,451	-	-	2,577,849	2,491,451
Community Dev.	1,175,676	1,101,253	-	-	1,175,676	1,101,253
Other Gov. Activity	8,377,924	8,653,172	-	-	8,377,924	8,653,172
Interest on L.T. debt	345,175	362,675	-	-	345,175	362,675
Delinquent tax collections/forfeiture	-	-	586,427	1,035,010	586,427	1,035,010
Public works project	-	-	2,875,518	733,426	2,875,518	733,426
Total Expenses	65,210,796	62,351,759	3,461,945	1,768,436	68,672,741	64,120,195
Increase in Net Assets	6,164,909	739,710	1,370,069	996,328	7,534,978	1,736,038
Net assets – bgn.	44,161,040	43,421,330	25,289,590	24,293,262	69,450,630	67,714,592
Net assets – end.	\$50,325,949	\$44,161,040	\$26,659,659	\$25,289,590	\$76,985,608	\$69,450,630

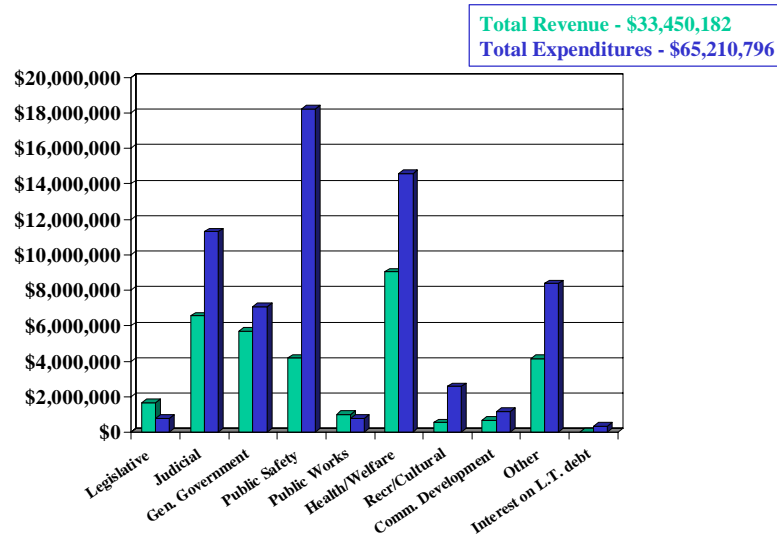
The County's net assets increased by \$7,534,978 during 2004 as compared to an increase of \$1,736,038 during 2003.

Governmental Activities. Governmental activities increased the County's net assets by \$6,164,909 during 2004. This large increase is due primarily to the establishment of a Revenue Sharing Reserve Fund, as required by State law, to accumulate advance payments of County property taxes to be used to replace State revenue sharing payments. The balance in the Revenue Sharing Reserve Fund was \$6,913,489 at December 31, 2004. In addition, unrestricted investment earnings were \$753,528 during 2004, as compared to \$421,601 during 2003, due to higher rates of interest earned on investments.

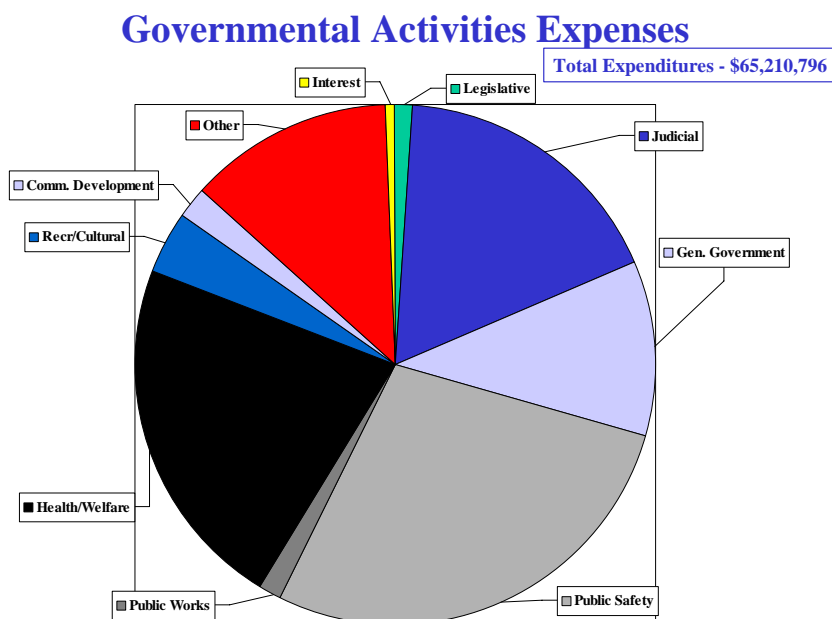
For the most part, increases in expenses in governmental activities closely follow inflation and growth in the demand for services. Increasing health insurance and pension costs continue to have an impact across many departments and activities. No major new spending initiatives were begun in 2004 with the exception of the computer Microsoft Windows XP upgrade project and continuing Building Authority capital improvements at the County Courthouse, Jail, and the South County Building.

A chart of program revenue and expenses for governmental activities is as follows:

Program Revenue and Expenses Governmental Activities



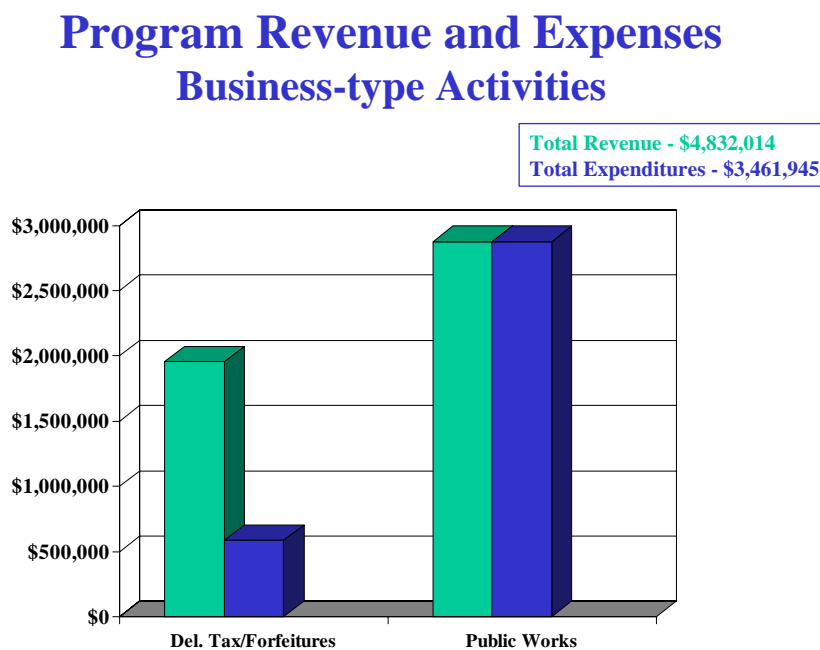
A chart of expenses of governmental activities by type is as follows:



Business-Type Activities. Business-type activities (i.e. Delinquent Tax Revolving funds, Delinquent Tax Forfeiture funds and the Public Works Projects funds) **increased the County’s net assets by \$1,370,069 during 2004.** Key elements of the current year increase are as follows:

- Charges for services for business-type activities were \$4,345,101, or 89.92% of revenue. These charges include delinquent tax administration fees to property owners, interest on taxes, loan forfeiture charges and other charges for services.
- Operating grants and contributions for business-type activities were \$486,913, or 10.08% of revenue.

A chart of program revenue and expenses for business-type activities is as follows:



Financial Analysis of the County’s Funds

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

Governmental Funds. The focus of the County’s governmental funds (i.e. General Fund, Revenue Sharing Reserve Fund, Building Authority Capital Projects Fund) is to provide information on near-term inflows, outflows and balances of **spendable resources**. Such information is useful in assessing the County’s financing requirements. In particular, **unreserved fund balance** may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At December 31, 2004, the County's governmental funds reported a combined ending fund balance of \$31,655,864. This is an increase of \$6,537,197 in comparison with the prior year. The increase is due primarily to the creation of the Revenue Sharing Reserve Fund, as previously discussed. Of the total fund balance amount, \$1,245,000 has been reserved for advances to component units. A total of \$30,410,864 is unreserved fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, unreserved fund balance of the General Fund was \$8,801,446 while total fund balance was \$10,046,446. The total General Fund balance increased by \$474,736 during 2004. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 21.88% of total General Fund expenditures. The County has determined that it is important to maintain an adequate unreserved General Fund balance in order to maintain fiscal flexibility in difficult economic times and due to the precarious nature of State of Michigan funding to counties and increasing operating costs.

The fund balance in the **Building Authority Capital Projects Fund** decreased by \$737,590 during 2004 as bond proceeds were spent on construction projects at the County Courthouse, Jail, and South County Building. The fund balance was \$372,710 at December 31, 2004. In April 2005, the Building Authority issued \$3.65 million in Series 2005 bonds to make additional project improvements.

Proprietary Funds. The County's proprietary funds (i.e. Delinquent Tax Revolving, Self-insurance) provide the same type of information found in the government-wide financial statements, but in greater detail. Proprietary funds focus on total **economic resources** (not just spendable resources) and use the accrual basis of accounting. The proprietary fund statements provide a long-term view of fund activities.

Unrestricted net assets of the delinquent tax, property foreclosure, self-insurance and other proprietary funds were \$30,174,671 at year-end. The Delinquent Tax Revolving funds had net assets of \$26,464,161 at December 31, 2004, an increase of \$1,392,896 during the year. The self-insurance funds decreased \$532,571 during the year due primarily to higher accruals for IBNR claims. The self-insurance funds had net assets of \$3,785,059 at December 31, 2004.

General Fund Budgetary Highlights

Revenue and incoming transfers in the General Fund increased from \$42,173,326 (original budget) to \$43,966,320 (final budget) during 2004. This represents an increase of \$1,792,994 during the year. This increase was due primarily to a \$1,800,000 budget transfer for an advance passed-through to the Brownfield Redevelopment Authority. Actual revenue and incoming transfers for 2004 was \$40,699,515.

Expenditures and outgoing transfers in the General Fund increased from \$42,173,326 (original budget) to \$43,966,320 (final budget) during 2004. The increase of \$1,792,994 is due to the advance passed-through to the Brownfield Redevelopment Authority, as discussed above. Additional year-end appropriations were made to the Child Care Fund (\$400,000), Property/Liability Insurance Fund (\$500,000) and Public Maintenance and Improvement Fund for the purchase of a building (\$427,000) during 2004. The additional appropriations were financed from savings in other budgeted accounts. Actual expenditures and outgoing transfers for 2004 were \$40,224,779.

Overall during the year, both general fund revenue and expenditures were less than the final budget. Expenditure savings were greater than the revenue shortfall, however, resulting in an increase in the General Fund balance of \$474,736 during 2004.

Capital Asset and Debt Administration

Capital Assets. The County’s cost of capital assets for its governmental activities at December 31, 2004 was \$24,984,304 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, computers and equipment. The County’s business-type activities (i.e. Delinquent Tax Revolving funds, Public Works Projects funds) had net capital assets of \$56,138 at the end of the year. **Total capital assets, net were \$25,040,442 (20% of total assets) at December 31, 2004.**

Major capital asset events during the current fiscal year included the following:

- Ongoing Building Authority construction work to the first floor of the County Courthouse and the addition to the South County Building complex. A total of \$744,466 was spent during 2004. These projects were completed during 2004. During 2005 the Building Authority issued bonds to make additional improvements at the Jail and County Courthouse.
- During 2004 the County upgraded its computer operating systems to Microsoft Windows XP. The cost of the project was approximately \$350,000. During 2005 the County will be upgrading its software from Office 97 to Office XP at a cost of approximately \$125,000.
- Ongoing replacement of Sheriff’s Department vehicles and computer equipment.

**Berrien County’s Capital Assets
December 31, 2004 - 2003**

	Governmental Activities		Business-Type Activities		Total	
	12/31/04	12/31/03	12/31/04	12/31/03	12/31/04	12/31/03
Land	\$ 4,501,572	\$ 4,501,572	\$ -	\$ -	\$ 4,501,572	\$ 4,501,572
Land Improvements	1,502,231	1,502,231	-	-	1,502,231	1,502,231
Buildings	29,344,891	28,600,576	-	-	29,344,891	28,600,576
Equipment	6,803,130	6,649,552	474,814	474,814	7,277,944	7,124,366
Total Cost	42,151,824	41,253,931	474,814	474,814	42,626,638	41,728,745
Less: Acc. Depr	(17,167,520)	(15,864,851)	(418,676)	(384,251)	(17,586,196)	(16,249,102)
Net Cost	\$24,984,304	\$25,389,080	\$ 56,138	\$ 90,563	\$25,040,442	\$25,479,643

Additional information on the County’s capital assets can be found in note on pages 47-49 of this report.

Long-Term Debt. At the end of the fiscal year, the County had total long-term installment debt outstanding of \$19,863,914. This long-term debt is summarized as follows:

Berrien County's Outstanding Debt
December 31, 2004-2003

	Governmental Activities		Business-type Activities		Total	
	12/31/04	12/31/03	12/31/04	12/31/03	12/31/04	12/31/03
General Obligation Bonds	\$ 8,300,000	\$8,900,000	\$ 8,860,000	\$ 8,755,000	\$17,160,000	\$17,655,000
DPW Notes	-	-	317,000	100,000	317,000	100,000
Delinquent Tax Notes	-	-	2,331,000	2,475,000	2,331,000	2,475,000
Capital Leases	-	-	55,914	81,491	55,914	81,491
Total	\$8,300,000	\$8,900,000	\$11,563,914	\$11,411,491	\$19,863,914	\$20,311,491

At December 31, 2004, general obligation bonds include \$8,300,000 in Building Authority debt and \$8,860,000 in Public Works debt for water/sewer projects with local units of government. The County's total debt decreased by \$447,577 during 2004. The County retired debt of \$3,195,000 in general obligation bonds/notes and \$8,284,000 in delinquent tax notes during 2004.

During 2004, the County borrowed \$2,917,000 in Department of Public Works bonds/notes for water and sewer projects and \$8,140,000 in delinquent tax notes. Debt service requirements for general obligation bonds are \$1,650,000 in principal and \$731,033 in interest for 2005. Principal and interest is paid on the delinquent tax notes as delinquent tax proceeds are received.

As indicated previously, Standard & Poor's increased Berrien County's credit rating for general obligation bonds from A+ to AA- on January 11, 2005. This is a very strong and solid rating and reflects the improved financial position of the County. The County's Delinquent Limited Tax Notes are not rated.

State statute limits the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation (State Equalized Value). The current legal debt limitation for the County is \$643,735,133, while the County has only utilized \$17,160,000 (2.67%) of its legal borrowing capacity.

Additional information on the County's long-term debt can be found on pages 51-56 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2005 fiscal year:

- The cost of maintaining the County's defined benefit retirement plan has impacted fiscal operations. The employer contribution rate for the Sheriff's unit increased from 9.47% in 2004 to 11.20% in 2005, while the employer contribution rate for the Courthouse unit increased from 1.52% in 2004 to 2.12% in 2005. These increases are due primarily to plan benefit enhancements and the rising costs of providing retiree health care benefits. Investment earnings in the plan were 19.8% during 2003 and 4.9% during 2004.
- Interest rates on investments have been low the past few years, in the range of 1-3%, but increased during 2004 as the Federal Reserve increased its discount rate. The 2005 budget assumes similar rates of investment earnings. In Michigan, local units of government are

restricted to investing operating funds in fixed income investments and may not invest in equities. Pension funds may invest in the stock market. Unrestricted investment earnings were \$753,528 during 2004 as compared to \$421,601 during 2003.

- The County is self-funded for its property and liability insurance with the Michigan Municipal Risk Management Authority, one of the largest public entity insurance pools in the United States. Property and liability insurance premiums, especially for governmental entities, have dramatically increased due to many factors, including extensive settlement payments related to September 11th, poor investment earnings by the insurance companies and the hard re-insurance market. The County has net assets in its Property/Liability Insurance Fund of \$1,454,508 at December 31, 2004.
- The County is also self-funded for its health insurance coverage. Some national projections point to a doubling of health care costs over the next five years. Expenditures for health care are budgeted to increase from \$6,547,189 during 2004 to \$8,862,867 during 2005. The County has net assets in its Health Care Insurance Fund of \$1,790,657 at December 31, 2004.
- The unemployment rate for Berrien County is 6.4% for April 2005, which is a decrease from the unemployment rate of 7.0% in April 2004. The unemployment rate for Berrien County is below the State of Michigan average of 6.6% (April 2005) but higher than the United States average of 4.9% (April 2005). During 2005, the County will undertake economic development initiatives to encourage job growth and retention. Historically, the County has used monies in its Delinquent Tax Revolving Funds and Brownfield Redevelopment Authority Fund for economic development projects.
- Michigan has two constitutional laws that limit property tax revenue growth to the rate of inflation or 5.0%, whichever is smaller. (This tax limitation does not apply to new construction or to property transfers). The rate of inflation factor for 2004 was 2.3%. Property tax revenue increased from \$27,566,738 in 2003 to \$35,918,564 in 2004, an increase of \$8,351,826. This large increase was due primarily to the establishment of the Revenue Sharing Reserve Fund as previously discussed. Other factors for the increase in property tax revenue are the inflation adjustment and new construction. Property tax revenue is the County's largest source of revenue.
- The County has committed to maintaining a sufficient General Fund balance to provide fiscal flexibility and to meet unforeseen emergencies. The County's unreserved General Fund balance was \$8,801,446 at December 31, 2004.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of Berrien County's finances for all those who may be interested. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to **Berrien County Administration Center, Financial Services Department, 701 Main Street, St. Joseph, Michigan 49085-1316**. You may also contact us at **(269) 982-8623**. A complete copy of this financial report is available at the County Website: **www.berriencounty.org**.

Thank you for your interest in Berrien County!

