

COUNTY OF BERRIEN, MICHIGAN

Audited Financial Statements

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

COUNTY OF BERRIEN, MICHIGAN
For the Year Ended December 31, 2008

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INDEPENDENT AUDITORS' REPORT

[Date], 2009

Board of Commissioners of the
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, 2008, 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 84.1% of the assets, and 84.5% 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-16 , the historical pension information on page 70 and the historical other postemployment benefit information on page 71 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 [Date], 2009, 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 grant 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.

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, 2008**. 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.

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. **The 2008 net assets of the County increased by \$2,485,948. The answer is, yes, the County as a whole is better off as a result of activity during 2008.** 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.**

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 Capital Reserve 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 non-major governmental funds is provided in the form of combining statements elsewhere in 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.

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 and Other Postemployment Benefit Trust Funds had total assets of \$99,168,363 at December 31, 2008, a loss of \$40,674,140 during the year. The ratio of actuarial valuation assets of \$129,718,059 to actuarial accrued liabilities of \$146,500,504 was 88.50% at December 31, 2008.** 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.

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.

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.

The combining and individual fund financial statements and schedules referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$107,063,476. 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 \$2,485,848 during 2008. Net assets from governmental activities increased by \$64,547 while net assets from business-type activities (i.e. Delinquent Tax funds, Public Works Projects funds) increased by \$2,421,401.
- As of the close of 2008, the County's governmental funds (which includes the general fund, special revenue, debt service, and capital projects funds) reported combined ending fund balances of \$40,316,949, an decrease of \$4,217,031 during the year. Of this fund balance amount, \$39,695,949 is available for spending at the government's discretion as unreserved fund balance while the remaining balance of \$621,000 is reserved for advances to component units (\$471,000) and long term receivables (\$150,000).
- The General Fund showed an increase of \$663,061 during 2008. At December 31, 2008, unreserved fund balance for the General Fund was \$12,929,843, or 31.76% 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 \$13,400,843 at December 31, 2008.
- 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 \$11,142,319 at December 31, 2008.
- The County's total long-term installment debt decreased by \$195,733 during 2008 and was a total of \$20,994,420 at December 31, 2008. Total debt was \$129.23 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.
- As of April, 30 2009 Standard & Poor's rating agency rated Berrien County's bond credit at AA. This 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 liabilities by \$107,063,476 for the year ending December 31, 2008.**

**Berrien County’s Net Assets
December 31, 2008-2007**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
Current/other						
Assets	\$65,103,596	\$65,277,000	\$46,279,399	\$41,964,417	\$111,382,995	\$107,241,417
Capital Assets	<u>31,174,149</u>	<u>30,727,068</u>	<u>269,148</u>	<u>316,155</u>	<u>31,443,297</u>	<u>31,043,223</u>
Total Assets	<u>96,277,745</u>	<u>96,004,068</u>	<u>46,548,547</u>	<u>42,280,572</u>	<u>142,826,292</u>	<u>138,284,640</u>
Long-Term						
Liabilities	11,438,949	12,227,996	11,611,284	10,797,016	23,050,233	23,025,012
Other Liabilities	<u>11,534,096</u>	<u>10,535,919</u>	<u>1,178,487</u>	<u>146,069</u>	<u>12,712,583</u>	<u>10,681,988</u>
Total Liabilities	<u>22,973,045</u>	<u>22,763,915</u>	<u>12,789,771</u>	<u>10,943,085</u>	<u>35,762,816</u>	<u>33,707,000</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	21,998,080	20,762,628	208,745	196,274	22,206,825	20,958,902
Restricted	28,043,321	32,586,006	-	-	28,043,321	32,586,006
Unrestricted	<u>23,263,299</u>	<u>19,891,519</u>	<u>33,550,031</u>	<u>31,141,101</u>	<u>56,813,330</u>	<u>51,032,620</u>
Total Net Assets	<u>\$73,304,700</u>	<u>\$73,240,153</u>	<u>\$33,758,776</u>	<u>\$31,337,375</u>	<u>\$107,063,476</u>	<u>\$104,577,528</u>

Berrien County had a net investment in capital assets of \$22,206,825 at December 31, 2008. This represents 20.74% of total net assets. The County’s investment in capital assets (i.e., land, buildings, vehicles, computers, and 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 Asset Works.

In addition, the County has restricted net assets of \$28,043,321 at December 31, 2008. This represents 26.19% 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 decreased by 4,542,685 during 2008. These assets were used for the continuing renovations of the county facilities including; 2100 E. Empire, Courthouse, Jail and Juvenile Center.

Finally, the County has unrestricted net assets in the amount of \$56,813,330 at December 31, 2008. This represents 53.07% 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, 2008, 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.

The County's net assets increased by \$2,485,948 during 2008.