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN
Statement of Net Assets
December 31, 2004

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 29,307,816	\$ 7,870,202	\$ 37,178,018	\$ 6,161,574
Restricted cash	269,823	-	269,823	282,666
Investments	702,213	16,509,914	17,212,127	-
Receivables, net	33,307,552	12,203,695	45,511,247	8,250,017
Internal balances	(1,800,000)	1,800,000	-	-
Prepaid items and other assets	-	15,568	15,568	1,220,405
Capital assets not being depreciated	4,501,572	-	4,501,572	4,205,848
Capital assets being depreciated, net	20,482,732	56,138	20,538,870	16,118,405
Total assets	86,771,708	38,455,517	125,227,225	36,238,915
Liabilities				
Accounts payable and accrued expenses	5,836,909	231,944	6,068,853	5,919,565
Deferred revenue (unearned)	20,468,436	-	20,468,436	290,806
Long-term liabilities:				
Due within one year	2,315,000	3,700,107	6,015,107	983,815
Due in more than one year	7,825,414	7,863,807	15,689,221	4,082,956
Total liabilities	36,445,759	11,795,858	48,241,617	11,277,142
Net assets				
Invested in capital assets, net of related debt	17,057,014	224	17,057,238	15,347,699
Restricted for:				
Capital projects	67,916	-	67,916	-
Other purposes	21,438,615	-	21,438,615	282,666
Unrestricted	11,762,404	26,659,435	38,421,839	9,331,408
Total net assets	\$ 50,325,949	\$ 26,659,659	\$ 76,985,608	\$ 24,961,773

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 785,565	\$ 2,626	\$ 1,656,150	\$ -	\$ 873,211
Judicial	11,303,199	4,136,783	2,410,782	-	(4,755,634)
General government	7,072,176	2,772,238	2,926,239	-	(1,373,699)
Public safety	18,208,234	1,913,363	2,261,997	-	(14,032,874)
Public works	778,483	-	1,001,907	-	223,424
Health and welfare	14,586,515	856,664	8,168,461	-	(5,561,390)
Recreation and cultural	2,577,849	421,675	111,665	-	(2,044,509)
Community development	1,175,676	307,884	363,710	-	(504,082)
Other governmental activities	8,377,924	2,915,353	1,222,684	-	(4,239,887)
Interest on long-term debt	345,175	-	1	-	(345,174)
Total governmental activities	<u>65,210,796</u>	<u>13,326,586</u>	<u>20,123,596</u>	<u>-</u>	<u>(31,760,614)</u>
Business-type activities:					
Delinquent tax collections/forfeitures	586,427	1,477,489	484,103	-	1,375,165
Public works projects	2,875,518	2,867,612	2,810	-	(5,096)
Total business-type activities	<u>3,461,945</u>	<u>4,345,101</u>	<u>486,913</u>	<u>-</u>	<u>1,370,069</u>
Total primary government	<u>\$ 68,672,741</u>	<u>\$ 17,671,687</u>	<u>\$ 20,610,509</u>	<u>\$ -</u>	<u>\$ (30,390,545)</u>
Component units					
County roads	\$ 8,802,024	\$ -	\$ 14,693,805	\$ 1,457,015	\$ 7,348,796
County drains	553,077	-	17,081	417,716	(118,280)
Brownfield redevelopment	609,022	43,799	493,809	-	(71,414)
Economic development	94,925	11,287	2,522	-	(81,116)
Total component units	<u>\$ 10,059,048</u>	<u>\$ 55,086</u>	<u>\$ 15,207,217</u>	<u>\$ 1,874,731</u>	<u>\$ 7,077,986</u>

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COUNTY OF BERRIEN, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2004

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (31,760,614)	\$ 1,370,069	\$ (30,390,545)	\$ 7,077,986
General revenues:				
Property taxes	35,918,564	-	35,918,564	-
Grants and contributions not restricted to specific programs	1,253,431	-	1,253,431	-
Unrestricted investment earnings	753,528	-	753,528	221,790
Gain on sale of capital assets	-	-	-	66,321
Total general revenues	<u>37,925,523</u>	<u>-</u>	<u>37,925,523</u>	<u>288,111</u>
Change in net assets	6,164,909	1,370,069	7,534,978	7,366,097
Net assets, beginning of year, as restated	<u>44,161,040</u>	<u>25,289,590</u>	<u>69,450,630</u>	<u>17,595,676</u>
Net assets, end of year	<u>\$ 50,325,949</u>	<u>\$ 26,659,659</u>	<u>\$ 76,985,608</u>	<u>\$ 24,961,773</u>

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

FUND FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN
Balance Sheet
Governmental Funds
December 31, 2004

	General 101.00	Revenue Sharing Reserve 285.00	Building Authority Capital Projects 450.00	Other Governmental Funds	Total
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 8,310,157	\$ -	\$ 372,710	\$ 13,809,011	\$ 22,491,878
Investments	-	-	-	702,213	702,213
Receivables:					
Taxes receivable - current	16,140,000	8,070,000	-	4,174,620	28,384,620
Taxes receivable - delinquent	129,660	-	-	22,443	152,103
Due from other governments	59,911	-	-	1,665,918	1,725,829
Due from other funds	1,159,062	-	-	3,513	1,162,575
Advances to component units	3,045,000	-	-	-	3,045,000
<u>TOTAL ASSETS</u>	\$ 28,843,790	\$ 8,070,000	\$ 372,710	\$ 20,377,718	\$ 57,664,218
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities					
Accounts payable	\$ 363,057	\$ -	\$ -	\$ 721,598	\$ 1,084,655
Accrued and other liabilities	345,240	-	-	172,263	517,503
Due to other funds	3,305	1,156,511	-	2,759	1,162,575
Interfund payable	-	-	-	652,739	652,739
Advances from other governments	-	-	-	170,000	170,000
Advances from other funds	1,800,000	-	-	-	1,800,000
Undistributed receipts	-	-	-	343	343
Deferred revenue	16,285,742	-	-	4,334,797	20,620,539
Total liabilities	18,797,344	1,156,511	-	6,054,499	26,008,354
Fund balance					
Reserved for:					
Advances to component units	1,245,000	-	-	-	1,245,000
Unreserved:					
Designated for subsequent years' expenditures	2,652,400	-	-	-	2,652,400
Designated for subsequent years' expenditures, reported in nonmajor special revenue funds	-	-	-	3,268,307	3,268,307
Undesignated	6,149,046	6,913,489	372,710	-	13,435,245
Undesignated, reported in nonmajor:					
Special revenue funds	-	-	-	10,986,736	10,986,736
Debt service funds	-	-	-	260	260
Capital projects funds	-	-	-	67,916	67,916
Total fund balance	10,046,446	6,913,489	372,710	14,323,219	31,655,864
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 28,843,790	\$ 8,070,000	\$ 372,710	\$ 20,377,718	\$ 57,664,218

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

COUNTY OF BERRIEN, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2004

Fund balances - total governmental funds	\$ 31,655,864
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add: capital assets not being depreciated	4,501,572
Add: capital assets being depreciated, net	20,482,732

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

Add: deferred property taxes	152,103
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	3,785,059
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(8,300,000)
Subtract: compensated absences	(1,840,414)
Subtract: accrued interest on long-term liabilities	(110,967)
	(10,251,381)

Net assets of governmental activities	\$ 50,325,949
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The accompanying notes are an integral part of these financial statements.

COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Revenue Sharing Reserve 285.00	Building Authority Capital Projects 450.00	Other Governmental Funds	Total
Revenue					
Taxes	\$ 23,723,746	\$ 8,070,000	\$ -	\$ 4,101,796	\$ 35,895,542
Licenses and permits	198,251	-	-	298,556	496,807
Intergovernmental revenue	4,901,992	-	-	14,398,297	19,300,289
Charges for services	7,879,929	-	-	4,206,619	12,086,548
Fines and forfeitures	639,621	-	-	103,610	743,231
Interest revenue	607,362	-	6,876	71,298	685,536
Other revenue and reimbursements	1,253,431	-	-	745,133	1,998,564
Total revenue	39,204,332	8,070,000	6,876	23,925,309	71,206,517
Expenditures					
Current expenditures:					
Legislative	768,398	-	-	-	768,398
Judicial	7,654,415	-	-	3,372,869	11,027,284
General government	6,759,094	-	-	226,243	6,985,337
Public safety	12,734,462	-	-	4,965,097	17,699,559
Public works	-	-	744,466	34,017	778,483
Health and welfare	710,020	-	-	13,607,827	14,317,847
Recreation and cultural	347,533	-	-	2,105,551	2,453,084
Community development	877,962	-	-	268,771	1,146,733
Other governmental activities	3,678,453	-	-	4,362,967	8,041,420
Debt service:					
Principal	-	-	-	600,000	600,000
Interest and fiscal charges	-	-	-	351,175	351,175
Total expenditures	33,530,337	-	744,466	29,894,517	64,169,320
Revenue over (under) expenditures	5,673,995	8,070,000	(737,590)	(5,969,208)	7,037,197
Other financing sources (uses)					
Transfers in	1,495,183	-	-	8,011,356	9,506,539
Transfers out	(6,694,442)	(1,156,511)	-	(2,155,586)	(10,006,539)
Total other financing sources (uses)	(5,199,259)	(1,156,511)	-	5,855,770	(500,000)
Net changes in fund balances	474,736	6,913,489	(737,590)	(113,438)	6,537,197
Fund balance, beginning of year	9,571,710	-	1,110,300	14,436,657	25,118,667
Fund balance, end of year	\$ 10,046,446	\$ 6,913,489	\$ 372,710	\$ 14,323,219	\$ 31,655,864

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

COUNTY OF BERRIEN, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2004

Net change in fund balances - total governmental funds \$ 6,537,197

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

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

Add: capital outlay	897,893
Subtract: depreciation expense	(1,302,669)

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

Add: change in deferred property taxes and special assessments	23,022
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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 in the statement of net assets.

Add: principal payments on long-term liabilities	600,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add: change in accrued interest on bonds	6,000
Subtract: decrease in the accrual of compensated absences	(63,617)

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 the internal service fund is reported with governmental activities.

Add: interest revenue from governmental internal service fund	146,166
Add: transfers (internal activities) accounted for in internal service fund	500,000
Subtract: net operating loss from governmental activities accounted for in internal service fund	<u>(1,179,083)</u>

Change in net assets of governmental activities	<u><u>\$ 6,164,909</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenue				
Taxes	\$ 24,241,539	\$ 24,241,539	\$ 23,723,746	\$ (517,793)
Licenses and permits	195,800	195,800	198,251	2,451
Intergovernmental revenues	5,499,469	5,499,469	4,901,992	(597,477)
Charges for services	7,098,931	7,098,931	7,879,929	780,998
Fines and forfeitures	593,000	593,000	639,621	46,621
Interest revenue	417,000	417,000	607,362	190,362
Other revenue and reimbursements	3,006,471	3,006,471	1,253,431	(1,753,040)
Total revenue	<u>41,052,210</u>	<u>41,052,210</u>	<u>39,204,332</u>	<u>(1,847,878)</u>
Expenditures				
Legislative:				
Board of Commissioners	471,988	441,170	440,711	(459)
Appropriations to outside agencies	41,040	173,150	173,150	-
County Administrator	150,666	154,549	154,537	(12)
Total legislative	<u>663,694</u>	<u>768,869</u>	<u>768,398</u>	<u>(471)</u>
Judicial:				
Circuit court	632,169	549,061	549,050	(11)
District court	2,291,128	2,094,247	2,094,094	(153)
Probate court	191,383	170,603	170,595	(8)
Jury board	12,205	10,785	10,784	(1)
Family Court Intake	501,386	484,789	484,783	(6)
Tri-court cashiering unit	277,284	261,560	261,551	(9)
Trial court	1,921,845	1,797,601	1,797,101	(500)
District court probation	595,290	499,439	499,431	(8)
Adult probation	35,245	15,257	15,250	(7)
Juvenile probation	884,506	782,560	782,551	(9)
Probate court administration	827,594	847,897	846,881	(1,016)
Tri-court enforcement services	148,676	142,346	142,344	(2)
Total judicial	<u>8,318,711</u>	<u>7,656,145</u>	<u>7,654,415</u>	<u>(1,730)</u>

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COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2004

Expenditures (continued)	Original Budget	Amended Budget	Actual	Over (Under) Budget
General government:				
Elections	\$ 127,730	\$ 125,971	\$ 125,965	\$ (6)
Clerk	885,916	840,331	840,182	(149)
Equalization	448,198	422,107	420,605	(1,502)
Personnel	333,965	329,620	329,609	(11)
Purchasing	160,482	157,210	157,202	(8)
Corporate counsel	73,472	74,326	74,323	(3)
Prosecutor	2,233,226	2,000,085	2,000,071	(14)
Register of deeds	298,526	289,064	288,875	(189)
Treasurer	321,694	299,432	299,425	(7)
Courthouse and grounds	1,003,969	1,005,550	920,484	(85,066)
Building authority	3,292	3,292	2,560	(732)
South county building	253,763	287,863	264,646	(23,217)
Other county property	167,495	167,495	111,474	(56,021)
Administration center	218,673	220,818	189,648	(31,170)
Drain commissioner	329,235	342,025	315,999	(26,026)
Building security	85,166	127,718	127,225	(493)
Financial services	305,093	290,808	290,801	(7)
Total general government	7,249,895	6,983,715	6,759,094	(224,621)
Public safety:				
Sheriff's office and road patrol	4,376,961	4,412,823	4,293,983	(118,840)
Local unit police protection	84,982	104,763	95,250	(9,513)
Jail inmate rehabilitation	82,704	82,704	80,733	(1,971)
Sheriff's department radios	101,708	101,708	95,996	(5,712)
Sheriff's department marine safety	190,701	209,101	203,915	(5,186)
Special teams	51,810	51,810	47,373	(4,437)
Jail division	7,143,586	7,130,020	6,756,315	(373,705)
Jail maintenance	656,915	667,415	592,305	(75,110)
Emergency management	197,141	198,761	187,488	(11,273)
Animal shelter	378,009	388,520	381,104	(7,416)
Total public safety	13,264,517	13,347,625	12,734,462	(613,163)

continued...

COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (continued)				
Health and welfare:				
Contagious disease	\$ 23,000	\$ 29,600	\$ 29,136	\$ (464)
Medical examiner	88,700	88,700	72,695	(16,005)
Veterans services	98,087	98,087	93,189	(4,898)
Veterans burial	27,000	27,000	15,000	(12,000)
Ambulance	100	100	-	(100)
Mental health	500,000	500,000	500,000	-
Total health and welfare	<u>736,887</u>	<u>743,487</u>	<u>710,020</u>	<u>(33,467)</u>
Recreation and cultural:				
Cooperative extension service	261,941	239,902	239,739	(163)
Historical association	103,419	107,794	107,794	-
Total recreation and cultural	<u>365,360</u>	<u>347,696</u>	<u>347,533</u>	<u>(163)</u>
Community development:				
Economic development	237,804	237,804	202,366	(35,438)
Planning commission	687,180	687,180	607,142	(80,038)
Surveyor	100	-	-	-
Plat board	4,138	4,269	4,202	(67)
Survey and remonumentation	65,000	67,202	64,252	(2,950)
Total community development	<u>994,222</u>	<u>996,455</u>	<u>877,962</u>	<u>(118,493)</u>
Other expenditures:				
Information systems	2,099,669	1,978,427	1,854,534	(123,893)
Automation upgrade	55,000	379,510	321,328	(58,182)
Livestock claims	1,300	1,300	1,238	(62)
Central supply	82,222	82,222	77,977	(4,245)
Mailing services	350,499	350,499	261,528	(88,971)

continued...

COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (concluded)				
Other expenditures: (concluded)				
Motor pool	\$ 235,145	\$ 254,844	\$ 237,353	\$ (17,491)
Telephone switchboard-central	359,842	359,842	313,214	(46,628)
Printing and microfilming	364,877	373,177	327,877	(45,300)
Copy center	37,300	37,300	35,023	(2,277)
Insurance and surety bonds	224,100	223,358	223,358	-
Drains at large	75,000	75,000	25,023	(49,977)
Contingencies	1,223,613	489,081	-	(489,081)
	<u>5,108,567</u>	<u>4,604,560</u>	<u>3,678,453</u>	<u>(926,107)</u>
Total other expenditures				
Total expenditures	<u>36,701,853</u>	<u>35,448,552</u>	<u>33,530,337</u>	<u>(1,918,215)</u>
Revenue over expenditures	<u>4,350,357</u>	<u>5,603,658</u>	<u>5,673,995</u>	<u>70,337</u>
Other financing sources (uses)				
Transfers in	1,121,116	2,914,110	1,495,183	(1,418,927)
Transfers out	<u>(5,471,473)</u>	<u>(8,518,268)</u>	<u>(6,694,442)</u>	<u>(1,823,826)</u>
Total other financing (uses)	<u>(4,350,357)</u>	<u>(5,604,158)</u>	<u>(5,199,259)</u>	<u>404,899</u>
Net changes in fund balances	-	(500)	474,736	475,236
Fund balance, beginning of year	<u>9,571,710</u>	<u>9,571,710</u>	<u>9,571,710</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,571,710</u>	<u>\$ 9,571,210</u>	<u>\$ 10,046,446</u>	<u>\$ 475,236</u>

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Revenue Sharing Reserve Special Revenue Fund
For the Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenue				
Taxes	\$ -	\$ -	\$ 8,070,000	\$ 8,070,000
Expenditures				
General government	-	-	-	-
Revenue over (under) expenditures	-	-	8,070,000	8,070,000
Other financing sources				
Transfers out	-	-	(1,156,511)	(1,156,511)
Net changes in fund balances	-	-	6,913,489	6,913,489
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,913,489</u>	<u>\$ 6,913,489</u>

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Royalton Township Water System No. 25 851.84	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 6,385,237	\$ 324,578	\$ 507,648	\$ 7,217,463	\$ 7,468,677
Investments	16,509,914	-	-	16,509,914	-
Receivables:					
Taxes receivable - delinquent	3,205,227	-	-	3,205,227	-
Interest	464,997	-	-	464,997	-
Interfund	652,739	-	-	652,739	-
Current portion of leases receivable	-	50,000	1,109,046	1,159,046	-
Advance to other funds	1,800,000	-	-	1,800,000	-
Inventory, at cost	-	-	15,568	15,568	-
Total current assets	<u>29,018,114</u>	<u>374,578</u>	<u>1,632,262</u>	<u>31,024,954</u>	<u>7,468,677</u>
Non-current assets:					
Restricted cash	-	-	-	-	269,823
Leases receivable, net of current portion	-	2,200,422	5,174,003	7,374,425	-
Capital assets being depreciated, net	-	-	56,138	56,138	-
Total non-current assets	<u>-</u>	<u>2,200,422</u>	<u>5,230,141</u>	<u>7,430,563</u>	<u>269,823</u>
Total assets	<u>29,018,114</u>	<u>2,575,000</u>	<u>6,862,403</u>	<u>38,455,517</u>	<u>7,738,500</u>
Liabilities					
Current liabilities:					
Accounts payable	1,707	-	8,039	9,746	82,230
Accrued and other liabilities	-	-	952	952	3,871,211
Due to other governments	221,246	-	-	221,246	-
Current portion of long-term debt	2,331,000	50,000	1,319,107	3,700,107	-
Total current liabilities	<u>2,553,953</u>	<u>50,000</u>	<u>1,328,098</u>	<u>3,932,051</u>	<u>3,953,441</u>
Long-term liabilities:					
Due in more than one year	-	2,525,000	5,338,807	7,863,807	-
Total liabilities	<u>2,553,953</u>	<u>2,575,000</u>	<u>6,666,905</u>	<u>11,795,858</u>	<u>3,953,441</u>
Net assets					
Invested in capital assets, net of related debt	-	-	224	224	-
Restricted for self-insurance claims	-	-	-	-	269,823
Unrestricted	26,464,161	-	195,274	26,659,435	3,515,236
Total net assets	<u>\$ 26,464,161</u>	<u>\$ -</u>	<u>\$ 195,498</u>	<u>\$ 26,659,659</u>	<u>\$ 3,785,059</u>

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Revenue, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds				Governmental
	Royalton			Total	Internal
	Delinquent	Water	Other		
	Tax Revolving	System No. 25	Enterprise		Service Funds
		851.84	Funds		
Operating revenue					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 7,278,929
Charges for services - other	308,310	2,318,640	1,057,427	3,684,377	-
Interest on taxes	660,709	-	-	660,709	-
Other operating revenue	-	-	1,590	1,590	-
Total operating revenue	969,019	2,318,640	1,059,017	4,346,676	7,278,929
Operating expenses					
Operation and maintenance	42,625	-	525,707	568,332	23,794
Public works projects	-	2,241,584	28,280	2,269,864	-
Benefits and claims	-	-	-	-	8,433,872
Depreciation	-	-	34,425	34,425	-
Total operating expenses	42,625	2,241,584	588,412	2,872,621	8,457,666
Operating income (loss)	926,394	77,056	470,605	1,474,055	(1,178,737)
Non-operating revenue (expenses)					
Interest income	482,513	892	1,918	485,323	146,166
Interest expense and fiscal charges	(90,011)	(77,948)	(421,696)	(589,655)	-
Total non-operating revenue (expenses)	392,502	(77,056)	(419,778)	(104,332)	146,166
Income (loss) before transfers	1,318,896	-	50,827	1,369,723	(1,032,571)
Transfers					
Transfers in	334,000	-	260,000	594,000	500,000
Transfers out	(260,000)	-	(334,000)	(594,000)	-
Total transfers in (out)	74,000	-	(74,000)	-	500,000
Change in net assets	1,392,896	-	(23,173)	1,369,723	(532,571)
Net assets, beginning of year	25,071,265	-	218,671	25,289,936	4,317,630
Net assets, end of year	\$ 26,464,161	\$ -	\$ 195,498	\$ 26,659,659	\$ 3,785,059

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities
	Royalton Township			Total	Internal Service Funds
	Delinquent Tax Revolving	Water System No. 25 851.84	Other Enterprise Funds		
Cash flows from operating activities					
Cash received from customers	\$ 920,767	\$ 2,318,640	\$ 1,059,017	\$ 4,298,424	\$ -
Cash received from interfund services provided	-	-	-	-	7,278,929
Cash payments to suppliers for goods and services	(1,563,691)	(2,294,093)	(494,077)	(4,351,861)	(7,208,496)
Cash payments to employees for services	-	-	(69,491)	(69,491)	-
Net cash provided (used) by operating activities	(642,924)	24,547	495,449	(122,928)	70,433
Cash flows from non-capital financing activities					
Transfers in	334,000	-	260,000	594,000	500,000
Transfers out	(260,000)	-	(334,000)	(594,000)	-
Net cash provided (used) by non-capital financing activities	74,000	-	(74,000)	-	500,000
Cash flows from capital and related financing activities					
Principal payments	(8,284,000)	(25,000)	(2,595,577)	(10,904,577)	-
Interest payments	(90,011)	(77,948)	(421,696)	(589,655)	-
Proceeds from issuance of long-term debt	8,140,000	2,600,000	317,000	11,057,000	-
Net cash provided (used) by capital and related financing activities	(234,011)	2,497,052	(2,700,273)	(437,232)	-
Cash flows from investing activities					
Interest received	482,513	892	1,918	485,323	146,166
Amounts collected on leases receivable	-	(2,250,422)	2,436,811	186,389	-
Purchase of investments	(16,509,914)	-	-	(16,509,914)	-
Sale of investments	16,163,051	-	-	16,163,051	-
Net cash provided (used) by investing activities	135,650	(2,249,530)	2,438,729	324,849	146,166
Net increase (decrease) in cash and cash equivalents	(667,285)	272,069	159,905	(235,311)	716,599
Cash and cash equivalents, beginning of year	7,052,522	52,509	347,743	7,452,774	7,021,901
Cash and cash equivalents, end of year	\$ 6,385,237	\$ 324,578	\$ 507,648	\$ 7,217,463	\$ 7,738,500
Balance sheet classification of cash and cash equivalents					
Cash and cash equivalents	\$ 6,385,237	\$ 324,578	\$ 507,648	\$ 7,217,463	\$ 7,468,677
Restricted cash	-	-	-	-	269,823
	\$ 6,385,237	\$ 324,578	\$ 507,648	\$ 7,217,463	\$ 7,738,500

continued...

COUNTY OF BERRIEN, MICHIGAN
Statement of Cash Flows
Proprietary Funds (Concluded)
For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities
	Royalton Township			Total	Internal Service Funds
	Water		Other		
	Delinquent Tax Revolving	System No. 25 851.84	Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 926,394	\$ 77,056	\$ 470,605	\$ 1,474,055	\$ (1,178,737)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	-	-	34,425	34,425	-
Changes in assets and liabilities:					
Taxes receivable	(51,104)	-	-	(51,104)	-
Interest receivable	2,852	-	-	2,852	-
Interfund	204,749	-	-	204,749	-
Advance to other funds	(1,800,000)	-	-	(1,800,000)	-
Inventories	-	-	(2,508)	(2,508)	-
Accounts payable	411	-	(5,532)	(5,121)	23,207
Accrued and other liabilities	-	-	(1,541)	(1,541)	1,225,963
Due to other governments	73,774	-	-	73,774	-
Deferred revenue	-	(52,509)	-	(52,509)	-
Net cash provided (used) by operating activities	\$ (642,924)	\$ 24,547	\$ 495,449	\$ (122,928)	\$ 70,433

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 28,930,764	\$ 4,105,079
Investments:		
U.S. Government obligations	11,831,261	-
Corporate obligations	23,467,934	-
Corporate stocks	55,470,783	-
Certificates of deposit	-	803,585
Receivables:		
Taxes receivable - delinquent	-	982,687
Accrued interest	485,311	-
	120,186,053	\$ 5,891,351
Total assets	120,186,053	\$ 5,891,351
 Liabilities		
Undistributed receipts	-	\$ 4,908,664
Delinquent taxes payable	-	982,687
	-	\$ 5,891,351
Total liabilities	-	\$ 5,891,351
 Net Assets		
Held in trust for pension benefits and other purposes	\$ 120,186,053	

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

COUNTY OF BERRIEN, MICHIGAN
Pension Trust Fund
Statement of Changes in Plan Net Assets
For the Year Ended December 31, 2004

Additions

Investment income:

Net realized and unrealized appreciation in fair value of investments	\$ 7,568,823
Interest and dividends	3,212,099
Less investment expenses	(540,607)

Net investment income	10,240,315
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Contributions:

Employer	1,316,150
Employees	1,989,981

Total contributions	3,306,131
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Total additions	13,546,446
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Deductions

Pension benefit payments	5,874,611
Contribution refunds	317,730
Medical insurance premiums	472,212
Administration	77,193

Total deductions	6,741,746
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Net additions to net assets held in trust for benefits

Employees' pension benefits	\$ 5,223,005	
Postemployment healthcare benefits	1,581,695	
		6,804,700

Net assets held in trust for benefits, beginning of year

Reserved for employees' pension benefits	109,317,425	
Reserved for employees' postemployment healthcare benefits	4,063,928	
		113,381,353

Net assets held in trust for benefits, end of year

Reserved for employees' pension benefits	114,540,430	
Reserved for employees' postemployment healthcare benefits	5,645,623	
		\$ 120,186,053

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

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2004

	<u>Road Commission</u>	<u>Drain Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Economic Development Corporation</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 3,258,141	\$ 637,175	\$ 843,601	\$ 1,422,657	\$ 6,161,574
Restricted cash	282,666	-	-	-	282,666
Receivables, net	2,609,672	1,324,000	1,411,647	2,904,698	8,250,017
Prepaid items and other assets	1,220,405	-	-	-	1,220,405
Capital assets not being depreciated	4,205,848	-	-	-	4,205,848
Capital assets being depreciated, net	14,877,504	1,240,901	-	-	16,118,405
Total assets	<u>26,454,236</u>	<u>3,202,076</u>	<u>2,255,248</u>	<u>4,327,355</u>	<u>36,238,915</u>
Liabilities					
Accounts payable and accrued liabilities	881,953	251,177	1,985,189	2,801,246	5,919,565
Deferred revenue (unearned)	-	-	290,806	-	290,806
Long-term liabilities:					
Due within one year	673,815	310,000	-	-	983,815
Due in more than one year	3,275,575	807,381	-	-	4,082,956
Total liabilities	<u>4,831,343</u>	<u>1,368,558</u>	<u>2,275,995</u>	<u>2,801,246</u>	<u>11,277,142</u>
Net assets					
Invested in capital assets, net of related debt	15,224,179	123,520	-	-	15,347,699
Restricted for other purposes	282,666	-	-	-	282,666
Unrestricted	6,116,048	1,709,998	(20,747)	1,526,109	9,331,408
Total net assets	<u>\$ 21,622,893</u>	<u>\$ 1,833,518</u>	<u>\$ (20,747)</u>	<u>\$ 1,526,109</u>	<u>\$ 24,961,773</u>

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

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2004

	<u>Road Commission</u>	<u>Drain Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Economic Development Corporation</u>	<u>Total</u>
Expenses					
County roads	\$ 8,802,024	\$ -	\$ -	\$ -	\$ 8,802,024
County drains	-	553,077	-	-	553,077
Brownfield redevelopment	-	-	609,022	-	609,022
Economic development	-	-	-	94,925	94,925
Total expenses	<u>8,802,024</u>	<u>553,077</u>	<u>609,022</u>	<u>94,925</u>	<u>10,059,048</u>
Program revenues					
Charges for services	-	-	43,799	13,809	57,608
Operating grants and contributions	14,693,805	17,081	493,809	-	15,204,695
Capital grants and contributions	1,457,015	417,716	-	-	1,874,731
Total program revenues	<u>16,150,820</u>	<u>434,797</u>	<u>537,608</u>	<u>13,809</u>	<u>17,137,034</u>
Net (expense) revenue	<u>7,348,796</u>	<u>(118,280)</u>	<u>(71,414)</u>	<u>(81,116)</u>	<u>7,077,986</u>
General revenues					
Grants and contributions not restricted					
Interest revenue	154,254	170	28,466	38,900	221,790
Gain on sale of capital assets	66,321	-	-	-	66,321
Total general revenues	<u>220,575</u>	<u>170</u>	<u>28,466</u>	<u>38,900</u>	<u>288,111</u>
Change in net assets	7,569,371	(118,110)	(42,948)	(42,216)	7,366,097
Net assets, beginning of year, as restated	<u>14,053,522</u>	<u>1,951,628</u>	<u>22,201</u>	<u>1,568,325</u>	<u>17,595,676</u>
Net assets, end of year	<u>\$ 21,622,893</u>	<u>\$ 1,833,518</u>	<u>\$ (20,747)</u>	<u>\$ 1,526,109</u>	<u>\$ 24,961,773</u>

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

NOTES to FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN

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For the Year Ended December 31, 2004

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COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Berrien, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of approximately 585 square miles in southwest lower Michigan. The County operates under a 13-member elected Board of Commissioners and an appointed County Administrator.

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

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be 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.

Blended Component Unit:

The Berrien County Building Authority (the “Building Authority”) is governed by a five-member Board appointed by the Berrien County Board of Commissioners. Although legally separate from the County, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County’s public buildings. The financial statements of the Building Authority funds have been consolidated with the County’s related Debt Service Funds and Capital Projects Funds.

Discretely Presented Component Units:

The Berrien County Road Commission (the “Road Commission”), established pursuant to State statutes, is governed by a three-member board appointed by the County. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy as well as reported in the Road Commission. The Road Commission has a September 30 year end.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

The Berrien County Drain Commission (the “Drain Commission”) oversees all drainage districts established pursuant to the Michigan Drain Code of 1956, which 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 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 is disclosed as a component unit, accordingly. The Drain Commission has a December 31 year end.

The Berrien County Brownfield Redevelopment Authority was created pursuant to the provisions of Public Act 381 of 1996, in order to revitalize environmentally distressed Brownfield redevelopment areas. Its five-member Board is appointed by the Berrien County Board of Commissioners. The Authority’s budget must be approved by the Berrien County Board of Commissioners. The Authority has a December 31 year end.

The Berrien County Economic Development Corporation (the “EDC”), organized pursuant to State statutes, was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving or expanding within the County so as to provide needed services and facilities to the residents of the County. The governing body of the EDC is appointed by the County, and the EDC is financially accountable to the County, as defined by GASB Statement No. 14, and is disclosed as a component unit, accordingly. The EDC has a December 31 year end.

Complete financial statements for the Road Commission may be obtained at the entity’s administrative offices. The Drain Commission, Brownfield Redevelopment Authority and Economic Development Corporation do not issue separate financial statements.

Berrien County Road Commission

2860 E. Napier Avenue

Benton Harbor, Michigan 49023

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

B. Government-wide and fund financial statements

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

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

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

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

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

COUNTY OF BERRIEN, MICHIGAN

Notes to the 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, or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

The *building authority capital projects fund* accounts for the construction or purchase of major capital facilities.

The County reports the following major proprietary funds:

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

The *Royalton Township Water System No. 25 enterprise fund* accounts for monies received under capital leases with a local governmental unit for the construction of, and subsequent debt retirement for, a water distribution system.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Additionally, the County reports the following fund types:

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

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

Capital projects funds account for the construction or purchase of major capital facilities.

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 to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis, such as the County's self-insurance programs.

The *pension trust fund* is accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the County's defined benefit pension plan.

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 modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

government's internal service fund 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

State statutes authorizes the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

2. Receivables and payables

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

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

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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

3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) 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.

4. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 \$10,000 and an estimated useful life in excess of two years. 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 and Drain Commission component unit are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Public domain infrastructure	35
System infrastructure	35
Vehicles	3-20
Equipment	5-10

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Capital assets in the Road Commission discretely presented component unit are depreciated as follows:

	<u>Methods</u>	<u>Useful Lives- Years</u>
Buildings	Straight-line	40
Salt storage bins	Units of production	Various
Road equipment	Sum of years-digits	5-8
Other equipment	Straight-line	10-20
Infrastructure	Straight-line	25

5. *Compensated absences*

Eligible employees are permitted to accumulate earned but unused vacation benefits in varying amounts based on length of service and certain other established criteria. Amounts not expected to be liquidated with expendable available financial resources are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or retirements.

6. *Long-term obligations*

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

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

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

7. *Fund equity*

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. **Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and certain special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the functional level. Management may make transfers of appropriations within functions. Transfers of appropriations between functions require the approval of the Board. The Board made several supplemental budgetary appropriations throughout the year which were not considered material.

The annual budgeting process begins in July of each year. Department heads submit budget requests/recommendations to the responsible parent committee (i.e., Finance, Personnel, Administration) for approval. Once approved, the Department heads are required to hold a budget hearing with the Finance Committee by the second Tuesday in September. The County Administrator tabulates a budget overview, including recommendations, for the Finance Committee to adjust and approve a final budget. Following truth-in-taxation hearings, the final budget is submitted to the Board of Commissioners for adoption. The Board has until December 31 to adopt the budget, although it normally targets October for the General Fund and mid-December for the special revenue funds.

B. **Excess of expenditures over appropriations**

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the County were adopted on a functional level basis, which is the legal level of control.

During the year ended December 31, 2004, the County did not incur any expenditures in excess of the amounts appropriated.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

C. Unbudgeted funds

The County failed to adopt budgets for certain special revenue funds, as required by State law. The following special revenue funds are reported as a major fund or in combining and individual fund financial statements and schedules as unbudgeted:

Major special revenue fund:

Revenue Sharing Reserve

Nonmajor special revenue funds:

Library

Child Care Social Services

Veteran's Trust

Social Services

Soldiers and Sailors Relief

Board of Public Works

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

A reconciliation of cash and investments as shown in the basic financial statements is as follows:

Cash on hand	\$ 18,090
Carrying amount of deposits	15,091,037
Carrying amount of investments	<u>170,604,487</u>
	<u>\$185,713,614</u>

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 37,178,018	\$ 6,161,574	\$ 33,035,843	\$ 76,375,435
Restricted cash	269,823	282,666	-	552,489
Investments	<u>17,212,127</u>	<u>-</u>	<u>91,573,563</u>	<u>108,785,690</u>
	<u>\$ 54,659,968</u>	<u>\$ 6,444,240</u>	<u>\$ 124,609,406</u>	<u>\$ 185,713,614</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Restricted cash consists of the County's deposits with MMRMA. See Note IV.A for additional information.

At year end, the carrying amount of the County's deposits was \$15,091,037. The combined bank balance of these deposits was \$15,899,080, of which \$442,450 was covered by F.D.I.C. insurance. The remaining balance of \$15,456,630 was uninsured and uncollateralized. Since the bank deposits of the primary government and discretely presented component units are pooled, separate risk categorizations or identification of FDIC coverage is not possible.

Investments are categorized for purposes of credit risk as either (1) insured or registered, or securities held by the government or its agent in the government's name, (2) uninsured or unregistered, with securities held by the counterparty's trust department or agent in the government's name, or (3) uninsured or unregistered, with securities held by the counterparty, or by its trust department or agent but not in the government's name.

The governmental mutual cash management funds in the County's pooled cash and investments at year end were all uncategorized as to risk.

At year end, the County's investment balances were as follows:

	Category				Carrying Amount (Fair Value)
	1	2	3	Uncategorized	
U.S. government securities	\$ -	\$ -	\$ 27,975,288	\$ -	\$ 27,975,288
U.S. government repurchase agreements	-	-	11,837,996	-	11,837,996
Corporate bonds	-	-	23,467,934	-	23,467,934
Corporate stocks	-	-	55,470,783	-	55,470,783
Total risk – categorized investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,752,001</u>	-	118,752,001
Mutual and cash management funds (uncategorized as to risk)				51,852,486	51,852,486
Total				<u>\$ 170,604,487</u>	<u>\$ 170,604,487</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

B. Receivables

Receivables in the governmental activities are as follows:

Taxes (current)	\$ 28,384,620
Taxes (delinquent)	152,103
Due from other governments	1,725,829
Advances to component units (long-term)	<u>3,045,000</u>
	<u>\$ 33,307,552</u>

Receivables in the business-type activities are as follows:

Taxes (delinquent)	\$ 3,205,227
Interest	464,997
Leases, current portion	1,159,046
Leases, long-term portion	<u>7,374,425</u>
	<u>\$ 12,203,695</u>

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. Governmental funds also 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 and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 129,660	\$ 16,140,000
Property taxes receivable (other governmental funds)	22,443	4,174,620
Grant drawdowns prior to meeting all eligibility requirements	<u>-</u>	<u>153,816</u>
	<u>\$ 152,103</u>	<u>\$ 20,468,436</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

C. Capital assets

Capital assets activity for the year ended December 31, 2004 was as follows:

Primary government

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,501,572	\$ -	\$ -	\$ 4,501,572
Capital assets, being depreciated:				
Land improvements	1,502,231	-	-	1,502,231
Buildings	28,600,576	744,315	-	29,344,891
Equipment	6,649,552	153,578	-	6,803,130
Total capital assets being depreciated	36,752,359	897,893	-	37,650,252
Less accumulated depreciation for:				
Land improvements	(987,139)	(45,278)	-	(1,032,417)
Buildings	(11,687,156)	(621,500)	-	(12,308,656)
Equipment	(3,190,556)	(635,891)	-	(3,826,447)
Total accumulated depreciation	(15,864,851)	(1,302,669)	-	(17,167,520)
Total capital assets being depreciated, net	20,887,508	(404,776)	-	20,482,732
Capital assets, net	\$ 25,389,080	\$ (404,776)	\$ -	\$ 24,984,304
Business-type Activities				
Capital assets, being depreciated:				
Equipment	\$ 474,814	\$ -	\$ -	\$ 474,814
Less accumulated depreciation for:				
Equipment	(384,251)	(34,425)	-	(418,676)
Capital assets, net	\$ 90,563	\$ (34,425)	\$ -	\$ 56,138

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Component units

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Road Commission				
Capital assets, not being depreciated:				
Land	\$ 2,811,235	\$ 1,394,613	\$ -	\$ 4,205,848
Capital assets, being depreciated:				
Buildings	1,999,680	62,017	-	2,061,697
Equipment	10,350,073	823,787	(365,366)	10,808,494
Infrastructure	6,877,864	5,860,523	-	12,738,387
Total capital assets being depreciated	19,227,617	6,746,327	(365,366)	25,608,578
Less accumulated depreciation for:				
Buildings	(1,338,493)	(61,595)	-	(1,400,088)
Equipment	(8,031,872)	(934,720)	339,256	(8,627,336)
Infrastructure	(170,642)	(533,008)	-	(703,650)
Total accumulated depreciation	(9,541,007)	(1,529,323)	339,256	(10,731,074)
Total capital assets being depreciated, net	9,686,610	5,217,004	(26,110)	14,877,504
Capital assets, net	\$ 12,497,845	\$ 6,611,617	\$ (26,110)	\$ 19,083,352
Component Unit - Drain Commission				
Capital assets, being depreciated:				
Land improvements	\$ 12,500	\$ -	\$ -	\$ 12,500
Equipment	233,279	-	-	233,279
Infrastructure	2,002,105	-	-	2,002,105
Total capital assets being depreciated	2,247,884	-	-	2,247,884
Less accumulated depreciation for:				
Land improvements	(10,938)	(625)	-	(11,563)
Equipment	(124,626)	(21,636)	-	(146,262)
Infrastructure	(769,075)	(80,083)	-	(849,158)
Total accumulated depreciation	(904,639)	(102,344)	-	(1,006,983)
Capital assets, net	\$ 1,343,245	\$ (102,344)	\$ -	\$ 1,240,901

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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

Governmental activities:

Judicial	\$ 191,502
General government	377,927
Public safety	288,965
Health and welfare	53,750
Recreation and cultural	98,806
Community development	8,000
Other governmental activities	<u>283,719</u>

Total depreciation expense – governmental activities **\$ 1,302,669**

Business-type activities:

Public works	<u>\$ 34,425</u>
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GASB Statement No. 34 requires the Road Commission to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Road Commission. Neither their historical cost nor their related depreciation has been historically reported in the financial statements.

The retroactive reporting of infrastructure constructed in previous years is subject to an extended implementation period and is first effective for the Road Commission's 2007 fiscal year. The Road Commission has elected to implement the retroactive provisions for infrastructure assets in a fiscal year ending no later than September 30, 2007.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

D. Accounts payable

Accounts payable and accrued liabilities in the government-wide financial statements are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts payable	\$ 1,166,885	\$ 9,746
Accrued liabilities	4,388,714	952
Due to other governments	-	221,246
Advances from other governments	170,000	-
Undistributed receipts	343	-
Accrued interest on long-term debt	<u>110,967</u>	<u>-</u>
Total	<u>\$ 5,836,909</u>	<u>\$ 231,944</u>

E. Interfund receivables, payables and transfers

The composition of interfund balances as of December 31, 2004 are as follows:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Revenue Sharing Reserve</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ 1,156,511	\$ 2,551	\$ 1,159,062
Non-major governmental funds	<u>3,305</u>	<u>-</u>	<u>208</u>	<u>3,513</u>
Total	<u>\$ 3,305</u>	<u>\$ 1,156,511</u>	<u>\$ 2,759</u>	<u>\$ 1,162,575</u>

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

The general fund has made long-term advances to the Drain Commission and Economic Development Corporation component units in the amounts of \$245,000 and \$2,800,000, respectively. \$1,800,000 was advanced by the Delinquent Tax Revolving Fund to the general fund to provide sufficient resources for these advances.