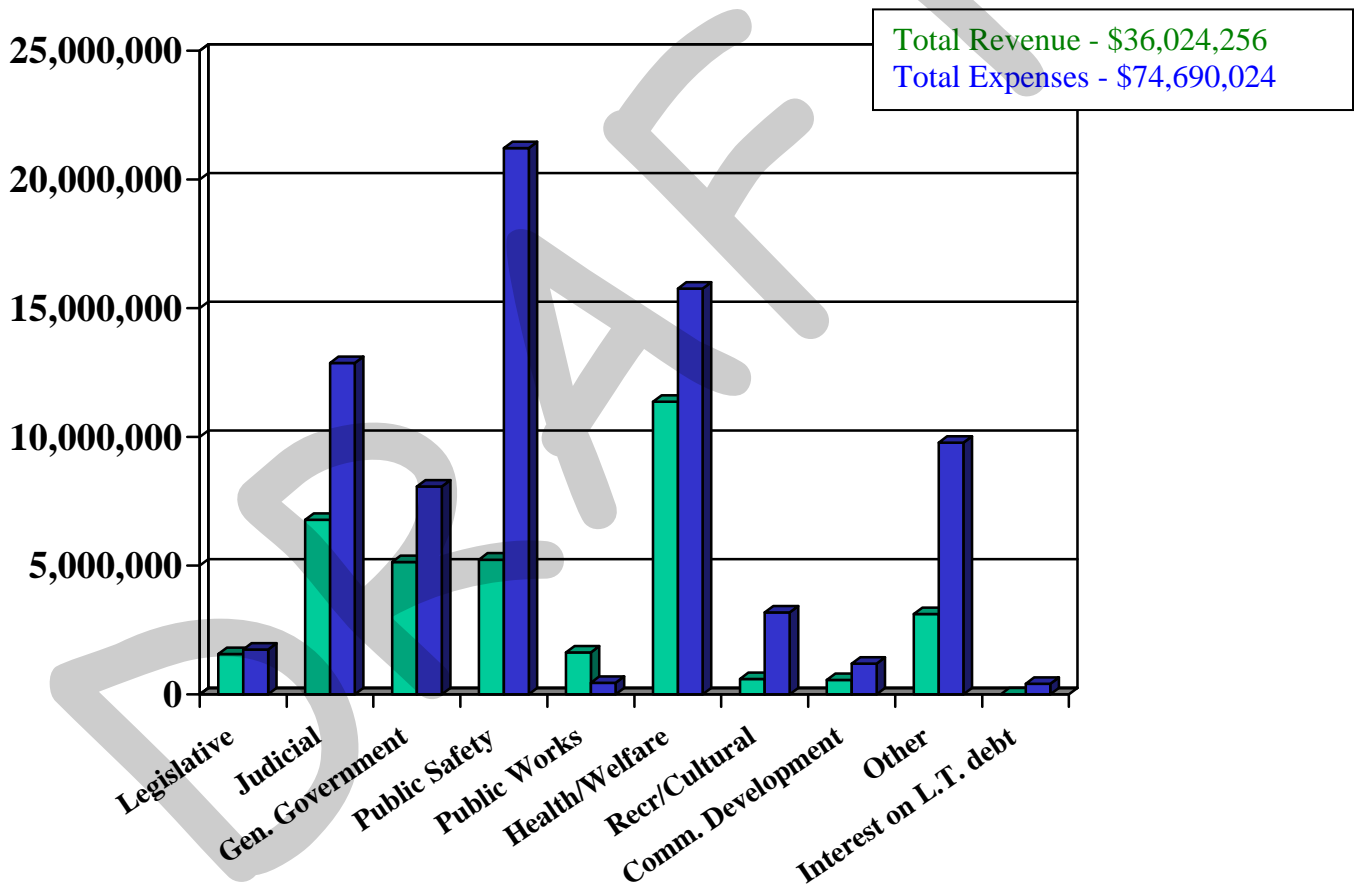
**Berrien County's Changes in Net Assets
December 31, 2008-2007**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	12/31/08	12/31/07	12/31/08	12/31/07	12/31/08	12/31/07
Revenue:						
Program Revenue:						
Charges for Services	\$ 13,013,971	\$ 13,497,846	\$ 2,912,730	\$ 2,802,969	\$ 15,918,147	\$ 16,300,815
Operating Grants & Contributions	23,010,285	24,433,705	971,986	989,021	23,990,825	25,422,726
General Revenue						
Property Taxes	36,765,129	35,952,736	-	-	36,765,129	35,952,736
Unrestricted Grants & Contributions	381,796	461,003	-	-	381,796	461,003
Unrestricted Investment Earnings	1,583,390	2,405,082	-	-	1,583,390	2,405,082
Loss on Sale of Capital Assets	-	-	-	-	-	-
Transfers-Internal Act.	-	700,000	-	(700,000)	-	-
Total Revenue	<u>74,754,571</u>	<u>77,450,372</u>	<u>3,884,716</u>	<u>3,091,990</u>	<u>78,639,287</u>	<u>80,542,362</u>
Expenses:						
Legislative	1,743,043	1,658,433	-	-	1,743,043	1,658,433
Judicial	12,869,526	11,907,766	-	-	12,869,526	11,907,766
General Government	8,077,809	8,615,363	-	-	8,077,809	8,467,535
Public Safety	21,208,920	20,540,100	-	-	21,208,920	20,540,100
Public Works	450,831	445,541	-	-	450,831	445,541
Health & Welfare	15,757,877	16,199,395	-	-	15,757,877	16,199,395
Recreation/Cultural	3,193,415	3,148,404	-	-	3,193,415	3,148,404
Community Dev.	1,194,733	1,261,843	-	-	1,194,733	1,261,843
Other Gov. Activity	9,779,066	8,554,774	-	-	9,779,066	8,554,774
Interest on L.T. Debt	414,804	451,461	-	-	414,804	451,461
Delinquent Tax Coll / Forfeitures	-	-	950,475	1,014,841	950,475	1,014,841
Public Works Projects	-	-	512,840	556,012	512,840	556,012
Total Expenses	<u>74,690,024</u>	<u>72,783,080</u>	<u>1,463,315</u>	<u>1,570,853</u>	<u>76,153,339</u>	<u>74,206,105</u>
Increase in Net Assets	64,547	4,667,292	2,421,401	1,521,137	2,485,948	6,188,429
Net Assets - Beg.	73,240,153	68,572,861	31,337,375	29,816,238	104,577,528	98,389,099
Net Assets - End	<u>\$ 73,304,700</u>	<u>\$ 73,240,153</u>	<u>\$ 33,758,776</u>	<u>\$ 31,337,375</u>	<u>\$ 107,063,476</u>	<u>\$ 104,577,528</u>

Governmental Activities. Governmental activities increased the County’s net assets by \$64,547 during 2008. 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. Also considered in these costs would be the continued facilities renovations and technology updates.

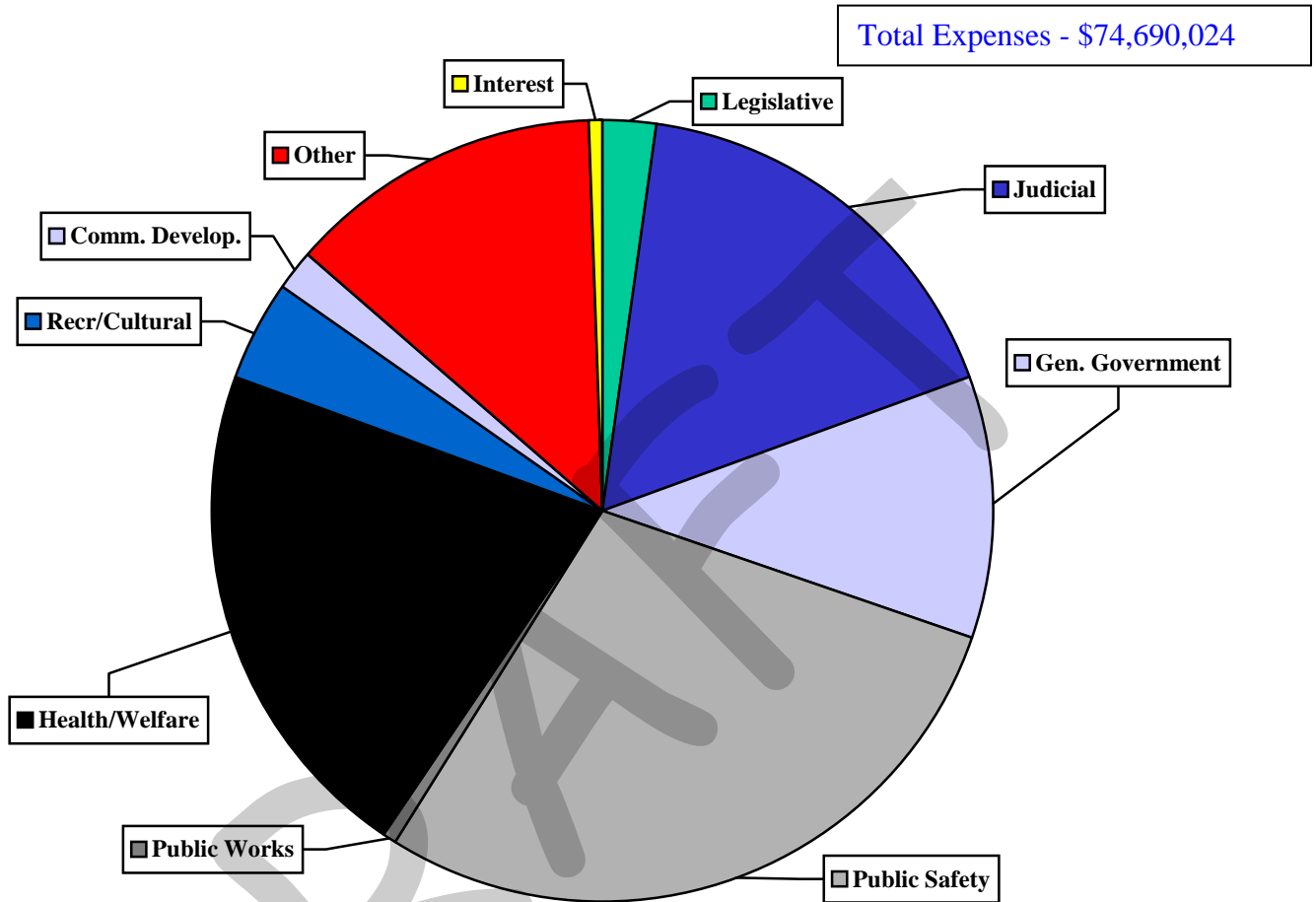
A chart of program revenue and expenses for governmental activities is as follows:

Program Revenue and Expenses Governmental Activities



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

Governmental Activities Expenses

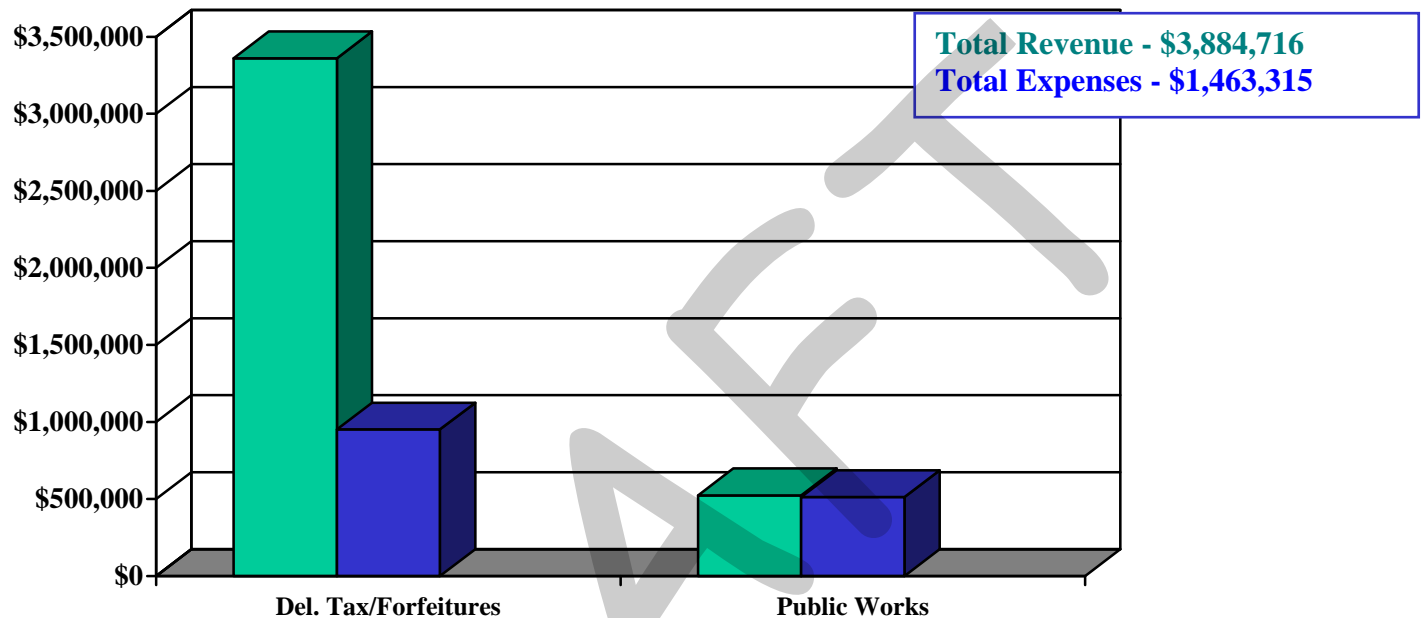


Business-Type Activities. Business-type activities (i.e. Delinquent Tax Revolving funds, Delinquent Tax Forfeiture funds and the Public Works Projects funds) **increased the County's net assets by \$2,421,401 during 2008.** Key elements of the current year increase are as follows:

- Charges for services for business-type activities were \$2,912,730 or 74.98% 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 \$971,986 or 25.02% of revenue.

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

Program Revenue and Expenses Business-type Activities



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, and Capital Reserve 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, 2008, the County's governmental funds reported a combined ending fund balance of \$40,316,949. This is an decrease of \$4,217,031 in comparison with the prior year. The decrease is due primarily to the annual distribution of funds from the Revenue Sharing Fund for use by the General Fund; the amount of the 2008 distribution was \$3,420,601. Of the total fund balance amount, \$621,000 has been reserved for advances to component units (\$471,000) and long term receivables (\$150,000). A total of \$39,695,949 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 \$12,929,843 while total fund balance was \$13,400,843. The total General Fund balance increased by \$663,061 during 2008. 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 31.76% 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 of the revenue sharing fund decreased by \$3,129,870, which is primarily due to the transfer out of funds to the general fund, in an amount determined annually by the state.

The fund balance of the capital reserve fund increased by \$344,986, which is entirely attributable to interest earnings and investment gains.

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 \$43,852,086 at year-end. The Delinquent Tax Revolving funds had net assets of \$32,614,652 at December 31, 2008, an increase of \$2,376,952 during the year. The self-insurance funds increased \$2,755,630 during 2008. The self-insurance funds had net assets of \$10,936,337 at December 31, 2008.

General Fund Budgetary Highlights

The original budget for revenue and incoming transfers in the General Fund was \$49,940,800 for 2008. Actual revenue and incoming transfers for 2008 was \$48,871,125.

The original budget for expenditures and outgoing transfers in the General Fund was \$49,940,800 for 2008. Additional year-end appropriations were made to several funds totaling \$800,000 (detail on page 13). The additional appropriations were financed from savings in other budgeted accounts. Actual expenditures and outgoing transfers for 2008 were \$48,208,064.