In addition, certain nonmajor governmental funds with negative balances in the County's pooled cash accounts reported an interfund payable, which is equal to the interfund receivable of \$652,739 reported in the Delinquent Tax Revolving Fund.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

For the year ended December 31, 2004, interfund transfers consisted of the following:

	In	Out
General Fund	\$ 1,495,183	\$ 6,694,442
Revenue Sharing Reserve Fund	-	1,156,511
Non-major governmental funds	8,011,356	2,155,586
Delinquent Tax Revolving Fund	334,000	260,000
Nonmajor enterprise fund	260,000	334,000
Internal service funds	500,000	-
	<u>\$ 10,600,539</u>	<u>\$ 10,600,539</u>

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

F. Long-term debt

Primary government

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds, which had an original issuance amount of \$27,440,000, currently outstanding are as follows:

Governmental Activities

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
		\$575,000 -	3.00% -	
2002 Berrien County Building Authority	2015	\$900,000	4.65%	<u>\$ 8,300,000</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

Year Ended	December 31,	Principal	Interest	Total		
2005	\$	625,000	\$	332,900	\$	957,900
2006		625,000		311,337		936,337
2007		675,000		289,462		964,462
2008		675,000		265,838		940,838
2009		725,000		241,200		966,200
2010-2014		4,075,000		744,838		4,819,838
2015		900,000		40,950		940,950
Total	\$	8,300,000	\$	2,226,525	\$	10,526,525

Business-type Activities

	Due	Installments	Interest Rate	Amount
1982 Baroda Township Water System No. 14	2007	\$20,000 -	8.75% -	\$ 70,000
		\$25,000	9.00%	
1995 Royalton Township Water System No. 20	2014	\$50,000 -	5.10% -	695,000
		\$95,000	6.00%	
1998 Royalton Township Water System No. 23	2018	\$75,000 -	4.30% -	1,445,000
		\$145,000	4.75%	
1996 Buchanan Township Sewer System No. 23 and Water System No. 21	2015	\$35,000 -	5.15% -	400,000
		\$50,000	5.80%	
1989 City of Watervliet Sewer System No. 22	2009	\$20,000 -	7.15% -	150,000
		\$35,000	7.30%	
1993 Village of Baroda Sewer System No. 18 Refunding Bonds	2016	\$30,000 -	5.50% -	235,000
		\$65,000	6.50%	
1994 Royalton Township Sewer System No. 20 Refunding Bonds	2006	\$415,000 -	4.30% -	915,000
		\$500,000	4.90%	
1998 City of Benton Harbor Water System No. 17 Refunding Bonds	2008	\$140,000 -	4.30% -	685,000
		\$185,000	4.38%	
1999 Coloma Township Sewer System No. 24	2019	\$50,000 -	5.00% -	1,320,000
		\$125,000	5.70%	
2001 Village of Berrien Springs/Oronoko Township Water/Sewer System No. 26	2020	\$15,000 -	4.60% -	370,000
		\$35,000	5.65%	
2003 Royalton Township Water System No. 25	2023	\$25,000 -	2.00% -	2,575,000
		\$200,000	4.45%	
Total business-type activities				\$ 8,860,000

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

Year Ended December 31,	Principal	Interest	Total
2005	\$ 1,025,000	\$ 398,133	\$ 1,423,133
2006	985,000	350,234	1,335,234
2007	625,000	311,950	936,950
2008	625,000	282,906	907,906
2009	480,000	256,637	736,637
2010-2014	2,255,000	946,736	3,201,736
2015-2019	2,055,000	416,050	2,471,050
2020-2022	810,000	70,714	880,714
Total	\$ 8,860,000	\$ 3,033,360	\$ 11,893,360

General obligation notes. During the year, the government issued \$317,000 in notes payable for the Village of Berrien Springs/Rose Hill Lift Station Replacement Project Notes No 25. The notes, which bear interest at a rate of 1.84%-2.95%, are due in 2005.

Delinquent tax notes. The government issues delinquent tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the proprietary funds (i.e., Delinquent Tax Revolving Internal Service Fund) as they are expected to be repaid from proprietary fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed three years. Delinquent tax notes outstanding at December 31, 2004, are as follows:

<u>Series</u>	<u>Amount</u>
2005 - \$8,140,000 G.O. Limited Tax Notes payable, 1.35%, dated April 30, 2004	<u>\$ 2,331,000</u>

Leases payable. The Drain Working Capital Enterprise Fund has one outstanding capital lease. The current principal balance of \$55,914 is payable in annual installments with interest at 5.75%, maturing July 2006.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for this lease are as follows:

Year Ended December 31,	Principal	Interest	Total
2005	\$ 27,107	\$ 3,207	\$ 30,314
2006	28,807	1,648	30,455
Total	\$ 55,914	\$ 4,855	\$ 60,769

Road Commission component unit

Michigan Department of Transportation bonds. The Road Commission borrows from the Michigan Transportation Bond Fund to finance various capital projects.

	<u>Due</u>	<u>Interest Rate</u>	<u>Amount</u>
1998 Michigan Department of Transportation Bonds	2008	4.00%	\$ 500,000
2000 Michigan Department of Transportation Bonds	2010	4.50% - 4.75%	<u>2,540,000</u>

Total component unit - Road Commission **\$ 3,040,000**

Notes payable. The Road Commission also issues notes payable to local townships, and enters into equipment purchase agreements. Such notes are repayable at varying interest rates through 2014, and amounted to \$699,933 at December 31, 2004.

Leases payable. The Road Commission has one outstanding machinery and equipment capital lease. The current principal balance of \$119,240 is payable in annual installments, with interest at 3.49%, maturing 2006.

Annual debt service requirements to maturity for Michigan Department of Transportation bonds, notes payable and leases, are as follows:

Year Ended December 31,	Principal	Interest	Total
2005	\$ 583,598	\$ 134,662	\$ 718,260
2006	665,775	112,992	778,767
2007	625,000	90,038	715,038
2008	525,000	69,025	594,025
2009	400,000	47,838	447,838
2010-2014	<u>1,059,800</u>	<u>40,750</u>	<u>1,100,550</u>
Total	\$ 3,859,173	\$ 495,305	\$ 4,354,478

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Drain Commission component unit

Special assessment bonds. The Drain Commission is authorized by State statutes to issue special assessment bonds for the construction or major maintenance of drainage districts. Such bonds are repaid from special assessments paid by local property owners.

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
1999 Sawyer Village Drainage District Bonds	2009	\$30,000 - \$35,000	4.50%	\$ 160,000
2002 Hollywood Road Detention Drainage District Bonds	2022	\$15,000 - \$20,000	4.13% - 5.00%	360,000
Total component unit - Drain Commission				<u>\$ 520,000</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>December 31,</u>			
2005	\$ 50,000	\$ 22,568	\$ 72,568
2006	50,000	20,423	70,423
2007	50,000	18,277	68,277
2008	55,000	16,132	71,132
2009	55,000	13,760	68,760
2010-2014	100,000	48,490	148,490
2015-2019	100,000	26,600	126,600
2020-2024	60,000	4,490	64,490
Total	<u>\$ 520,000</u>	<u>\$ 170,740</u>	<u>\$ 690,740</u>

Drain notes. The Drain Commission issues drain notes payable to finance various drain capital projects. Interest rates vary from 2.41% to 6.67%, with repayment based on actual collections of special assessments, which are subject to collection over a period of 3 to 10 years. Drain notes outstanding at December 31, 2004, amounted to \$597,381.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Changes in long-term debt.

Long-term debt liability activity for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 8,900,000	\$ -	\$ 600,000	\$ 8,300,000	\$ 625,000
Compensated absences	1,776,797	1,690,707	1,627,090	1,840,414	1,690,000
	<u>\$ 10,676,797</u>	<u>\$ 1,690,707</u>	<u>\$ 2,227,090</u>	<u>\$ 10,140,414</u>	<u>\$ 2,315,000</u>
<u>Business-type activities</u>					
General obligation bonds	\$ 8,755,000	\$ 2,600,000	\$ 2,495,000	\$ 8,860,000	\$ 1,025,000
General obligation notes payable	100,000	317,000	100,000	317,000	317,000
Delinquent tax notes payable	2,475,000	8,140,000	8,284,000	2,331,000	2,331,000
Capital leases payable	81,491	-	25,577	55,914	27,107
	<u>\$ 11,411,491</u>	<u>\$ 11,057,000</u>	<u>\$ 10,904,577</u>	<u>\$ 11,563,914</u>	<u>\$ 3,700,107</u>
<u>Road Commission component unit</u>					
General obligation bonds	\$ 3,415,000	\$ -	\$ 375,000	\$ 3,040,000	\$ 425,000
General obligation notes payable	649,933	200,000	150,000	699,933	100,000
General obligation lease payable	87,540	182,000	150,300	119,240	58,598
Compensated absences	88,140	90,217	88,140	90,217	90,217
	<u>\$ 4,240,613</u>	<u>\$ 472,217</u>	<u>\$ 763,440</u>	<u>\$ 3,949,390</u>	<u>\$ 673,815</u>
<u>Drain Commission component unit</u>					
Special assessment bonds payable	\$ 565,000	\$ -	\$ 45,000	\$ 520,000	\$ 50,000
Drain notes payable	963,605	51,270	417,494	597,381	260,000
	<u>\$ 1,528,605</u>	<u>\$ 51,270</u>	<u>\$ 462,494</u>	<u>\$ 1,117,381</u>	<u>\$ 310,000</u>

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

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

IV. OTHER INFORMATION

A. Risk management / self-insurance programs

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. On risks which are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the Property/Liability Insurance Fund) using premiums paid into it by other funds of the government. 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.

Accordingly, the government records a restricted asset for its portion of the unexpended member retention fund. At December 31, 2004, the balance of the County's member retention fund was \$269,823.

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General and automobile liability	\$200,000 specific occurrence
Motor vehicle physical damage	County assumes all risk
Property damage and crime	\$1,000 per occurrence plus 10% of the next \$100,000

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Changes in the balances of claims liabilities during the past two years, including provision for incurred but not reported (IBNR) claims, which are recorded in the Property/Liability Insurance internal service fund, are as follows:

	<u>2004</u>	<u>2003</u>
Unpaid claims, beginning of year	\$ 543,879	\$ 212,773
Incurred claims (including change in IBNR provision)	942,168	345,370
Claim payments	<u>(104,899)</u>	<u>(14,264)</u>
Unpaid claims, end of year	<u>\$1,381,148</u>	<u>\$ 543,879</u>

Health insurance. The County is self-insured for its employee health insurance. The plan is accounted for in the Health Care Insurance internal service fund. The self-insured program is administered by a third-party administrator who provides claims review and processing services as well as illustrated premium rates, which are anticipated, over time, to approximate the actual cost of benefits. Premiums for the self-insured program are paid into the internal service fund by all other funds based on actual or illustrated rates. These premiums are available to pay claims and administrative costs.

Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2004</u>	<u>2003</u>
Unpaid claims, beginning of year	\$1,710,959	\$1,370,612
Incurred claims (including IBNR's)	6,547,189	6,843,836
Claim payments	<u>(6,517,134)</u>	<u>(6,503,489)</u>
Unpaid claims, end of year	<u>\$1,741,014</u>	<u>\$1,710,959</u>

Unemployment. The County is self-insured for unemployment benefits, which is accounted for in the Unemployment Insurance internal service fund. The reserve for unemployment benefits is determined by management based on prior experience. Unemployment benefits are expensed when paid:

	<u>2004</u>	<u>2003</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	22,745	23,030
Claim payments	<u>(22,745)</u>	<u>(23,030)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Workers' compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in the Workers' Compensation Insurance internal service fund. The program is administered by a third-party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$300,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2004</u>	<u>2003</u>
Unpaid claims, beginning of year	\$ 390,410	\$ 241,156
Incurred claims (including IBNR's)	615,076	396,253
Claim payments	<u>(256,437)</u>	<u>(246,999)</u>
Unpaid claims, end of year	<u>\$ 749,049</u>	<u>\$ 390,410</u>

Board errors and omissions. The County is also self-insured for Board errors and omissions, which is accounted for in the Property/Liability Insurance internal service fund. No estimated claims liability were outstanding at December 31, 2004 and 2003, nor were the amount of claims paid or incurred during 2004 and 2003 of any consequence.

Road Commission. The Road Commission 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. The Road Commission has purchased commercial insurance for medical benefit claims and participates in the Michigan County Road Commission self-insurance pool for workers' compensation and property liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan County Road Commission self-insurance pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

B. Property taxes

Public Act 357 of 2004 provides a funding mechanism to serve as a substitute to County revenue sharing payments. This substitute funding mechanism involves a gradual shift of County property tax millage from a winter tax levy to a summer tax levy and additionally, required the establishment of a restricted fund known as the Revenue Sharing Reserve Fund.

Through 2004, the County property tax was levied each December 1 on the assessed valuation of property located in the County as of the preceding December 31. On December 1, the property tax assessment was an enforceable lien on property and is payable by the last day of the following February. Assessed values are established annually by the County and are equalized by the State of Michigan at an estimated 50% of current market value.

The assessed and taxable value of real and personal property for the 2003 levy, for which revenue was recognized in 2004, was \$4,797,662,763. The general operating tax rate for this levy was 4.8381 mills with an additional 0.2467 mills, 0.3454 mills, and 0.2467 mills assessed for 911 emergency services, public safety operations, and senior center operations, respectively.

C. Pension and post-employment health insurance benefit plan

The County has a single-employer defined benefit contributory pension plan, the Berrien County Employees Amended Retirement Plan (the "Plan"), which provides retirement, death and disability benefits covering substantially all of its employees, including Road Commission employees. The Plan also provides 50% post-employment health insurance benefits to certain retirees and their beneficiaries, which are advance-funded on an actuarially determined basis. Membership of the Plan consisted of the following at December 31, 2004, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	451
Terminated plan members entitled to but not yet receiving benefits	50
Active plan members	<u>933</u>
	<u>1,434</u>

Eligible members are required to contribute 4.0 to 8.0% of their annual compensation to the Plan with the County contributing such additional amounts, as necessary, to provide assets sufficient to pay for member benefits. The County's contribution to the Plan for the year ended December 31, 2004, represents 6.02% of the annual covered payroll.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

The County is the administrator of the Plan. Administrative costs of the Plan are financed through investment earnings. The Plan is included as a pension trust fund in the County's financial statements; a stand-alone financial report of the Plan has not been issued.

Plan amendments are under the authority of the County Board of Commissioners. Changes in required contributions are subject to the approval of the County Board of Commissioners.

The Plan's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which they are due. The County's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments are reported at fair value which is determined using selected bases as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments that do not have established fair values are reported at estimated fair value; and cash deposits are reported at carrying amounts which reasonably approximates fair value.

The Plan's annual retirement benefits cost and net retirement benefits obligation for the current year were as follows:

Annual required contribution / retirement benefit cost	\$750,207
Contribution made	<u>750,207</u>
Decrease in net retirement benefit obligation	-
Net retirement benefit obligation, beginning of year	<u>-</u>
Net retirement benefit obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of an actuarial valuation of the Plan as of December 31, 2002, using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on investments of 8.5%; (b) projected salary increases of 4.5% attributable to inflation; (c) additional projected salary increases ranging from 4.5% to 8.5%, depending on age, attributable to seniority/merit; (d) projected pension benefit increases of 3.0% annually after retirement through January 1, 2005; and (e) projected annual health care cost increases of 4.5% attributable to inflation.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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 20 years on an open basis.

Three-Year Trend Information – Pension Only

<u>Year Ending</u>	<u>Annual Pension Benefit Cost (APBC)</u>	<u>Percentage of APBC Contributed</u>	<u>Net Pension Benefit Obligation</u>
12/31/2002	\$ 506,736	100%	\$ -
12/31/2003	367,270	100	-
12/31/2004	750,207	100	-

GASB Statement 25 required supplemental information is presented after the Notes to Financial Statements section of this report.

D. Restatements

Beginning net assets of governmental activities were decreased by \$ 8,057,887 and beginning net assets of the Drain Commission component unit were increased by \$43,245 in connection with errors identified in the 2003 capital asset inventory. The restatements were made to correct beginning capital assets, net of accumulated depreciation.

E. Commitments

The County has entered into various construction commitments, which were still outstanding at December 31. Total construction commitments amounted to \$2,075,705 at year end, and will be financed through various special revenue and capital projects funds in 2005.

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BERRIEN, MICHIGAN
Employees Amended Retirement Plan
Required Supplementary Information

Schedule of Funding Progress (Pension Only)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Overfunded AAL (OAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	OAAL as a Percent of Covered Payroll
12/31/1995	\$ 63,430,134	\$ 54,195,791	\$ 9,234,343	117.0%	\$ 26,705,374	34.6%
12/31/1996	70,426,396	59,354,271	11,072,125	118.7%	28,412,254	39.0%
12/31/1997	78,479,873	62,984,455	15,495,418	124.6%	29,087,561	53.3%
12/31/1998	86,424,636	67,104,485	19,320,151	128.8%	29,660,480	65.1%
12/31/1999	96,214,069	75,070,457	21,143,612	128.2%	30,287,916	69.8%
12/31/2000	104,038,742	81,118,784	22,919,958	128.3%	30,730,953	74.6%
12/31/2001	110,985,081	86,849,872	24,135,209	127.8%	32,379,176	74.5%
12/31/2002	113,221,069	94,923,712	18,297,357	119.3%	33,784,511	54.2%
12/31/2003	116,367,944	102,889,093	13,478,851	113.1%	34,086,204	39.5%
12/31/2004	118,472,101	111,946,007	6,526,094	105.8%	37,049,384	17.6%

Schedule of Employer Contributions (Pension Only)

Year Ended December 31	Annual Required Contributions	Percentage Contributed
1995	\$ 949,863	100%
1996	911,089	100%
1997	816,942	100%
1998	768,364	100%
1999	557,894	100%
2000	419,282	100%
2001	430,135	100%
2002	506,736	100%
2003	367,270	100%
2004	750,207	100%

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

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 13,740,835	\$ 260	\$ 67,916	\$ 13,809,011
Investments	702,213	-	-	702,213
Receivables:				
Taxes receivable - current	4,174,620	-	-	4,174,620
Taxes receivable - delinquent	22,443	-	-	22,443
Due from other governments	1,665,918	-	-	1,665,918
Due from other funds	3,513	-	-	3,513
	\$ 20,309,542	\$ 260	\$ 67,916	\$ 20,377,718
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable	\$ 721,598	\$ -	\$ -	\$ 721,598
Accrued and other liabilities	172,263	-	-	172,263
Due to other funds	2,759	-	-	2,759
Interfund payable	652,739	-	-	652,739
Advances from other governments	170,000	-	-	170,000
Undistributed receipts	343	-	-	343
Deferred revenue	4,334,797	-	-	4,334,797
	6,054,499	-	-	6,054,499
Total liabilities				
Fund balance				
Unreserved:				
Designated for subsequent years' expenditures	3,268,307	-	-	3,268,307
Undesignated	10,986,736	260	67,916	11,054,912
	14,255,043	260	67,916	14,323,219
Total fund balance				
	\$ 20,309,542	\$ 260	\$ 67,916	\$ 20,377,718

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ 4,101,796	\$ -	\$ -	\$ 4,101,796
Licenses and permits	298,556	-	-	298,556
Intergovernmental revenue	13,447,122	951,175	-	14,398,297
Charges for services	4,206,619	-	-	4,206,619
Fines and forfeitures	103,610	-	-	103,610
Interest revenue	70,813	1	484	71,298
Other revenue and reimbursements	728,776	-	16,357	745,133
Total revenue	22,957,292	951,176	16,841	23,925,309
Expenditures				
Current expenditures:				
Judicial	3,372,869	-	-	3,372,869
General government	226,243	-	-	226,243
Public safety	4,965,097	-	-	4,965,097
Public works	-	-	34,017	34,017
Health and welfare	13,607,827	-	-	13,607,827
Recreation and cultural	2,105,551	-	-	2,105,551
Community development	268,771	-	-	268,771
Other governmental activities	4,362,967	-	-	4,362,967
Debt service:				
Principal	-	600,000	-	600,000
Interest and fiscal charges	-	351,175	-	351,175
Total expenditures	28,909,325	951,175	34,017	29,894,517
Revenue over (under) expenditures	(5,952,033)	1	(17,176)	(5,969,208)
Other financing sources (uses)				
Transfers in	8,011,356	-	-	8,011,356
Transfers (out)	(2,061,219)	-	(94,367)	(2,155,586)
Total other financing sources (uses)	5,950,137	-	(94,367)	5,855,770
Net changes in fund balances	(1,896)	1	(111,543)	(113,438)
Fund balance, beginning of year	14,256,939	259	179,459	14,436,657
Fund balance, end of year	\$ 14,255,043	\$ 260	\$ 67,916	\$ 14,323,219