Berrien County's Transfer Detail December 31, 2008

Funds	2008
Self-Help Legal Research	\$ 150,000
Public Maintenance & Improvement	550,000
Vehicles	150,000
2008 Year End Transfers	\$ 800,000

Overall during the 2008, the general fund revenue exceeded budgeted total and expenditures were less than the final budget, thus, resulting in an increase in the General Fund balance of \$663,061 during 2008.

Capital Asset and Debt Administration

Capital Assets. The County's cost of capital assets for its governmental activities at December 31, 2008 was \$31,174,149 (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 \$269,148 at the end of the year. **Total capital assets, net were \$31,443,297 at December 31, 2008.**

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

- Building Authority renovations continued with the completion of the replacement windows of all the windows at the County Courthouse. A total of \$228,118 was spent during 2008.
- Ongoing replacement of Sheriff's Department vehicles and computer equipment.
- Those costs are reflected in the on-going renovations at 2100 E. Empire

Berrien County's Capital Assets December 31, 2008 – 2007

	<u>Governmental Activities</u>		<u>Business-Types Activities</u>		<u>Total</u>	
	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/07</u>
Land	\$ 4,814,779	\$ 5,356,839	\$ -	\$ -	\$ 4,814,779	\$ 5,356,839
Land Improvements	1,444,436	1,367,996	-	-	1,444,436	1,367,996
Buildings	34,698,600	33,365,704	-	-	34,698,600	33,365,704
Equipment	<u>9,622,534</u>	<u>9,840,894</u>	<u>741,445</u>	<u>853,704</u>	<u>10,363,979</u>	<u>10,694,598</u>
TotalCost	50,580,349	49,931,433	741,445	853,704	51,321,794	50,785,137
Less Accr Depr	<u>(19,406,200)</u>	<u>(19,204,365)</u>	<u>(472,297)</u>	<u>(537,549)</u>	<u>(19,878,497)</u>	<u>(19,741,914)</u>
NetCost	<u>\$ 31,174,149</u>	<u>\$ 30,727,068</u>	<u>\$ 269,148</u>	<u>\$ 316,155</u>	<u>\$ 31,443,297</u>	<u>\$ 31,043,223</u>

Long-Term Debt. At the end of the fiscal year, the County had total long-term installment debt outstanding of \$20,994,420. This long-term debt is summarized as follows:

Berrien County's Outstanding Debt December 31, 2008-2007

	<u>Governmental Activities</u>		<u>Business - Type Activities</u>		<u>Total</u>	
	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2007</u>
General Obligation Bonds	\$ 8,775,000	\$ 9,650,000	\$ 6,010,000	\$ 6,740,000	\$ 14,785,000	\$ 16,390,000
DPW Notes	-	-	-	-	-	-
Delinquent Tax Notes	-	-	5,540,881	3,937,135	5,540,881	3,937,135
Capital Leases	<u>608,136</u>	<u>743,137</u>	<u>60,403</u>	<u>119,881</u>	<u>668,539</u>	<u>863,018</u>
Total	<u>\$ 9,383,136</u>	<u>\$ 10,393,137</u>	<u>\$ 11,611,284</u>	<u>\$ 10,797,016</u>	<u>\$ 20,994,420</u>	<u>\$ 21,190,153</u>

At December 31, 2008, general obligation bonds include \$8,775,000 in Building Authority debt and \$6,010,000 in Public Works debt for water/sewer projects with local units of government. The County's total debt decreased by \$195,733 during 2008. The County retired debt of \$875,000 in general obligation bonds/notes and \$9,226,254 in delinquent tax notes during 2008.

During 2008, the County borrowed \$10,830,000 in delinquent tax notes. Debt service requirements for general obligation bonds are \$1,385,000 in principal and \$639,967 in interest for 2009. 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 AA- to AA on April 30, 2009. 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 \$927,902,347, while the County has only utilized \$14,785,000 (1.59%) of its legal borrowing capacity.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2008 fiscal year:

- The cost of maintaining the defined benefit retirement plan has impacted the fiscal operations of the county. Employer Contributions for the Sheriff's Unit increased from 20.05% for 2008 to 25.90 % for 2009 while the employer contribution for the Courthouse unit increased from 6.91 % in 2008 to 9.41 % for 2009. These increases are due to plan benefits enhancements and the rising cost of retiree health care benefits. Investment earnings decreased through 2008 with greater expectations for 2009.
- Interest rates on investments have been low the past few years, but decreased during periods of 2008 as the Federal Reserve decreased its discount rate. The 2009 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 \$1,583,390 during 2008 as compared to \$2,405,082 during 2007.
- 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 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 \$1,695,369 at December 31, 2008.
- 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 7,632,441 during 2008 to \$14,345,014 during 2009. The County has net assets in its Health Care Insurance Fund of \$7,735,474 at December 31, 2008.
- The unemployment rate for Berrien County is 12.4% for March 2009, which is a increase from the unemployment rate of 7.0% in March 2008. The unemployment rate for Berrien County is lower than the State of Michigan average of 13.4% (March 2009) but higher than the United States average of 8.6% (April 2009). During 2009, 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.

- 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 \$12,929,843 at December 31, 2008.

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!

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN
Statement of Net Assets
December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 55,776,444	\$ 18,487,928	\$ 74,264,372	\$ 4,407,529
Restricted cash	634,282	-	634,282	171,386
Investments	3,602,641	8,074,174	11,676,815	2,411,278
Receivables, net	12,004,729	12,763,247	24,767,976	11,466,081
Internal balances	(6,914,500)	6,914,500	-	-
Prepaid items and other assets	-	39,550	39,550	1,490,123
Capital assets not being depreciated	4,814,779	-	4,814,779	15,843,493
Capital assets being depreciated, net	26,359,370	269,148	26,628,518	67,952,201
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	96,277,745	46,548,547	142,826,292	103,742,091
Liabilities				
Accounts payable and accrued expenses	5,749,827	1,178,487	6,928,314	5,377,767
Unearned revenue	5,784,269	-	5,784,269	-
Long-term liabilities:				
Due within one year	3,122,307	6,061,284	9,183,591	2,055,000
Due in more than one year	8,316,642	5,550,000	13,866,642	6,621,741
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	22,973,045	12,789,771	35,762,816	14,054,508
Net assets				
Invested in capital assets, net of related debt	21,998,080	208,745	22,206,825	77,419,531
Restricted for:				
Capital projects	1,360,316	-	1,360,316	-
Public safety	4,191,119	-	4,191,119	-
Culture and recreation	189,932	-	189,932	-
Health and welfare	1,849,375	-	1,849,375	-
Community development	391,768	-	391,768	-
Judicial	948,525	-	948,525	-
State mandated programs and other purposes	19,112,286	-	19,112,286	171,386
Unrestricted	23,263,299	33,550,031	56,813,330	12,096,666
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	\$ 73,304,700	\$ 33,758,776	\$ 107,063,476	\$ 89,687,583

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 1,743,043	\$ 2,453	\$ 1,568,774	\$ -	\$ (171,816)
Judicial	12,869,526	4,292,887	2,490,744	-	(6,085,895)
General government	8,077,809	2,389,285	2,748,369	-	(2,940,155)
Public safety	21,208,920	2,317,546	2,916,069	-	(15,975,305)
Public works	450,831	420	1,631,907	-	1,181,496
Health and welfare	15,757,877	909,350	10,457,385	-	(4,391,142)
Recreation and cultural	3,193,415	457,655	145,780	-	(2,589,980)
Community development	1,194,733	280,313	290,644	-	(623,776)
Other governmental activities	9,779,066	2,364,062	760,613	-	(6,654,391)
Interest on long-term debt	414,804	-	-	-	(414,804)
Total governmental activities	<u>74,690,024</u>	<u>13,013,971</u>	<u>23,010,285</u>	<u>-</u>	<u>(38,665,768)</u>
Business-type activities:					
Delinquent tax collections/forfeitures	950,475	2,396,072	965,078	-	2,410,675
Public works projects	512,840	516,658	6,908	-	10,726
Total business-type activities	<u>1,463,315</u>	<u>2,912,730</u>	<u>971,986</u>	<u>-</u>	<u>2,421,401</u>
Total primary government	<u>\$ 76,153,339</u>	<u>\$ 15,926,701</u>	<u>\$ 23,982,271</u>	<u>\$ -</u>	<u>\$ (36,244,367)</u>
Component units					
County roads	\$ 16,487,445	\$ -	\$ 15,397,866	\$ 709,920	\$ (379,659)
County drains	612,380	-	1,250,287	1,430,006	2,067,913
Brownfield redevelopment	514,619	5,500	202,712	-	(306,407)
Economic development	47,424	7,844	-	-	(39,580)
Total component units	<u>\$ 17,661,868</u>	<u>\$ 13,344</u>	<u>\$ 16,850,865</u>	<u>\$ 2,139,926</u>	<u>\$ 1,342,267</u>

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

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (38,665,768)	\$ 2,421,401	\$ (36,244,367)	\$ 1,342,267
General revenue:				
Property taxes	36,765,129	-	36,765,129	39,673
Grants and contributions not restricted to specific programs	381,796	-	381,796	-
Unrestricted investment earnings	1,583,390	-	1,583,390	24,087
Total general revenue	38,730,315	-	38,730,315	63,760
Change in net assets	64,547	2,421,401	2,485,948	1,406,027
Net assets, beginning of year	73,240,153	31,337,375	104,577,528	88,281,556
Net assets, end of year	\$ 73,304,700	\$ 33,758,776	\$ 107,063,476	\$ 89,687,583

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

FUND FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN
Balance Sheet
Governmental Funds
December 31, 2008