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Public Safety Cigarette Tax 205.00	Parks and Recreation 208.00	Berrien Community Foundation 213.00
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 206,485	\$ 78,824	\$ 977
Investments	-	-	-
Taxes receivable - current	-	-	-
Taxes receivable - delinquent	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
<u>TOTAL ASSETS</u>	\$ 206,485	\$ 78,824	\$ 977
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ -	\$ 2,222	\$ -
Accrued liabilities	-	7,916	-
Due to other funds	-	-	-
Interfund payable	-	-	-
Advances from other governments	-	-	-
Undistributed receipts	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	10,138	-
Fund balances			
Unreserved:			
Designated for subsequent year expenditures	96,825	25,953	-
Undesignated	109,660	42,733	977
Total fund balances	206,485	68,686	977
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 206,485	\$ 78,824	\$ 977

Generous Juror Program 214.00	Friend of the Court 215.00	Family Counseling Services 216.00	Health Department 221.00	Drug Court Drug Treatment 221.01	Health Department Grants 221.xx	Berrien County Landfill Use 227.00	Public Maintenance & Improvement 245.00
\$ 237	\$ -	\$ 100,399	\$ 1,124,138	\$ 36,019	\$ 577,464	\$ 5,156,297	\$ 2,015,897
-	-	-	-	-	-	-	702,213
-	-	-	-	-	-	-	-
-	629,455	-	-	-	114,257	-	-
-	-	-	-	-	-	-	-
\$ 237	\$ 629,455	\$ 100,399	\$ 1,124,138	\$ 36,019	\$ 691,721	\$ 5,156,297	\$ 2,718,110
\$ -	\$ 7,971	\$ 248	\$ 52,144	\$ 5,621	\$ 25,207	\$ 5,597	\$ 49,388
-	26,996	-	32,833	1,295	35,834	-	-
-	-	-	-	-	-	-	-
-	466,472	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	87,474	-	-
-	501,439	248	84,977	6,916	148,515	5,597	49,388
-	-	33,676	190,390	-	164,949	267,770	2,342,756
237	128,016	66,475	848,771	29,103	378,257	4,882,930	325,966
237	128,016	100,151	1,039,161	29,103	543,206	5,150,700	2,668,722
\$ 237	\$ 629,455	\$ 100,399	\$ 1,124,138	\$ 36,019	\$ 691,721	\$ 5,156,297	\$ 2,718,110

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COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
December 31, 2004

	Register of Deeds Automation 256.00	Drug Enforcement Public Safety 264.00	Law Enforcement Funds [various #s]
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 250,604	\$ 103,985	\$ 1,182,652
Investments	-	-	-
Taxes receivable - current	-	1,688,848	-
Taxes receivable - delinquent	-	9,243	-
Due from other governments	-	-	202,993
Due from other funds	-	-	3,164
<u>TOTAL ASSETS</u>	\$ 250,604	\$ 1,802,076	\$ 1,388,809
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 96,979	\$ -	\$ 52,874
Accrued liabilities	-	-	19,895
Due to other funds	-	-	5
Interfund payable	-	-	-
Advances from other governments	-	-	-
Undistributed receipts	-	-	-
Deferred revenue	-	1,698,091	21,209
Total liabilities	96,979	1,698,091	93,983
Fund balances			
Unreserved:			
Designated for subsequent year expenditures	-	-	5,249
Undesignated	153,625	103,985	1,289,577
Total fund balances	153,625	103,985	1,294,826
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 250,604	\$ 1,802,076	\$ 1,388,809

Prosecutor's Welfare Fraud Grant 266.02	Prosecutor's Grant Victim Witness 266.04	911 County Operational Fund 266.09	Drug Court Program 267.00	County Law Library 269.00	Senior Citizen 270.00	Library 271.00	Title IV-D Medical Support [various #s]
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\$ -	\$ -	\$ 1,702,757	\$ 8,175	\$ 26,417	\$ 5,578	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	1,206,390	-	-	1,279,382	-	-
-	-	6,600	-	-	6,600	-	-
69,547	43,209	-	-	-	-	-	25,614
-	-	-	-	-	-	-	147

\$ 69,547	\$ 43,209	\$ 2,915,747	\$ 8,175	\$ 26,417	\$ 1,291,560	\$ -	\$ 25,761
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\$ 411	\$ -	\$ 165,306	\$ 892	\$ 2,157	\$ -	\$ -	\$ -
4,085	2,732	6,932	1,785	-	-	-	1,172
-	-	-	-	-	-	-	-
65,051	40,477	-	-	-	-	-	24,589
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,212,990	-	-	1,285,982	-	-

69,547	43,209	1,385,228	2,677	2,157	1,285,982	-	25,761
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-	-	130,039	-	-	-	-	-
-	-	1,400,480	5,498	24,260	5,578	-	-

-	-	1,530,519	5,498	24,260	5,578	-	-
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\$ 69,547	\$ 43,209	\$ 2,915,747	\$ 8,175	\$ 26,417	\$ 1,291,560	\$ -	\$ 25,761
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COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
December 31, 2004

Hazardous Materials Emergency Preparedness 273.22	Michigan Housing CDBG 274.00	Federal HOME Housing 274.04

ASSETS

Assets

Cash and cash equivalents	\$ 22,037	\$ 210	\$ 10,841
Investments	-	-	-
Taxes receivable - current	-	-	-
Taxes receivable - delinquent	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-

TOTAL ASSETS

\$ 22,037	\$ 210	\$ 10,841

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Interfund payable	-	-	-
Advances from other governments	-	-	-
Undistributed receipts	-	-	-
Deferred revenue	21,602	-	-

Total liabilities

21,602	-	-

Fund balances

Unreserved:			
Designated for subsequent year expenditures	-	210	10,490
Undesignated	435	-	351

Total fund balances

435	210	10,841

**TOTAL LIABILITIES
AND FUND BALANCES**

\$ 22,037	\$ 210	\$ 10,841

City of Watervliet Homeowner CDBG 274.06	MSHDA 2004 Housing CDBG 274.07	Harbortown CDBG 274.08	Small Bus Program 281.00	Coastal Management Program 281.13	Clean Sweep Pest Control Grant 281.14	Project Zero Transit Grant 281.17	Capital Bus Purchase Grant 282.00
\$ 9,989	\$ -	\$ -	\$ 330,554	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
46,553	657	-	32,000	-	-	53,372	74,376
-	-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 56,542	\$ 657	\$ -	\$ 362,554	\$ -	\$ -	\$ 53,372	\$ 74,376
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 11,110	\$ -	\$ -	\$ -	\$ 74,376
-	-	-	-	-	-	-	-
2,552	-	-	-	-	-	-	-
-	657	-	-	-	-	53,372	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,552	657	-	11,110	-	-	53,372	74,376
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-	-	-
53,990	-	-	351,444	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
53,990	-	-	351,444	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 56,542	\$ 657	\$ -	\$ 362,554	\$ -	\$ -	\$ 53,372	\$ 74,376

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
December 31, 2004

	Social Services 290.00	Child Care Probate 292.00	Child Care Social Services 292.01
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 233,278	\$ 426,049	\$ 46,475
Investments	-	-	-
Taxes receivable - current	-	-	-
Taxes receivable - delinquent	-	-	-
Due from other governments	-	326,306	42,505
Due from other funds	-	-	202
	<hr/>	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	\$ 233,278	\$ 752,355	\$ 89,182
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ -	\$ 165,259	\$ -
Accrued liabilities	-	30,788	-
Due to other funds	202	-	-
Interfund payable	-	-	-
Advances from other governments	170,000	-	-
Undistributed receipts	-	343	-
Deferred revenue	-	257	-
	<hr/>	<hr/>	<hr/>
Total liabilities	170,202	196,647	-
Fund balances			
Unreserved:			
Designated for subsequent year expenditures	-	-	-
Undesignated	63,076	555,708	89,182
	<hr/>	<hr/>	<hr/>
Total fund balances	63,076	555,708	89,182
	<hr/>	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 233,278	\$ 752,355	\$ 89,182

Soldiers and Sailors Relief 293.00	Veteran's Trust 294.00	Board of Public Works 296.00	Campaign Finance Administration 297.03	Juvenile Incentive Block Grant [various #s]	4-H We Can Ride Grant 297.15	Going Home Reintegration 297.16	Animal Control Neuter / Spay Program 298.01
\$ 1,182	\$ 877	\$ 53,509	\$ 2,410	\$ -	\$ 7,192	\$ -	\$ 11,321
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,027	-	4,047	-
-	-	-	-	-	-	-	-
\$ 1,182	\$ 877	\$ 53,509	\$ 2,410	\$ 1,027	\$ 7,192	\$ 4,047	\$ 11,321
\$ -	\$ -	\$ -	\$ -	\$ 80	\$ -	\$ 2,823	\$ 500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	897	-	1,224	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	7,192	-	-
-	-	-	-	977	7,192	4,047	500
-	-	-	-	-	-	-	-
1,182	877	53,509	2,410	50	-	-	10,821
1,182	877	53,509	2,410	50	-	-	10,821
\$ 1,182	\$ 877	\$ 53,509	\$ 2,410	\$ 1,027	\$ 7,192	\$ 4,047	\$ 11,321

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet (Concluded)
Nonmajor Special Revenue Funds
December 31, 2004

	Homestead Audit Administration 620.00	Total
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 8,006	\$ 13,740,835
Investments	-	702,213
Taxes receivable - current	-	4,174,620
Taxes receivable - delinquent	-	22,443
Due from other governments	-	1,665,918
Due from other funds	-	3,513
<u>TOTAL ASSETS</u>	\$ 8,006	\$ 20,309,542
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Accounts payable	\$ 433	\$ 721,598
Accrued liabilities	-	172,263
Due to other funds	-	2,759
Interfund payable	-	652,739
Advances from other governments	-	170,000
Undistributed receipts	-	343
Deferred revenue	-	4,334,797
Total liabilities	433	6,054,499
Fund balances		
Unreserved:		
Designated for subsequent year expenditures	-	3,268,307
Undesignated	7,573	10,986,736
Total fund balances	7,573	14,255,043
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 8,006	\$ 20,309,542

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Public Safety Cigarette Tax 205.00	Parks and Recreation 208.00	Berrien Community Foundation 213.00
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	321,743	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	109,526	1,902
Total revenue	-	431,269	1,902
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	797,581	925
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	-	797,581	925
Revenue over (under) expenditures	-	(366,312)	977
Other financing sources (uses)			
Transfers in	27,468	375,000	-
Transfers (out)	(3,843)	-	-
Total other financing sources (uses)	23,625	375,000	-
Net changes in fund balances	23,625	8,688	977
Fund balances, beginning of year	182,860	59,998	-
Fund balances, end of year	\$ 206,485	\$ 68,686	\$ 977

Generous Juror Program 214.00	Friend of the Court 215.00	Family Counseling Services 216.00	Health Department 221.00	Drug Court Drug Treatment 221.01	Health Department Grants 221.xx	Berrien County Landfill Use 227.00	Public Maintenance & Improvement 245.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	18,750	279,806	-	-	-	-
-	1,887,929	-	1,364,094	-	3,553,492	-	-
-	173,181	-	169,183	69,940	337,735	1,996,403	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	44,383	22,301
237	4,271	-	182,084	-	80,288	-	4,900
237	2,065,381	18,750	1,995,167	69,940	3,971,515	2,040,786	27,201
-	2,661,180	13,172	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,014,223	219,225	4,192,091	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,930,657	619,619
-	2,661,180	13,172	3,014,223	219,225	4,192,091	1,930,657	619,619
237	(595,799)	5,578	(1,019,056)	(149,285)	(220,576)	110,129	(592,418)
-	600,815	-	972,959	128,000	303,530	-	427,000
-	-	-	-	-	-	(169,795)	-
-	600,815	-	972,959	128,000	303,530	(169,795)	427,000
237	5,016	5,578	(46,097)	(21,285)	82,954	(59,666)	(165,418)
-	123,000	94,573	1,085,258	50,388	460,252	5,210,366	2,834,140
\$ 237	\$ 128,016	\$ 100,151	\$ 1,039,161	\$ 29,103	\$ 543,206	\$ 5,150,700	\$ 2,668,722

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Register of Deeds Automation 256.00	Drug Enforcement Public Safety 264.00	Law Enforcement Funds [various #s]
Revenue			
Taxes	\$ -	\$ 1,689,122	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	1,756,692
Charges for services	-	-	577,520
Fines and forfeitures	-	-	-
Interest	1,497	-	782
Other revenue	-	-	74,152
Total revenue	<u>1,497</u>	<u>1,689,122</u>	<u>2,409,146</u>
Expenditures			
Judicial	-	-	-
General government	226,243	-	-
Public safety	-	-	3,534,627
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	<u>226,243</u>	<u>-</u>	<u>3,534,627</u>
Revenue over (under) expenditures	<u>(224,746)</u>	<u>1,689,122</u>	<u>(1,125,481)</u>
Other financing sources (uses)			
Transfers in	229,820	-	1,505,909
Transfers (out)	-	(1,776,338)	(42,182)
Total other financing sources (uses)	<u>229,820</u>	<u>(1,776,338)</u>	<u>1,463,727</u>
Net changes in fund balances	5,074	(87,216)	338,246
Fund balances, beginning of year	<u>148,551</u>	<u>191,201</u>	<u>956,580</u>
Fund balances, end of year	<u><u>\$ 153,625</u></u>	<u><u>\$ 103,985</u></u>	<u><u>\$ 1,294,826</u></u>

Prosecutor's Welfare Fraud Grant 266.02	Prosecutor's Grant Victim Witness 266.04	911 County Operational Fund 266.09	Drug Court Program 267.00	County Law Library 269.00	Senior Citizen 270.00	Library 271.00	Title IV-D Medical Support [various #s]
\$ -	\$ -	\$ 1,206,334	\$ -	\$ -	\$ 1,206,340	\$ -	\$ -
-	-	-	-	-	-	-	-
230,901	120,171	208,779	3,604	-	-	-	79,030
-	-	-	15,648	-	-	-	-
-	-	-	-	6,500	-	97,110	-
-	-	-	-	-	-	-	-
-	-	1,000	-	-	-	-	-
230,901	120,171	1,416,113	19,252	6,500	1,206,340	97,110	79,030
292,215	-	-	221,718	64,718	-	-	79,177
-	-	-	-	-	-	-	-
-	193,588	1,224,856	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,209,935	97,110	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
292,215	193,588	1,224,856	221,718	64,718	1,209,935	97,110	79,177
(61,314)	(73,417)	191,257	(202,466)	(58,218)	(3,595)	-	(147)
61,314	73,417	-	205,000	69,710	-	-	147
-	-	(69,061)	-	-	-	-	-
61,314	73,417	(69,061)	205,000	69,710	-	-	147
-	-	122,196	2,534	11,492	(3,595)	-	-
-	-	1,408,323	2,964	12,768	9,173	-	-
\$ -	\$ -	\$ 1,530,519	\$ 5,498	\$ 24,260	\$ 5,578	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Hazardous Materials Emergency Preparedness 273.22	Michigan Housing CDBG 274.00	Federal HOME Housing 274.04
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	21,557
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	10,491
Total revenue	-	-	32,048
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	1	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	1,894	28,213
Other governmental activities	-	-	-
Total expenditures	1	1,894	28,213
Revenue over (under) expenditures	(1)	(1,894)	3,835
Other financing sources (uses)			
Transfers in	-	-	7,006
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	7,006
Net changes in fund balances	(1)	(1,894)	10,841
Fund balances, beginning of year	436	2,104	-
Fund balances, end of year	\$ 435	\$ 210	\$ 10,841

City of Watervliet Homeowner CDBG 274.06	MSHDA 2004 Housing CDBG 274.07	Harbortown CDBG 274.08	Small Bus Program 281.00	Coastal Management Program 281.13	Clean Sweep Pest Control Grant 281.14	Project Zero Transit Grant 281.17	Capital Bus Purchase Grant 282.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
212,762	657	-	570,640	(2,077)	6,021	453,878	91,084
-	-	-	523,025	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,850	-	-	-	-
53,990	-	-	27,609	-	-	-	-
266,752	657	-	1,123,124	(2,077)	6,021	453,878	91,084
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
238,007	657	-	-	-	-	-	-
-	-	-	1,235,307	9,745	6,021	453,878	91,084
238,007	657	-	1,235,307	9,745	6,021	453,878	91,084
28,745	-	-	(112,183)	(11,822)	-	-	-
-	-	-	-	11,822	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	11,822	-	-	-
28,745	-	-	(112,183)	-	-	-	-
25,245	-	-	463,627	-	-	-	-
\$ 53,990	\$ -	\$ -	\$ 351,444	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Social Services 290.00	Child Care Probate 292.00	Child Care Social Services 292.01
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	658,525	1,874,751	274,918
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	168,956	-
Total revenue	<u>658,525</u>	<u>2,043,707</u>	<u>274,918</u>
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	695,475	5,049,246	424,871
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	<u>695,475</u>	<u>5,049,246</u>	<u>424,871</u>
Revenue over (under) expenditures	<u>(36,950)</u>	<u>(3,005,539)</u>	<u>(149,953)</u>
Other financing sources (uses)			
Transfers in	4,900	2,873,696	130,000
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>4,900</u>	<u>2,873,696</u>	<u>130,000</u>
Net changes in fund balances	<u>(32,050)</u>	<u>(131,843)</u>	<u>(19,953)</u>
Fund balances, beginning of year	<u>95,126</u>	<u>687,551</u>	<u>109,135</u>
Fund balances, end of year	<u>\$ 63,076</u>	<u>\$ 555,708</u>	<u>\$ 89,182</u>

Soldiers and Sailors Relief 293.00	Veteran's Trust 294.00	Board of Public Works 296.00	Campaign Finance Administration 297.03	Juvenile Incentive Block Grant [various #s]	4-H We Can Ride Grant 297.15	Going Home Reintegration 297.16	Animal Control Neuter / Spay Program 298.01
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	11,353	27,015	-	32,336	4,500	4,510	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	107	50	(2,512)	-	11,725
-	11,353	27,015	107	32,386	1,988	4,510	11,725
-	-	-	-	36,179	-	4,510	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	12,025
899	11,797	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,988	-	-
899	11,797	-	-	36,179	1,988	4,510	12,025
(899)	(444)	27,015	107	(3,793)	-	-	(300)
-	-	-	-	3,843	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,843	-	-	-
(899)	(444)	27,015	107	50	-	-	(300)
2,081	1,321	26,494	2,303	-	-	-	11,121
\$ 1,182	\$ 877	\$ 53,509	\$ 2,410	\$ 50	\$ -	\$ -	\$ 10,821

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Homestead Audit Administration 620.00	Total
	<hr/>	<hr/>
Revenue		
Taxes	\$ -	\$ 4,101,796
Licenses and permits	-	298,556
Intergovernmental revenue	-	13,447,122
Charges for services	22,241	4,206,619
Fines and forfeitures	-	103,610
Interest	-	70,813
Other revenue	-	728,776
	<hr/>	<hr/>
Total revenue	22,241	22,957,292
	<hr/>	<hr/>
Expenditures		
Judicial	-	3,372,869
General government	-	226,243
Public safety	-	4,965,097
Health and welfare	-	13,607,827
Recreation and cultural	-	2,105,551
Community development	-	268,771
Other governmental activities	14,668	4,362,967
	<hr/>	<hr/>
Total expenditures	14,668	28,909,325
	<hr/>	<hr/>
Revenue over (under) expenditures	7,573	(5,952,033)
	<hr/>	<hr/>
Other financing sources (uses)		
Transfers in	-	8,011,356
Transfers (out)	-	(2,061,219)
	<hr/>	<hr/>
Total other financing sources (uses)	-	5,950,137
	<hr/>	<hr/>
Net changes in fund balances	7,573	(1,896)
	<hr/>	<hr/>
Fund balances, beginning of year	-	14,256,939
	<hr/>	<hr/>
Fund balances, end of year	\$ 7,573	\$ 14,255,043
	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Public Safety Cigarette Tax - 205.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	129,784	-	(129,784)
	129,784	-	(129,784)
Total revenue	129,784	-	(129,784)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	146,447	-	(146,447)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
	146,447	-	(146,447)
Total expenditures	146,447	-	(146,447)
Revenue over (under) expenditures	(16,663)	-	16,663
Other financing sources (uses)			
Transfers in	23,039	27,468	4,429
Transfers (out)	(6,376)	(3,843)	2,533
	16,663	23,625	6,962
Total other financing sources (uses)	16,663	23,625	6,962
Net changes in fund balances	-	23,625	23,625
Fund balances, beginning of year	182,860	182,860	-
Fund balances, end of year	\$ 182,860	\$ 206,485	\$ 23,625

Parks and Recreation - 208.00			Berrien Community Foundation - 213.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
309,070	321,743	12,673	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
152,580	109,526	(43,054)	1,902	1,902	-
461,650	431,269	(30,381)	1,902	1,902	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
836,650	797,581	(39,069)	1,902	925	(977)
-	-	-	-	-	-
-	-	-	-	-	-
836,650	797,581	(39,069)	1,902	925	(977)
(375,000)	(366,312)	8,688	-	977	977
375,000	375,000	-	-	-	-
-	-	-	-	-	-
375,000	375,000	-	-	-	-
-	8,688	8,688	-	977	977
59,998	59,998	-	-	-	-
\$ 59,998	\$ 68,686	\$ 8,688	\$ -	\$ 977	\$ 977

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Generous Juror Program - 214.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	1,000	237	(763)
	<hr/>		
Total revenue	1,000	237	(763)
	<hr/>		
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	1,000	-	(1,000)
Community development	-	-	-
Other governmental activities	-	-	-
	<hr/>		
Total expenditures	1,000	-	(1,000)
	<hr/>		
Revenue over (under) expenditures	-	237	237
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Net changes in fund balances	-	237	237
	<hr/>		
Fund balances, beginning of year	-	-	-
	<hr/>		
Fund balances, end of year	\$ -	\$ 237	\$ 237
	<hr/> <hr/>		

Friend of the Court - 215.00			Family Counseling Services - 216.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	20,000	18,750	(1,250)
2,147,983	1,887,929	(260,054)	-	-	-
175,450	173,181	(2,269)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,500	4,271	771	34,624	-	(34,624)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,326,933	2,065,381	(261,552)	54,624	18,750	(35,874)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,927,748	2,661,180	(266,568)	54,624	13,172	(41,452)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,927,748	2,661,180	(266,568)	54,624	13,172	(41,452)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(600,815)	(595,799)	5,016	-	5,578	5,578
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
600,815	600,815	-	-	-	-
-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
600,815	600,815	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	5,016	5,016	-	5,578	5,578
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
123,000	123,000	-	94,573	94,573	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 123,000	\$ 128,016	\$ 5,016	\$ 94,573	\$ 100,151	\$ 5,578

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COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Health Department - 221.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	268,170	279,806	11,636
Intergovernmental revenue	1,466,201	1,364,094	(102,107)
Charges for services	234,518	169,183	(65,335)
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	257,635	182,084	(75,551)
	<hr/>	<hr/>	<hr/>
Total revenue	2,226,524	1,995,167	(231,357)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	3,188,851	3,014,223	(174,628)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	3,188,851	3,014,223	(174,628)
Revenue over (under) expenditures	(962,327)	(1,019,056)	(56,729)
Other financing sources (uses)			
Transfers in	962,327	972,959	10,632
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	962,327	972,959	10,632
Net changes in fund balances	-	(46,097)	(46,097)
Fund balances, beginning of year	1,085,258	1,085,258	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 1,085,258	\$ 1,039,161	\$ (46,097)

Drug Court-Drug Treatment - 221.01			Health Department Grants - 221.xx		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	3,632,906	3,553,492	(79,414)
87,714	69,940	(17,774)	336,244	337,735	1,491
-	-	-	-	-	-
-	-	-	-	-	-
15,352	-	(15,352)	315,931	80,288	(235,643)
103,066	69,940	(33,126)	4,285,081	3,971,515	(313,566)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
231,066	219,225	(11,841)	4,585,546	4,192,091	(393,455)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
231,066	219,225	(11,841)	4,585,546	4,192,091	(393,455)
(128,000)	(149,285)	(21,285)	(300,465)	(220,576)	79,889
128,000	128,000	-	300,465	303,530	3,065
-	-	-	-	-	-
128,000	128,000	-	300,465	303,530	3,065
-	(21,285)	(21,285)	-	82,954	82,954
50,388	50,388	-	460,252	460,252	-
\$ 50,388	\$ 29,103	\$ (21,285)	\$ 460,252	\$ 543,206	\$ 82,954

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Berrien County Landfill Use- 227.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	1,701,500	1,996,403	294,903
Fines and forfeitures	-	-	-
Interest	124,000	44,383	(79,617)
Other revenue	604,672	-	(604,672)
			<hr/>
Total revenue	2,430,172	2,040,786	(389,386)
			<hr/>
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	2,167,350	1,930,657	(236,693)
			<hr/>
Total expenditures	2,167,350	1,930,657	(236,693)
			<hr/>
Revenue over (under) expenditures	262,822	110,129	(152,693)
			<hr/>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(262,822)	(169,795)	93,027
			<hr/>
Total other financing sources (uses)	(262,822)	(169,795)	93,027
			<hr/>
Net changes in fund balances	-	(59,666)	(59,666)
			<hr/>
Fund balances, beginning of year	5,210,366	5,210,366	-
			<hr/>
Fund balances, end of year	\$ 5,210,366	\$ 5,150,700	\$ (59,666)
			<hr/> <hr/>

Public Maintenance & Improvement - 245.00			Register of Deeds Automation- 256.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	22,301	22,301	-	1,497	1,497
2,698,031	4,900	(2,693,131)	90,000	-	(90,000)
2,698,031	27,201	(2,670,830)	90,000	1,497	(88,503)
-	-	-	-	-	-
-	-	-	340,000	226,243	(113,757)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,698,031	619,619	(2,078,412)	-	-	-
2,698,031	619,619	(2,078,412)	340,000	226,243	(113,757)
-	(592,418)	(592,418)	(250,000)	(224,746)	25,254
-	427,000	427,000	250,000	229,820	(20,180)
-	-	-	-	-	-
-	427,000	427,000	250,000	229,820	(20,180)
-	(165,418)	(165,418)	-	5,074	5,074
2,834,140	2,834,140	-	148,551	148,551	-
\$ 2,834,140	\$ 2,668,722	\$ (165,418)	\$ 148,551	\$ 153,625	\$ 5,074

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Drug Enforcement Public Safety - 264.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ 1,695,516	\$ 1,689,122	\$ (6,394)
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	147,277	-	(147,277)
	<hr/>		
Total revenue	1,842,793	1,689,122	(153,671)
<hr/>			
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
	<hr/>		
Total expenditures	-	-	-
	<hr/>		
Revenue over (under) expenditures	1,842,793	1,689,122	(153,671)
<hr/>			
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(1,842,793)	(1,776,338)	66,455
	<hr/>		
Total other financing sources (uses)	(1,842,793)	(1,776,338)	66,455
	<hr/>		
Net changes in fund balances	-	(87,216)	(87,216)
	<hr/>		
Fund balances, beginning of year	191,201	191,201	-
	<hr/>		
Fund balances, end of year	\$ 191,201	\$ 103,985	\$ (87,216)
	<hr/> <hr/>		

Law Enforcement Funds - [various #s]			Prosecutor's Welfare Fraud Grant - 266.02		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,030,259	1,756,692	(1,273,567)	243,382	230,901	(12,481)
391,193	577,520	186,327	-	-	-
-	-	-	-	-	-
5	782	777	-	-	-
216,180	74,152	(142,028)	-	-	-
3,637,637	2,409,146	(1,228,491)	243,382	230,901	(12,481)
100,450	-	(100,450)	299,481	292,215	(7,266)
-	-	-	-	-	-
5,046,502	3,534,627	(1,511,875)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,146,952	3,534,627	(1,612,325)	299,481	292,215	(7,266)
(1,509,315)	(1,125,481)	383,834	(56,099)	(61,314)	(5,215)
1,566,843	1,505,909	(60,934)	56,099	61,314	5,215
(57,528)	(42,182)	15,346	-	-	-
1,509,315	1,463,727	(45,588)	56,099	61,314	5,215
-	338,246	338,246	-	-	-
956,580	956,580	-	-	-	-
\$ 956,580	\$ 1,294,826	\$ 338,246	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Prosecutor's Grant Victim-Witness - 266.04		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	117,350	120,171	2,821
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
	<hr/>		
Total revenue	117,350	120,171	2,821
	<hr/>		
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	200,479	193,588	(6,891)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
	<hr/>		
Total expenditures	200,479	193,588	(6,891)
	<hr/>		
Revenue over (under) expenditures	(83,129)	(73,417)	9,712
	<hr/>		
Other financing sources (uses)			
Transfers in	83,129	73,417	(9,712)
Transfers (out)	-	-	-
	<hr/>		
Total other financing sources (uses)	83,129	73,417	(9,712)
	<hr/>		
Net changes in fund balances	-	-	-
	<hr/>		
Fund balances, beginning of year	-	-	-
	<hr/>		
Fund balances, end of year	\$ -	\$ -	\$ -
	<hr/> <hr/>		

911 County Operational Fund - 266.09			Drug Court Program - 267.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 1,150,462	\$ 1,206,334	\$ 55,872	\$ -	\$ -	\$ -
-	-	-	-	-	-
157,000	208,779	51,779	3,000	3,604	604
-	-	-	11,700	15,648	3,948
-	-	-	-	-	-
-	-	-	-	-	-
456,111	1,000	(455,111)	-	-	-
<u>1,763,573</u>	<u>1,416,113</u>	<u>(347,460)</u>	<u>14,700</u>	<u>19,252</u>	<u>4,552</u>
-	-	-	226,120	221,718	(4,402)
-	-	-	-	-	-
1,665,905	1,224,856	(441,049)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,665,905</u>	<u>1,224,856</u>	<u>(441,049)</u>	<u>226,120</u>	<u>221,718</u>	<u>(4,402)</u>
97,668	191,257	93,589	(211,420)	(202,466)	8,954
-	-	-	211,420	205,000	(6,420)
(97,668)	(69,061)	28,607	-	-	-
<u>(97,668)</u>	<u>(69,061)</u>	<u>28,607</u>	<u>211,420</u>	<u>205,000</u>	<u>(6,420)</u>
-	122,196	122,196	-	2,534	2,534
<u>1,408,323</u>	<u>1,408,323</u>	<u>-</u>	<u>2,964</u>	<u>2,964</u>	<u>-</u>
<u>\$ 1,408,323</u>	<u>\$ 1,530,519</u>	<u>\$ 122,196</u>	<u>\$ 2,964</u>	<u>\$ 5,498</u>	<u>\$ 2,534</u>

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COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	County Law Library - 269.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	6,500	6,500
Interest	-	-	-
Other revenue	-	-	-
Total revenue	-	6,500	6,500
Expenditures			
Judicial	76,210	64,718	(11,492)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	76,210	64,718	(11,492)
Revenue over (under) expenditures	(76,210)	(58,218)	17,992
Other financing sources (uses)			
Transfers in	76,210	69,710	(6,500)
Transfers (out)	-	-	-
Total other financing sources (uses)	76,210	69,710	(6,500)
Net changes in fund balances	-	11,492	11,492
Fund balances, beginning of year	12,768	12,768	-
Fund balances, end of year	\$ 12,768	\$ 24,260	\$ 11,492

Senior Citizen - 270.00			Title IV-D Medical Support - [various #s]		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 1,211,012	\$ 1,206,340	\$ (4,672)	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	152,352	79,030	(73,322)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,211,012	1,206,340	(4,672)	152,352	79,030	(73,322)
-	-	-	152,352	79,177	(73,175)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,211,012	1,209,935	(1,077)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,211,012	1,209,935	(1,077)	152,352	79,177	(73,175)
-	(3,595)	(3,595)	-	(147)	(147)
-	-	-	-	147	147
-	-	-	-	-	-
-	-	-	-	147	147
-	(3,595)	(3,595)	-	-	-
9,173	9,173	-	-	-	-
\$ 9,173	\$ 5,578	\$ (3,595)	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Hazardous Materials		
	Emergency Preparedness - 273.22		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	15,700	-	(15,700)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	15,700	-	(15,700)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	15,700	1	(15,699)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	15,700	1	(15,699)
Revenue over (under) expenditures	-	(1)	(1)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(1)	(1)
Fund balances, beginning of year	436	436	-
Fund balances, end of year	\$ 436	\$ 435	\$ (1)

Michigan Housing CDBG - 274.00			Federal HOME Housing - 274.04		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	45,000	21,557	(23,443)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,900	-	(1,900)	10,841	10,491	(350)
1,900	-	(1,900)	55,841	32,048	(23,793)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,900	1,894	(6)	55,841	28,213	(27,628)
-	-	-	-	-	-
1,900	1,894	(6)	55,841	28,213	(27,628)
-	(1,894)	(1,894)	-	3,835	3,835
-	-	-	-	7,006	7,006
-	-	-	-	-	-
-	-	-	-	7,006	7,006
-	(1,894)	(1,894)	-	10,841	10,841
2,104	2,104	-	-	-	-
\$ 2,104	\$ 210	\$ (1,894)	\$ -	\$ 10,841	\$ 10,841

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	<u>City of Watervliet Homeowner CDBG - 274.06</u>		
	<u>Amended</u>		<u>Over</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
			<u>Budget</u>
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	349,135	212,762	(136,373)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	82,000	53,990	(28,010)
	<hr/>	<hr/>	<hr/>
Total revenue	431,135	266,752	(164,383)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	431,135	238,007	(193,128)
Other governmental activities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	431,135	238,007	(193,128)
Revenue over (under) expenditures	-	28,745	28,745
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	28,745	28,745
Fund balances, beginning of year	25,245	25,245	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 25,245</u>	<u>\$ 53,990</u>	<u>\$ 28,745</u>

MSHDA 2004 Housing CDBG - 274.07				Harbortown CDBG - 274.08			
Amended Budget	Actual	Over (Under) Budget		Amended Budget	Actual	Over (Under) Budget	
\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
-	-	-		-	-	-	
300,000	657	(299,343)		675,000	-	(675,000)	
-	-	-		-	-	-	
-	-	-		-	-	-	
-	-	-		-	-	-	
61,500	-	(61,500)		320,625	-	(320,625)	
361,500	657	(360,843)		995,625	-	(995,625)	
-	-	-		-	-	-	
-	-	-		-	-	-	
-	-	-		-	-	-	
-	-	-		-	-	-	
361,500	657	(360,843)		1,070,625	-	(1,070,625)	
-	-	-		-	-	-	
361,500	657	(360,843)		1,070,625	-	(1,070,625)	
-	-	-		(75,000)	-	75,000	
-	-	-		75,000	-	(75,000)	
-	-	-		-	-	-	
-	-	-		75,000	-	(75,000)	
-	-	-		-	-	-	
-	-	-		-	-	-	
\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Small Bus Program - 281.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	673,000	570,640	(102,360)
Charges for services	505,200	523,025	17,825
Fines and forfeitures	-	-	-
Interest	8,000	1,850	(6,150)
Other revenue	63,595	27,609	(35,986)
Total revenue	1,249,795	1,123,124	(126,671)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	1,249,795	1,235,307	(14,488)
Total expenditures	1,249,795	1,235,307	(14,488)
Revenue over (under) expenditures	-	(112,183)	(112,183)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(112,183)	(112,183)
Fund balances, beginning of year	463,627	463,627	-
Fund balances, end of year	\$ 463,627	\$ 351,444	\$ (112,183)

Coastal Management Program - 281.13			Clean Sweep Pest Control Grant - 281.14		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,000	(2,077)	(7,077)	8,000	6,021	(1,979)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	(2,077)	(7,077)	8,000	6,021	(1,979)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	9,745	(255)	8,000	6,021	(1,979)
10,000	9,745	(255)	8,000	6,021	(1,979)
(5,000)	(11,822)	(6,822)	-	-	-
5,000	11,822	6,822	-	-	-
-	-	-	-	-	-
5,000	11,822	6,822	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Project Zero Transit Grant - 281.17		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	484,000	453,878	(30,122)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
	<hr/>		
Total revenue	484,000	453,878	(30,122)
	<hr/>		
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	484,000	453,878	(30,122)
	<hr/>		
Total expenditures	484,000	453,878	(30,122)
	<hr/>		
Revenue over (under) expenditures	-	-	-
	<hr/>		
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Net changes in fund balances	-	-	-
	<hr/>		
Fund balances, beginning of year	-	-	-
	<hr/>		
Fund balances, end of year	\$ -	\$ -	\$ -
	<hr/> <hr/>		

Capital Bus Purchase Grant - 282.00			Child Care Probate - 292.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
192,750	91,084	(101,666)	1,713,004	1,874,751	161,747
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	870,169	168,956	(701,213)
192,750	91,084	(101,666)	2,583,173	2,043,707	(539,466)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,456,869	5,049,246	(407,623)
-	-	-	-	-	-
-	-	-	-	-	-
192,750	91,084	(101,666)	-	-	-
192,750	91,084	(101,666)	5,456,869	5,049,246	(407,623)
-	-	-	(2,873,696)	(3,005,539)	(131,843)
-	-	-	2,873,696	2,873,696	-
-	-	-	-	-	-
-	-	-	2,873,696	2,873,696	-
-	-	-	-	(131,843)	(131,843)
-	-	-	687,551	687,551	-
\$ -	\$ -	\$ -	\$ 687,551	\$ 555,708	\$ (131,843)

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Campaign Finance Administration - 297.03		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	100	107	7
	100	107	7
Total revenue	100	107	7
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	100	-	(100)
	100	-	(100)
Total expenditures	100	-	(100)
Revenue over (under) expenditures	-	107	107
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	107	107
Fund balances, beginning of year	2,303	2,303	-
Fund balances, end of year	\$ 2,303	\$ 2,410	\$ 107

Juvenile Incentive Block Grant - [various #s]			4-H We Can Ride Grant - 297.15		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
57,387	32,336	(25,051)	4,500	4,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50	50	-	4,500	(2,512)	(7,012)
57,437	32,386	(25,051)	9,000	1,988	(7,012)
63,813	36,179	(27,634)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9,000	1,988	(7,012)
63,813	36,179	(27,634)	9,000	1,988	(7,012)
(6,376)	(3,793)	2,583	-	-	-
6,376	3,843	(2,533)	-	-	-
-	-	-	-	-	-
6,376	3,843	(2,533)	-	-	-
-	50	50	-	-	-
-	-	-	-	-	-
\$ -	\$ 50	\$ 50	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Going Home Reintegration - 297.16		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	103,953	4,510	(99,443)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
	<hr/>		
Total revenue	103,953	4,510	(99,443)
	<hr/>		
Expenditures			
Judicial	103,953	4,510	(99,443)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
	<hr/>		
Total expenditures	103,953	4,510	(99,443)
	<hr/>		
Revenue over (under) expenditures	-	-	-
	<hr/>		
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Net changes in fund balances	-	-	-
	<hr/>		
Fund balances, beginning of year	-	-	-
	<hr/>		
Fund balances, end of year	\$ -	\$ -	\$ -
	<hr/> <hr/>		

Animal Control Neuter / Spay Program - 298.01			Homestead Audit Administration - 620.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,000	-	(1,000)	30,000	22,241	(7,759)
-	-	-	-	-	-
-	-	-	-	-	-
12,700	11,725	(975)	-	-	-
13,700	11,725	(1,975)	30,000	22,241	(7,759)
-	-	-	-	-	-
-	-	-	-	-	-
13,700	12,025	(1,675)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	40,000	14,668	(25,332)
13,700	12,025	(1,675)	40,000	14,668	(25,332)
-	(300)	(300)	(10,000)	7,573	17,573
-	-	-	10,000	-	(10,000)
-	-	-	-	-	-
-	-	-	10,000	-	(10,000)
-	(300)	(300)	-	7,573	7,573
11,121	11,121	-	-	-	-
\$ 11,121	\$ 10,821	\$ (300)	\$ -	\$ 7,573	\$ 7,573