	General 101.00	Revenue Sharing Reserve 285.00	Capital Reserve 403.00	Other Governmental Funds	Total
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 13,372,271	\$ 11,142,319	\$ 2,870,320	\$ 14,560,640	\$ 41,945,550
Investments	-	-	3,414,510	188,131	3,602,641
Receivables:					
Taxes receivable - current	2,013,890	-	-	5,281,312	7,295,202
Taxes receivable - delinquent	93,685	-	-	17,170	110,855
Due from other governments	90,316	-	-	2,408,356	2,498,672
Due from other funds	900	-	-	-	900
Advances to other funds	5,435,500	-	-	-	5,435,500
Advances to component units	1,950,000	-	-	-	1,950,000
Notes receivable	-	-	-	150,000	150,000
<u>TOTAL ASSETS</u>	\$ 22,956,562	\$ 11,142,319	\$ 6,284,830	\$ 22,605,609	\$ 62,989,320
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities					
Accounts payable	\$ 317,007	\$ -	\$ -	\$ 599,642	\$ 916,649
Accrued and other liabilities	605,901	-	-	340,079	945,980
Due to other funds	-	-	-	900	900
Interfund payable	-	-	-	148,749	148,749
Advances from other governments	-	-	-	90,000	90,000
Advances from other funds	6,914,500	-	5,414,500	21,000	12,350,000
Undistributed receipts	-	-	-	343	343
Deferred revenue	1,718,311	-	-	6,501,439	8,219,750
Total liabilities	9,555,719	-	5,414,500	7,702,152	22,672,371
	13,400,843				
Fund balance					
Reserved for:					
Long-term receivables	-	-	-	150,000	150,000
Advances to other funds and component units	471,000	-	-	-	471,000
Unreserved:					
Designated for subsequent years' expenditures, reported in nonmajor special revenue funds	-	-	-	1,746,100	1,746,100
Designated for subsequent years' expenditures, reported in nonmajor capital projects funds	-	-	-	215,000	215,000
Undesignated	12,929,843	11,142,319	870,330	-	24,942,492
Undesignated, reported in nonmajor:					
Special revenue funds	-	-	-	12,310,044	12,310,044
Debt service funds	-	-	-	260	260
Capital projects funds	-	-	-	482,053	482,053
Total fund balance	13,400,843	11,142,319	870,330	14,903,457	40,316,949
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 22,956,562	\$ 11,142,319	\$ 6,284,830	\$ 22,605,609	\$ 62,989,320

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, 2008

Fund balances - total governmental funds	\$ 40,316,949
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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	4,814,779
Add: capital assets being depreciated, net	26,359,370

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	1,735,481
Add: long-term receivables	700,000

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	10,936,337
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds and leases payable	(9,383,136)
Subtract: compensated absences	(2,055,813)
Subtract: accrued interest on long-term liabilities	(119,267)

Net assets of governmental activities	<u>\$ 73,304,700</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 Balances
Governmental Funds
For the Year Ended December 31, 2008

	General 101.00	Revenue Sharing Reserve 285.00	Capital Reserve 403.00	Other Governmental Funds	Total
Revenue					
Taxes	\$ 30,946,295	\$ -	\$ -	\$ 5,539,393	\$ 36,485,688
Licenses and permits	212,561	-	-	273,494	486,055
Intergovernmental revenue	3,182,274	-	-	15,119,550	18,301,824
Charges for services	7,169,773	-	-	4,654,083	11,823,856
Fines and forfeitures	604,012	-	-	100,048	704,060
Interest revenue	1,215,869	290,731	344,986	44,726	1,896,312
Other revenue and reimbursements	1,960,564	-	-	2,586,572	4,547,136
Total revenue	45,291,348	290,731	344,986	28,317,866	74,244,931
Expenditures					
Current expenditures:					
Legislative	1,785,718	-	-	-	1,785,718
Judicial	9,668,567	-	-	3,650,590	13,319,157
General government	8,407,470	-	-	128,249	8,535,719
Public safety	14,347,781	-	-	7,499,312	21,847,093
Public works	-	-	-	450,831	450,831
Health and welfare	721,980	-	-	16,011,885	16,733,865
Recreation and cultural	323,193	-	-	2,895,654	3,218,847
Community development	972,133	-	-	209,258	1,181,391
Other governmental activities	4,485,663	-	-	5,468,494	9,954,157
Debt service:					
Principal	-	-	-	1,010,001	1,010,001
Interest and fiscal charges	-	-	-	425,183	425,183
Total expenditures	40,712,505	-	-	37,749,457	78,461,962
Revenue over (under) expenditures	4,578,843	290,731	344,986	(9,431,591)	(4,217,031)
Other financing sources (uses)					
Transfers in	3,579,777	-	-	9,677,908	13,257,685
Transfers out	(7,495,559)	(3,420,601)	-	(2,341,525)	(13,257,685)
Total other financing sources (uses)	(3,915,782)	(3,420,601)	-	7,336,383	-
Net changes in fund balances	663,061	(3,129,870)	344,986	(2,095,208)	(4,217,031)
Fund balance, beginning of year	12,737,782	14,272,189	525,344	16,998,665	44,533,980
Fund balance, end of year	\$ 13,400,843	\$ 11,142,319	\$ 870,330	\$ 14,903,457	\$ 40,316,949

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, 2008

Net change in fund balances - total governmental funds \$ (4,217,031)

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	2,676,958
Subtract: transfers from construction in progress	(542,060)
Subtract: depreciation expense	(1,561,029)
Subtract: loss on disposal of capital assets	(126,788)

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	279,441
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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	1,010,001
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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	10,379
Subtract: change in the accrual of compensated absences	(220,954)

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	230,199
Add: operating income from governmental activities accounted for in internal service fund	2,525,431