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	<u>Total Budgeted Special Revenue Funds</u>		
	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenue			
Taxes	\$ 4,056,990	\$ 4,101,796	\$ 44,806
Licenses and permits	288,170	298,556	10,386
Intergovernmental revenue	15,576,862	12,475,311	(3,101,551)
Charges for services	3,783,589	4,206,619	423,030
Fines and forfeitures	-	6,500	6,500
Interest	132,005	70,813	(61,192)
Other revenue	6,552,559	728,776	(5,823,783)
	<hr/>		
Total revenue	30,390,175	21,888,371	(8,501,804)
Expenditures			
Judicial	4,004,751	3,372,869	(631,882)
General government	340,000	226,243	(113,757)
Public safety	7,088,733	4,965,097	(2,123,636)
Health and welfare	13,462,332	12,474,785	(987,547)
Recreation and cultural	2,050,564	2,008,441	(42,123)
Community development	1,921,001	268,771	(1,652,230)
Other governmental activities	6,859,026	4,362,967	(2,496,059)
	<hr/>		
Total expenditures	35,726,407	27,679,173	(8,047,234)
Revenue over (under) expenditures	(5,336,232)	(5,790,802)	(454,570)
Other financing sources (uses)			
Transfers in	7,603,419	7,876,456	273,037
Transfers (out)	(2,267,187)	(2,061,219)	205,968
	<hr/>		
Total other financing sources (uses)	5,336,232	5,815,237	479,005
Net changes in fund balances	-	24,435	24,435
Fund balances, beginning of year	14,022,782	14,022,782	-
	<hr/>		
Fund balances, end of year	\$ 14,022,782	\$ 14,047,217	\$ 24,435

Unbudgeted Special Revenue Funds

Library 271.00	Social Services 290.00	Child Care Social Services 292.01	Soldiers and Sailors Relief 293.00	Veteran's Trust 294.00	Board of Public Works 296.00	Total Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,101,796
-	-	-	-	-	-	298,556
-	658,525	274,918	-	11,353	27,015	13,447,122
-	-	-	-	-	-	4,206,619
97,110	-	-	-	-	-	103,610
-	-	-	-	-	-	70,813
-	-	-	-	-	-	728,776
97,110	658,525	274,918	-	11,353	27,015	22,957,292
-	-	-	-	-	-	3,372,869
-	-	-	-	-	-	226,243
-	-	-	-	-	-	4,965,097
-	695,475	424,871	899	11,797	-	13,607,827
97,110	-	-	-	-	-	2,105,551
-	-	-	-	-	-	268,771
-	-	-	-	-	-	4,362,967
97,110	695,475	424,871	899	11,797	-	28,909,325
-	(36,950)	(149,953)	(899)	(444)	27,015	(5,952,033)
-	4,900	130,000	-	-	-	8,011,356
-	-	-	-	-	-	(2,061,219)
-	4,900	130,000	-	-	-	5,950,137
-	(32,050)	(19,953)	(899)	(444)	27,015	(1,896)
-	95,126	109,135	2,081	1,321	26,494	14,256,939
\$ -	\$ 63,076	\$ 89,182	\$ 1,182	\$ 877	\$ 53,509	\$ 14,255,043

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2004

	Bridge Bond 301.00	Building Authority 450.00		Total
Assets				
Cash and cash equivalents	\$ 260	\$ -	\$	260
Fund balances				
Unreserved, undesignated	\$ 260	\$ -	\$	260

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2004

	Bridge Bond 301.00	Building Authority 450.00	Total
Revenue			
Intergovernmental	\$ -	\$ 951,175	\$ 951,175
Interest	1	-	1
Total revenue	1	951,175	951,176
Expenditures			
Debt service:			
Principal	-	600,000	600,000
Interest and fiscal charges	-	351,175	351,175
Total expenditures	-	951,175	951,175
Net changes in fund balances	1	-	1
Fund balances, beginning of year	259	-	259
Fund balances, end of year	\$ 260	\$ -	\$ 260

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2004

	Animal Shelter 413.00	Courthouse 470.00	Solid Waste Disposal 571.00	Total
Assets				
Cash and cash equivalents	\$ 67,915	\$ 1	\$ -	\$ 67,916
Fund balances				
Unreserved, undesignated	\$ 67,915	\$ 1	\$ -	\$ 67,916

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2004

	Animal Shelter 413.00	Courthouse 470.00	Solid Waste Disposal 571.00	Total
Revenue				
Interest revenue	\$ 495	\$ (11)	\$ -	\$ 484
Other	14,716	1,641	-	16,357
Total revenue	15,211	1,630	-	16,841
Expenditures				
Public works	-	34,017	-	34,017
Revenue over (under) expenditures	15,211	(32,387)	-	(17,176)
Other financing sources (uses)				
Transfers out	-	-	(94,367)	(94,367)
Net changes in fund balances	15,211	(32,387)	(94,367)	(111,543)
Fund balances, beginning of year	52,704	32,388	94,367	179,459
Fund balances, end of year	\$ 67,915	\$ 1	\$ -	\$ 67,916

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2004

	Delinquent Tax Foreclosure 617.xx	Drain Working Capital 639.00	City of St. Joseph Water System No. 4 851.05	Baroda Township Water System No. 14 851.09
Assets				
Current assets:				
Cash and cash equivalents	\$ 140,453	\$ 44,923	\$ -	\$ -
Current portion of leases receivable	-	-	-	20,000
Inventory	-	15,568	-	-
Total current assets	<u>140,453</u>	<u>60,491</u>	<u>-</u>	<u>20,000</u>
Non-current assets:				
Leases receivable, net of current portion	-	-	-	50,000
Capital assets being depreciated, net	-	56,138	-	-
Total non-current assets	<u>-</u>	<u>56,138</u>	<u>-</u>	<u>50,000</u>
Total assets	<u>140,453</u>	<u>116,629</u>	<u>-</u>	<u>70,000</u>
Liabilities				
Current liabilities:				
Accounts payable	3,853	865	-	-
Accrued liabilities	952	-	-	-
Current portion of long-term debt	-	27,107	-	20,000
Total current liabilities	<u>4,805</u>	<u>27,972</u>	<u>-</u>	<u>20,000</u>
Long-term liabilities:				
Due in more than one year	-	28,807	-	50,000
Total liabilities	<u>4,805</u>	<u>56,779</u>	<u>-</u>	<u>70,000</u>
Net assets				
Invested in capital assets, net of related debt	-	224	-	-
Unrestricted	<u>135,648</u>	<u>59,626</u>	<u>-</u>	<u>-</u>
Total net assets	<u>\$ 135,648</u>	<u>\$ 59,850</u>	<u>\$ -</u>	<u>\$ -</u>

New Buffalo Township Water System No. 19 851.14	Royalton Township Water System No. 20 851.15	City of New Buffalo Water System No. 22 851.16	Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ No. 21 851.41	Galien River Sanitary District Sewer System No. 7 851.58	Royalton Township Sewer System No. 20 851.70 & .79
\$ -	\$ -	\$ -	\$ 117,685	\$ 6,416	\$ -	\$ 7,443
-	50,000	-	75,000	35,000	-	500,000
-	-	-	-	-	-	-
-	50,000	-	192,685	41,416	-	507,443
-	645,000	-	1,255,455	358,584	-	407,557
-	-	-	-	-	-	-
-	645,000	-	1,255,455	358,584	-	407,557
-	695,000	-	1,448,140	400,000	-	915,000
-	-	-	3,140	-	-	-
-	-	-	-	-	-	-
-	50,000	-	75,000	35,000	-	500,000
-	50,000	-	78,140	35,000	-	500,000
-	645,000	-	1,370,000	365,000	-	415,000
-	695,000	-	1,448,140	400,000	-	915,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds (Concluded)
December 31, 2004

	City of Watervliet Sewer System No. 22 851.72	Lake Township Sewer System No. 19 851.73	Village of Baroda Sewer System No. 18 Refunding 851.74	GRSD No. 7 Chikaming Township Refunding 851.75
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Current portion of leases receivable	25,000	-	35,000	-
Inventory	-	-	-	-
Total current assets	<u>25,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Non-current assets:				
Leases receivable, net of current portion	125,000	-	200,000	-
Capital assets being depreciated, net	-	-	-	-
Total non-current assets	<u>125,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total assets	<u>150,000</u>	<u>-</u>	<u>235,000</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Current portion of long-term debt	25,000	-	35,000	-
Total current liabilities	<u>25,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Long-term liabilities:				
Due in more than one year	125,000	-	200,000	-
Total liabilities	<u>150,000</u>	<u>-</u>	<u>235,000</u>	<u>-</u>
Net assets				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	-	-	-	-
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Benton Harbor Water System No. 17 Refunding 851.80	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs/ Oronoko Township Water/Sewer System No. 26 851.82	Village of Berrien Springs Water/Sewer System No. 25 851.83 & .85	Total
\$ -	\$ -	\$ 7,593	\$ 183,135	\$ 507,648
170,000	50,000	15,000	134,046	1,109,046
-	-	-	-	15,568
170,000	50,000	22,593	317,181	1,632,262
515,000	1,270,000	347,407	-	5,174,003
-	-	-	-	56,138
515,000	1,270,000	347,407	-	5,230,141
685,000	1,320,000	370,000	317,181	6,862,403
-	-	-	181	8,039
-	-	-	-	952
170,000	50,000	15,000	317,000	1,319,107
170,000	50,000	15,000	317,181	1,328,098
515,000	1,270,000	355,000	-	5,338,807
685,000	1,320,000	370,000	317,181	6,666,905
-	-	-	-	224
-	-	-	-	195,274
\$ -	\$ -	\$ -	\$ -	\$ 195,498

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Net assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2004

	Delinquent Tax Foreclosure 617.xx	Drain Working Capital 639.00	City of St. Joseph Water System No. 4 851.05	Baroda Township Water System No. 14 851.09
Operating revenue				
Charges for services	\$ 508,470	\$ 100,899	\$ -	\$ 7,826
Other operating revenue	1,590	-	-	-
Total operating revenue	510,060	100,899	-	7,826
Operating expense				
Operations	454,137	71,570	-	-
Public works projects	-	-	-	-
Depreciation	-	34,425	-	-
Total operating expense	454,137	105,995	-	-
Operating income (loss)	55,923	(5,096)	-	7,826
Non-operating revenue				
Interest revenue	-	-	-	-
Interest expense and fiscal charges	-	-	-	(7,826)
Total non-operating revenue (expense)	-	-	-	(7,826)
Income (loss) before transfers	55,923	(5,096)	-	-
Transfers				
Transfers in	260,000	-	-	-
Transfers out	(334,000)	-	-	-
Total transfers	(74,000)	-	-	-
Change in net assets	(18,077)	(5,096)	-	-
Net assets, beginning of year, as restated	153,725	64,946	-	-
Net assets, end of year	\$ 135,648	\$ 59,850	\$ -	\$ -

New Buffalo Township Water System No. 19 851.14	Royalton Township Water System No. 20 851.15	City of New Buffalo Water System No. 22 851.16	Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ No. 21 851.41	Galien River Sanitary District Sewer System No. 7 851.58	Royalton Township Sewer System No. 20 851.70 & .79
\$ 485	\$ 42,671	\$ 175	\$ 67,311	\$ 24,312	\$ 39,226	\$ 56,661
-	-	-	-	-	-	-
485	42,671	175	67,311	24,312	39,226	56,661
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
485	42,671	175	67,311	24,312	39,226	56,661
-	-	-	1,004	56	-	64
(485)	(42,671)	(175)	(68,315)	(24,368)	(39,226)	(56,725)
(485)	(42,671)	(175)	(67,311)	(24,312)	(39,226)	(56,661)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Net assets
Nonmajor Enterprise Funds (Concluded)
For the Year Ended December 31, 2004

	City of Watervliet Sewer System No. 22 851.72	Lake Township Sewer System No. 19 851.73	Village of Baroda Sewer System No. 18 Refunding 851.74	GRSD No. 7 Chikaming Township Refunding 851.75
Operating revenue				
Charges for services	\$ 13,313	\$ 250	\$ 16,810	\$ 19,755
Other operating revenue	-	-	-	-
Total operating revenue	13,313	250	16,810	19,755
Operating expense				
Operations	-	-	-	-
Public works projects	-	-	-	-
Depreciation	-	-	-	-
Total operating expense	-	-	-	-
Operating income (loss)	13,313	250	16,810	19,755
Non-operating revenue				
Interest revenue	-	-	-	-
Interest expense and fiscal charges	(13,313)	(250)	(16,810)	(19,755)
Total non-operating revenue (expense)	(13,313)	(250)	(16,810)	(19,755)
Income (loss) before transfers	-	-	-	-
Transfers				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total transfers	-	-	-	-
Change in net assets	-	-	-	-
Net assets, beginning of year, as restated	-	-	-	-
Net assets, end of year	\$ -	\$ -	\$ -	\$ -

City of Benton Harbor Water System No. 17 Refunding 851.80	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs/ Oronoko Township Water/Sewer System No. 26 851.82	Village of Berrien Springs Water/Sewer System No. 25 851.83 & .85	Total
\$ 33,721	\$ 73,428	\$ 20,199	\$ 31,915	\$ 1,057,427
-	-	-	-	1,590
33,721	73,428	20,199	31,915	1,059,017
-	-	-	-	525,707
-	-	-	28,280	28,280
-	-	-	-	34,425
-	-	-	28,280	588,412
33,721	73,428	20,199	3,635	470,605
-	-	64	730	1,918
(33,721)	(73,428)	(20,263)	(4,365)	(421,696)
(33,721)	(73,428)	(20,199)	(3,635)	(419,778)
-	-	-	-	50,827
-	-	-	-	260,000
-	-	-	-	(334,000)
-	-	-	-	(74,000)
-	-	-	-	(23,173)
-	-	-	-	218,671
\$ -	\$ -	\$ -	\$ -	\$ 195,498

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2004

	Delinquent Tax Foreclosure 617.xx	Drain Working Capital 639.00	City of St. Joseph Water System No. 4 851.05	Baroda Township Water System No. 14 851.09
Cash flows from operating activities				
Cash received from customers	\$ 510,060	\$ 100,899	\$ -	\$ 7,826
Cash payments to suppliers for goods and services	(391,797)	(74,000)	-	-
Cash payments to employees for services	(69,491)	-	-	-
Net cash provided by (used in) operating activities	48,772	26,899	-	7,826
Cash flows from non-capital financing activities				
Transfers in	260,000	-	-	-
Transfers out	(334,000)	-	-	-
Net cash used in non-capital and related financing activities	(74,000)	-	-	-
Cash flows from capital and related financing activities				
Principal payments	-	(25,577)	-	(25,000)
Interest payments	-	-	-	(7,826)
Proceeds from issuance of long-term debt	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	(25,577)	-	(32,826)
Cash flows from investing activities				
Interest received	-	-	-	-
Amounts collected on leases receivable	-	-	-	25,000
Net cash provided by (used in) investing activities	-	-	-	25,000
Net increase (decrease) in cash and cash equivalents	(25,228)	1,322	-	-
Cash and cash equivalents, beginning of year	165,681	43,601	-	-
Cash and cash equivalents, end of year	\$ 140,453	\$ 44,923	\$ -	\$ -

New Buffalo Township Water System No. 19 851.14	Royalton Township Water System No. 20 851.15	City of New Buffalo Water System No. 22 851.16	Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ No. 21 851.41	Galien River Sanitary District Sewer System No. 7 851.58	Royalton Township Sewer System No. 20 851.70 & .79
\$ 485	\$ 42,671	\$ 175	\$ 67,311	\$ 24,312	\$ 39,226	\$ 56,661
-	-	-	-	-	-	-
-	-	-	-	-	-	-
485	42,671	175	67,311	24,312	39,226	56,661
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(5,000)	(50,000)	(1,500,000)	(75,000)	(35,000)	-	(500,000)
(485)	(42,671)	(175)	(68,315)	(24,368)	(39,226)	(56,725)
-	-	-	-	-	-	-
(5,485)	(92,671)	(1,500,175)	(143,315)	(59,368)	(39,226)	(556,725)
-	-	-	1,004	56	-	64
5,000	50,000	1,500,000	76,005	35,055	-	500,064
5,000	50,000	1,500,000	77,009	35,111	-	500,128
-	-	-	1,005	55	-	64
-	-	-	116,680	6,361	-	7,379
\$ -	\$ -	\$ -	\$ 117,685	\$ 6,416	\$ -	\$ 7,443

(continued...)

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Year Ended December 31, 2004

	City of Watervliet Sewer System No. 22 851.72	Lake Township Sewer System No. 19 851.73	Village of Baroda Sewer System No. 18 Refunding 851.74	GRSD No. 7 Chikaming Township Refunding 851.75
Cash flows from operating activities				
Cash received from customers	\$ 13,313	\$ 250	\$ 16,810	\$ 19,755
Cash payments to suppliers for goods and services	-	-	-	-
Cash payments to employees for services	-	-	-	-
Net cash provided by (used in) operating activities	13,313	250	16,810	19,755
Cash flows from non-capital financing activities				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net cash used in non-capital and related financing activities	-	-	-	-
Cash flows from capital and related financing activities				
Principal payments	(25,000)	-	(30,000)	-
Interest payments	(13,313)	(250)	(16,810)	(19,755)
Proceeds from issuance of long-term debt	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(38,313)	(250)	(46,810)	(19,755)
Cash flows from investing activities				
Interest received	-	-	-	-
Amounts collected on leases receivable	25,000	-	30,000	-
Net cash provided by (used in) investing activities	25,000	-	30,000	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -

City of Benton Harbor Water System No. 17 Refunding 851.80	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs/ Oronoko Township Water/Sewer System No. 26 851.82	Village of Berrien Springs Water/Sewer System No. 25 851.83 & .85	Total
\$ 33,721	\$ 73,428	\$ 20,199	\$ 31,915	\$ 1,059,017
-	-	-	(28,280)	(494,077)
-	-	-	-	(69,491)
33,721	73,428	20,199	3,635	495,449
-	-	-	-	260,000
-	-	-	-	(334,000)
-	-	-	-	(74,000)
(160,000)	(50,000)	(15,000)	(100,000)	(2,595,577)
(33,721)	(73,428)	(20,263)	(4,365)	(421,696)
-	-	-	317,000	317,000
(193,721)	(123,428)	(35,263)	212,635	(2,700,273)
-	-	64	730	1,918
160,000	50,000	15,064	(34,377)	2,436,811
160,000	50,000	15,128	(33,647)	2,438,729
-	-	64	182,623	159,905
-	-	7,529	512	347,743
\$ -	\$ -	\$ 7,593	\$ 183,135	\$ 507,648

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Year Ended December 31, 2004

	Delinquent Tax Foreclosure 617.xx	Drain Working Capital 639.00	City of St. Joseph Water System No. 4 851.05	Baroda Township Water System No. 14 851.09
Reconciliation of operating income (loss)				
to net cash provided by (used in)				
operating activities:				
Operating income (loss)	\$ 55,923	\$ (5,096)	\$ -	\$ 7,826
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	-	34,425	-	-
Changes in assets and liabilities:				
Inventories	-	(2,508)	-	-
Accounts payable	(5,610)	78	-	-
Accrued and other liabilities	(1,541)	-	-	-
Net cash provided by (used in) operating activities	\$ 48,772	\$ 26,899	\$ -	\$ 7,826

New Buffalo Township Water System No. 19 851.14	Royalton Township Water System No. 20 851.15	City of New Buffalo Water System No. 22 851.16	Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ No. 21 851.41	Galien River Sanitary District Sewer System No. 7 851.58	Royalton Township Sewer System No. 20 851.70 & .79
\$ 485	\$ 42,671	\$ 175	\$ 67,311	\$ 24,312	\$ 39,226	\$ 56,661
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 485	\$ 42,671	\$ 175	\$ 67,311	\$ 24,312	\$ 39,226	\$ 56,661

(continued...)

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Concluded)
For the Year Ended December 31, 2004

	City of Watervliet Sewer System No. 22 851.72	Lake Township Sewer System No. 19 851.73	Village of Baroda Sewer System No. 18 Refunding 851.74	GRSD No. 7 Chikaming Township Refunding 851.75
Reconciliation of operating income (loss)				
to net cash provided by (used in)				
operating activities:				
Operating income (loss)	\$ 13,313	\$ 250	\$ 16,810	\$ 19,755
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	-	-	-	-
Changes in assets and liabilities:				
Inventories	-	-	-	-
Accounts payable	-	-	-	-
Accrued and other liabilities	-	-	-	-
Net cash provided by (used in) operating activities	\$ 13,313	\$ 250	\$ 16,810	\$ 19,755

City of Benton Harbor Water System No. 17 Refunding 851.80	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs/ Oronoko Township Water/Sewer System No. 26 851.82	Village of Berrien Springs Water/Sewer System No. 25 851.83 & .85	Total
\$ 33,721	\$ 73,428	\$ 20,199	\$ 3,635	470,605
-	-	-	-	34,425
-	-	-	-	(2,508)
-	-	-	-	(5,532)
-	-	-	-	(1,541)
<u>\$ 33,721</u>	<u>\$ 73,428</u>	<u>\$ 20,199</u>	<u>\$ 3,635</u>	<u>\$ 495,449</u>

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2004

	Property/ Liability Insurance 677.00	Workers' Compensation Insurance 677.01	Health Care Insurance 677.02	Unemployment Insurance 677.03	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,565,833	\$ 1,252,324	\$ 3,613,721	\$ 36,799	\$ 7,468,677
Non-current assets:					
Restricted cash	269,823	-	-	-	269,823
Total assets	<u>2,835,656</u>	<u>1,252,324</u>	<u>3,613,721</u>	<u>36,799</u>	<u>7,738,500</u>
Liabilities					
Current liabilities:					
Accounts payable	-	180	82,050	-	82,230
Accrued and other liabilities	1,381,148	749,049	1,741,014	-	3,871,211
Total liabilities	<u>1,381,148</u>	<u>749,229</u>	<u>1,823,064</u>	<u>-</u>	<u>3,953,441</u>
Net assets					
Restricted for self-insurance claims	269,823	-	-	-	269,823
Unrestricted	1,184,685	503,095	1,790,657	36,799	3,515,236
Total net assets	<u>\$ 1,454,508</u>	<u>\$ 503,095</u>	<u>\$ 1,790,657</u>	<u>\$ 36,799</u>	<u>\$ 3,785,059</u>

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenses and
Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2004

	Property/ Liability Insurance 677.00	Workers' Compensation Insurance 677.01	Health Care Insurance 677.02	Unemployment Insurance 677.03	Total
Operating revenue					
Charges for services	\$ -	\$ 402,375	\$ 6,835,595	\$ 40,959	\$ 7,278,929
Operating expenses					
Operation and maintenance	-	65	22,129	1,600	23,794
Benefits and claims	1,271,056	615,011	6,525,060	22,745	8,433,872
Total operating expenses	1,271,056	615,076	6,547,189	24,345	8,457,666
Operating income (loss)	(1,271,056)	(212,701)	288,406	16,614	(1,178,737)
Non-operating revenue (expenses)					
Interest income	146,166	-	-	-	146,166
Income (loss) before transfers	(1,124,890)	(212,701)	288,406	16,614	(1,032,571)
Transfers					
Transfers in	500,000	-	-	-	500,000
Change in net assets	(624,890)	(212,701)	288,406	16,614	(532,571)
Net assets, beginning of year, as restated	2,079,398	715,796	1,502,251	20,185	4,317,630
Net assets, end of year	\$ 1,454,508	\$ 503,095	\$ 1,790,657	\$ 36,799	\$ 3,785,059

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2004

	Property/ Liability Insurance 677.00	Workers' Compensation Insurance 677.01	Health Care Insurance 677.02	Unemployment Insurance 677.03	Total
Cash flows from operating activities					
Cash received from interfund services provided	\$ (2,238,232)	\$ 1,118,171	\$ 8,337,846	\$ 61,144	\$ 7,278,929
Cash payments to suppliers for goods and services	(2,594,179)	134,153	(4,724,125)	(24,345)	(7,208,496)
Net cash provided (used) by operating activities	(4,832,411)	1,252,324	3,613,721	36,799	70,433
Cash flows from non-capital financing activities					
Transfers in	500,000	-	-	-	500,000
Cash flows from investing activities					
Interest received	146,166	-	-	-	146,166
Net increase (decrease) in cash and cash equivalents	(4,186,245)	1,252,324	3,613,721	36,799	716,599
Cash and cash equivalents, beginning of year	7,021,901	-	-	-	7,021,901
Cash and cash equivalents, end of year	\$ 2,835,656	\$ 1,252,324	\$ 3,613,721	\$ 36,799	\$ 7,738,500
Balance sheet classification of cash and cash equivalents					
Cash and cash equivalents	\$ 2,565,833	\$ 1,252,324	\$ 3,613,721	\$ 36,799	\$ 7,468,677
Restricted assets	269,823	-	-	-	269,823
	\$ 2,835,656	\$ 1,252,324	\$ 3,613,721	\$ 36,799	\$ 7,738,500
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,271,056)	\$ (212,701)	\$ 288,406	\$ 16,614	\$ (1,178,737)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Due from other funds	(2,238,232)	715,796	1,502,251	20,185	-
Accounts payable	(59,023)	180	82,050	-	23,207
Accrued and other liabilities	(1,264,100)	749,049	1,741,014	-	1,225,963
Net cash provided (used) by operating activities	\$ (4,832,411)	\$ 1,252,324	\$ 3,613,721	\$ 36,799	\$ 70,433

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Fiduciary Net Assets
All Agency Funds
December 31, 2004

	Trust and Agency 701.00	Court Orders Payable 702.00	Library Trust 721.00
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 2,759,112	\$ 42,960	\$ 124,417
Investments	120,000	-	683,585
Taxes receivable - delinquent	982,687	-	-
<u>TOTAL ASSETS</u>	\$ 3,861,799	\$ 42,960	\$ 808,002
<u>LIABILITIES</u>			
Liabilities			
Undistributed receipts	\$ 2,879,112	\$ 42,960	\$ 808,002
Delinquent taxes payable	982,687	-	-
<u>TOTAL LIABILITIES</u>	\$ 3,861,799	\$ 42,960	\$ 808,002

Friend of the Court Trust	District Court Trust	Jail Inmate Trust	Total
\$ -	\$ 1,159,683	\$ 18,907	\$ 4,105,079
-	-	-	803,585
-	-	-	982,687
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ 1,159,683	\$ 18,907	\$ 5,891,351
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ 1,159,683	\$ 18,907	\$ 4,908,664
-	-	-	982,687
<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ 1,159,683	\$ 18,907	\$ 5,891,351
<hr/>	<hr/>	<hr/>	<hr/>

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2004

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trust and Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 2,914,395	\$ 74,896,846	\$ 75,052,129	\$ 2,759,112
Investments	225,000	5,680	110,680	120,000
Taxes receivable-delinquent	1,190,942	799,758	1,008,013	982,687
Total assets	\$ 4,330,337	\$ 75,702,284	\$ 76,170,822	\$ 3,861,799
Liabilities				
Undistributed receipts	\$ 3,139,395	\$ 45,950,399	\$ 46,210,682	\$ 2,879,112
Delinquent taxes payable	1,190,942	29,751,885	29,960,140	982,687
Total liabilities	\$ 4,330,337	\$ 75,702,284	\$ 76,170,822	\$ 3,861,799
<u>Court Orders Payable Fund</u>				
Assets				
Cash and cash equivalents	\$ 46,093	\$ 455,586	\$ 458,719	\$ 42,960
Liabilities				
Undistributed receipts	\$ 46,093	\$ 455,586	\$ 458,719	\$ 42,960
<u>Library Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 136,393	\$ 3,173,686	\$ 3,185,662	\$ 124,417
Investments	659,411	1,541,901	1,517,727	683,585
Total assets	\$ 795,804	\$ 4,715,587	\$ 4,703,389	\$ 808,002
Liabilities				
Undistributed receipts	\$ 795,804	\$ 4,715,587	\$ 4,703,389	\$ 808,002

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Concluded)
For the Year Ended December 31, 2004

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Friend of the Court Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 258,994	\$ -	\$ 258,994	\$ -
Liabilities				
Undistributed receipts	\$ 258,994	\$ -	\$ 258,994	\$ -
<u>District Court Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 990,115	\$ 1,159,683	\$ 990,115	\$ 1,159,683
Liabilities				
Undistributed receipts	\$ 990,115	\$ 1,159,683	\$ 990,115	\$ 1,159,683
<u>Jail Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 12,232	\$ 18,907	\$ 12,232	\$ 18,907
Liabilities				
Undistributed receipts	\$ 12,232	\$ 18,907	\$ 12,232	\$ 18,907
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 4,358,222	\$ 79,704,708	\$ 79,957,851	\$ 4,105,079
Investments	884,411	1,547,581	1,628,407	803,585
Taxes receivable-delinquent	1,190,942	799,758	1,008,013	982,687
Total assets	\$ 6,433,575	\$ 82,052,047	\$ 82,594,271	\$ 5,891,351
Liabilities				
Undistributed receipts	\$ 5,242,633	\$ 52,300,162	\$ 52,634,131	\$ 4,908,664
Delinquent taxes payable	1,190,942	29,751,885	29,960,140	982,687
Total liabilities	\$ 6,433,575	\$ 82,052,047	\$ 82,594,271	\$ 5,891,351

COUNTY OF BERRIEN, MICHIGAN
Statement of Plan Net Assets
Pension Trust Fund
December 31, 2004

Assets

Cash and cash equivalents	\$ 28,930,764
Interest receivable	485,311
Investments:	
U.S. Government obligations	11,831,261
Corporate obligations	23,467,934
Corporate stocks	55,470,783
Certificates of deposit	-
Total investments	90,769,978
 Total assets	 \$ 120,186,053

(A schedule of funding progress for the Pension Plan is presented on page 63).

COUNTY OF BERRIEN, MICHIGAN
Drain Commission Component Unit
Statement of Net Assets and Governmental Funds Balance Sheet
December 31, 2004

	Capital Projects Fund		
	Drain 801.00	Drain Revolving 802.00	Sawyer Village Drainage District 803.02
Assets			
Cash and cash equivalents	\$ 413,265	\$ 38,718	\$ 17,133
Special assessments receivable	804,000	-	160,000
Due from other funds	-	206,282	-
Capital assets being depreciated, net	-	-	-
Total assets	<u>\$ 1,217,265</u>	<u>\$ 245,000</u>	<u>\$ 177,133</u>
Liabilities			
Accrued liabilities	\$ -	\$ -	\$ -
Due to other funds	206,282	-	-
Advances from primary government	-	245,000	-
Deferred revenue	804,000	-	160,000
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	1,010,282	245,000	160,000
Fund balances			
Unreserved, undesignated	206,983	-	17,133
Total liabilities and fund balances	<u>\$ 1,217,265</u>	<u>\$ 245,000</u>	<u>\$ 177,133</u>
Net assets			
Invested in capital assets, net of related debt			
Unrestricted			
Total net assets			

nds

Hollywood		Chapter 20		Total	Adjustments	Statement of Net Assets
Road Detention Bonds 803.03	Abraham Drain 820.00					
\$ 168,059	\$ -	\$ 637,175	\$ -	\$ 637,175		\$ 637,175
360,000	-	1,324,000	-	1,324,000		1,324,000
-	-	206,282	(206,282)			-
-	-	-	1,240,901			1,240,901
<hr/>						
\$ 528,059	\$ -	\$ 2,167,457	1,034,619			3,202,076
<hr/>						
\$ -	\$ -	\$ -	\$ 6,177	\$ 6,177		\$ 6,177
-	-	206,282	(206,282)			-
-	-	245,000	-	245,000		245,000
360,000	-	1,324,000	(1,324,000)			-
-	-	-	310,000			310,000
-	-	-	807,381			807,381
<hr/>						
360,000	-	1,775,282	(406,724)			1,368,558
168,059	-	392,175	(392,175)			-
<hr/>						
\$ 528,059	\$ -	\$ 2,167,457				
<hr/>						
			123,520			123,520
			1,709,998			1,709,998
<hr/>						
			\$ 1,833,518			\$ 1,833,518
<hr/>						

COUNTY OF BERRIEN, MICHIGAN
Drain Commission Component Unit
Statement of Activities and Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2004

	Drain 801.00	Drain Revolving 802.00	Capital Projects Fun Sawyer Village Drainage District 803.02
Expenditures / expenses			
Public works	\$ 357,921	\$ -	\$ -
Debt Service:			
Principal	417,494	-	30,000
Interest	64,681	-	7,701
Total expenditures / expenses	840,096	-	37,701
Program revenues			
Operating grants and contributions	9,153	-	330
Special assessments / capital grants and contributions	679,348	-	40,254
Total program revenues	688,501	-	40,584
Net program revenue (expense)	(151,595)	-	2,883
General revenues			
Interest	-	-	(179)
Other financing sources			
Proceeds from long-term debt	51,270	-	-
Revenue and other sources over (under) expenditures / change in net assets	(100,325)	-	2,704
Fund balances / net assets, beginning of year, as restated	307,308	-	14,429
Fund balances / net assets, end of year	\$ 206,983	\$ -	\$ 17,133

nds

Hollywood		Chapter 20			
Road	Abraham				
Detention	Drain				
Bonds	820.00				
803.03		Total	Adjustments	Statement of Activities	
\$ 6,211	\$ 450	\$ 364,582	\$ 99,864	\$ 464,446	
15,000	-	462,494	(462,494)	-	
16,249	-	88,631	-	88,631	
37,460	450	915,707	(362,630)	553,077	
7,148	450	17,081	-	17,081	
24,114	-	743,716	(326,000)	417,716	
31,262	450	760,797	(326,000)	434,797	
(6,198)	-	(154,910)	36,630	(118,280)	
349	-	170	-	170	
-	-	51,270	(51,270)	-	
(5,849)	-	(103,470)	(14,640)	(118,110)	
173,908	-	495,645	1,455,983	1,951,628	
\$ 168,059	\$ -	\$ 392,175	\$ 1,441,343	\$ 1,833,518	

COUNTY OF BERRIEN, MICHIGAN
Brownfield Redevelopment Authority Component Unit
Statement of Net Assets
December 31, 2004

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 843,601
Interest receivable	2,032
Due from other governments	484,615
Notes receivable	<u>925,000</u>
Total assets	<u>2,255,248</u>
 Liabilities	
Accounts payable	185,189
Advances from other component unit	1,800,000
Deferred revenue (unearned)	<u>290,806</u>
Total liabilities	<u>2,275,995</u>
 Net Assets	
Unrestricted	<u><u>\$ (20,747)</u></u>

COUNTY OF BERRIEN, MICHIGAN
Brownfield Redevelopment Authority Component Unit
Statement of Activities
For the Year Ended December 31, 2004

	Governmental Activities
Expenses	
Health and welfare	\$ 609,022
Program revenues	
Charges for services	43,799
Operating grants and contributions	493,809
Total program revenues	537,608
Net (expense) revenue	(71,414)
General revenues	
Interest revenue	28,466
Change in net assets	(42,948)
Net assets, beginning of year	22,201
Net assets, end of year	\$ (20,747)

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Statement of Net Assets
December 31, 2004

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>Supplemental Services Special Revenue Fund 287.00</u>	<u>Enterprise Funds</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 127,814	\$ 1,294,843	\$ 1,422,657
Notes receivable	-	1,104,698	1,104,698
Advance to other component unit	-	1,800,000	1,800,000
	<u>127,814</u>	<u>4,199,541</u>	<u>4,327,355</u>
Liabilities			
Accounts payable	315	-	315
Accrued liabilities	931	-	931
Advances from primary government	-	2,800,000	2,800,000
	<u>1,246</u>	<u>2,800,000</u>	<u>2,801,246</u>
Net Assets			
Unrestricted	<u>\$ 126,568</u>	<u>\$ 1,399,541</u>	<u>\$ 1,526,109</u>

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Statement of Activities
For the Year Ended December 31, 2004

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>Supplemental Services Special Revenue Fund 287.00</u>	<u>Enterprise Funds</u>	<u>Total</u>
Expenses			
Community development	\$ 34,299	\$ 60,626	\$ 94,925
Program revenues			
Charges for services	<u>11,287</u>	<u>2,522</u>	<u>13,809</u>
Net (expense) revenue	(23,012)	(58,104)	(81,116)
General revenues			
Interest revenue	<u>-</u>	<u>38,900</u>	<u>38,900</u>
Change in net assets	(23,012)	(19,204)	(42,216)
Net assets, beginning of year	<u>149,580</u>	<u>1,418,745</u>	<u>1,568,325</u>
Net assets, end of year	<u><u>\$ 126,568</u></u>	<u><u>\$ 1,399,541</u></u>	<u><u>\$ 1,526,109</u></u>

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Combining Statement of Net Assets
Enterprise Funds
December 31, 2004

	Small Cities Block Grant 289.00	Edgewater Loan Fund 289.01	Benton Harbor Clinic Loan Fund 289.02
Assets			
Cash and cash equivalents	\$ 153,672	\$ 911,504	\$ 152,603
Investments	-	-	-
Notes receivable	1,052,200	-	-
Advance to other component unit	-	-	-
Total assets	1,205,872	911,504	152,603
 Liabilities			
Advances from primary government	-	850,000	150,000
 Net assets, unrestricted	 <u>\$ 1,205,872</u>	 <u>\$ 61,504</u>	 <u>\$ 2,603</u>

Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
\$ -	\$ 77,064	\$ 1,294,843
-	-	-
-	52,498	1,104,698
1,800,000	-	1,800,000
1,800,000	129,562	4,199,541
1,800,000	-	2,800,000
\$ -	\$ 129,562	\$ 1,399,541

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Combining Statement of Revenue, Expenses
and Changes in Fund Net assets
Enterprise Funds
For the Year Ended December 31, 2004

	Small Cities Block Grant 289.00	Edgewater Loan Fund 289.01	Benton Harbor Clinic Loan Fund 289.02
Operating revenue			
Interest on loans	\$ -	\$ -	\$ -
Operating expense			
Community development	54,684	-	-
Operating loss	(54,684)	-	-
Non-operating revenue			
Interest revenue	16,887	19,654	2,359
Change in net assets	(37,797)	19,654	2,359
Net assets, beginning of year	1,243,669	41,850	244
Net assets, end of year	\$ 1,205,872	\$ 61,504	\$ 2,603

Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
\$ -	\$ 2,522	\$ 2,522
-	5,942	60,626
-	(3,420)	(58,104)
-	-	38,900
-	(3,420)	(19,204)
-	132,982	1,418,745
<u>\$ -</u>	<u>\$ 129,562</u>	<u>\$ 1,399,541</u>

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2004

	Small Cities Block Grant 289.00	Edgewater Loan Fund 289.01	Benton Harbor Clinic Loan Fund 289.02
Cash flows from operating activities			
Cash received from customers	\$ 20,439	\$ 850,000	\$ 150,000
Cash payments to suppliers for goods and services	(54,684)	-	-
Net cash provided (used) by operating activities	(34,245)	850,000	150,000
Cash flows from non-capital financing activities			
Increase (decrease) in capital advances	-	-	-
Cash flows from investing activities			
Proceeds from investment maturities	101,324	-	-
Investment income	16,887	19,654	2,359
Net cash provided by non-capital financing activities	118,211	19,654	2,359
Net increase (decrease) in cash and cash equivalents	83,966	869,654	152,359
Cash and cash equivalents, beginning of year	69,706	41,850	244
Cash and cash equivalents, end of year	\$ 153,672	\$ 911,504	\$ 152,603
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (54,684)	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in notes receivable	20,439	850,000	150,000
(Increase) decrease in advances to component units	-	-	-
Net cash provided (used) by operating activities	\$ (34,245)	\$ 850,000	\$ 150,000

Brownfield Redevelopment Authority Loan Fund 289.03			Revolving Loan Fund 691.00			Total		
\$	-	\$	4,927	\$	1,025,366	(1,800,000)	(5,942)	(1,860,626)
	(1,800,000)		(5,942)					
	(1,800,000)		(1,015)		(835,260)			
	1,800,000		-		1,800,000			
	-		-		101,324			
	-		-		38,900			
	-		-		140,224			
	-		(1,015)		1,104,964			
	-		78,079		189,879			
\$	-	\$	77,064	\$	1,294,843			
\$	-	\$	(3,420)	\$	(58,104)			
	-		2,405		1,022,844			
	(1,800,000)		-		(1,800,000)			
\$	(1,800,000)	\$	(1,015)	\$	(835,260)			