Change in net assets of governmental activities	\$ 64,547
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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, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenue				
Taxes	\$ 30,900,009	\$ 30,900,009	\$ 30,946,295	\$ 46,286
Licenses and permits	192,775	192,775	212,561	19,786
Intergovernmental revenues	3,032,400	3,032,400	3,182,274	149,874
Charges for services	7,550,232	7,550,232	7,169,773	(380,459)
Fines and forfeitures	596,000	596,000	604,012	8,012
Interest revenue	930,000	930,000	1,215,869	285,869
Other revenue and reimbursements	1,864,607	1,864,607	1,960,564	95,957
Total revenue	<u>45,066,023</u>	<u>45,066,023</u>	<u>45,291,348</u>	<u>225,325</u>
Expenditures				
Legislative:				
Board of Commissioners	566,286	610,945	608,678	(2,267)
Appropriations to outside agencies	888,860	938,230	938,230	-
County Administrator	237,359	238,815	238,810	(5)
Total legislative	<u>1,692,505</u>	<u>1,787,990</u>	<u>1,785,718</u>	<u>(2,272)</u>
Judicial:				
Circuit court	787,531	790,024	790,018	(6)
District court	2,774,083	2,743,898	2,743,829	(69)
Probate court	257,250	254,885	254,875	(10)
Jury board	13,167	5,755	5,618	(137)
Family Court Intake	672,783	684,002	683,999	(3)
Tri-court cashiering unit	346,360	344,038	344,030	(8)
Trial court	2,070,224	2,265,276	2,265,191	(85)
District court probation	651,692	628,066	628,056	(10)
Adult probation	29,928	15,693	15,687	(6)
Juvenile probation	759,675	738,432	738,426	(6)
Probate court administration	989,931	994,541	994,530	(11)
Tri-court enforcement services	201,865	216,052	204,308	(11,744)
Total judicial	<u>9,554,489</u>	<u>9,680,662</u>	<u>9,668,567</u>	<u>(12,095)</u>

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, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (continued)				
General government:				
Elections	\$ 205,231	\$ 159,188	\$ 159,181	\$ (7)
Clerk	1,072,998	1,063,501	1,063,492	(9)
Equalization	570,659	562,333	559,643	(2,690)
Personnel	356,021	351,564	351,555	(9)
Purchasing	143,105	158,351	158,346	(5)
Corporate counsel	80,804	81,176	81,173	(3)
Prosecutor	2,743,926	2,492,686	2,491,370	(1,316)
Register of deeds	338,242	310,265	310,258	(7)
Treasurer	372,480	377,292	377,283	(9)
Courthouse and grounds	1,199,350	1,199,350	1,129,311	(70,039)
Building authority	2,653	1,628	437	(1,191)
South county building	330,668	333,943	287,853	(46,090)
Other county property	161,050	161,050	119,264	(41,786)
Administration center	273,886	273,886	227,688	(46,198)
2100 complex	170,478	170,478	136,405	(34,073)
Training facility	45,440	36,850	13,218	(23,632)
Drain commissioner	441,110	457,913	449,266	(8,647)
Building security	125,582	125,582	119,778	(5,804)
Financial services	375,359	371,956	371,949	(7)
Total general government	9,009,042	8,688,992	8,407,470	(281,522)
Public safety:				
Sheriff's office and road patrol	4,209,116	4,307,085	4,305,437	(1,648)
Jail inmate rehabilitation	80,768	88,719	87,515	(1,204)
Sheriff's department radios	92,385	84,985	84,657	(328)
Sheriff's department marine safety	251,031	251,031	247,490	(3,541)
Motorcycle division	5,600	7,100	7,004	(96)
Jail division	8,036,239	8,052,630	7,993,616	(59,014)
Jail maintenance	968,416	991,891	878,909	(112,982)
Emergency management	278,063	282,263	281,797	(466)
Animal shelter	474,013	473,013	461,356	(11,657)
Total public safety	14,395,631	14,538,717	14,347,781	(190,936)
Health and welfare:				
Contagious disease	27,500	27,500	19,459	(8,041)
Medical examiner	100,000	100,000	86,291	(13,709)
Veterans services	104,239	104,239	101,530	(2,709)
Veterans burial	16,000	16,000	14,700	(1,300)
Mental health	826,000	500,000	500,000	-
Total health and welfare	1,073,739	747,739	721,980	(25,759)

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, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Expenditures (concluded)				
Recreation and cultural:				
Cooperative extension service	\$ 257,787	\$ 216,223	\$ 216,215	\$ (8)
Historical association	106,978	106,978	106,978	-
Total recreation and cultural	<u>364,765</u>	<u>323,201</u>	<u>323,193</u>	<u>(8)</u>
Community development:				
Economic development	577,811	575,811	490,735	(85,076)
Plat board	4,860	4,860	3,835	(1,025)
Survey and remonumentation	122,854	95,880	94,533	(1,347)
GIS/mapping	406,560	383,037	383,030	(7)
Total community development	<u>1,112,185</u>	<u>1,059,588</u>	<u>972,133</u>	<u>(87,455)</u>
Other expenditures:				
Information systems	2,202,144	2,097,468	2,094,970	(2,498)
Automation upgrade	59,800	55,153	55,150	(3)
Central supply	102,000	102,000	91,165	(10,835)
Livestock claims	-	1,000	260	(740)
Mailing services	346,527	346,527	326,732	(19,795)
Motor pool	312,625	324,525	307,325	(17,200)
Telephone switchboard-central	333,643	333,643	283,317	(50,326)
Printing and microfilming	424,868	449,817	413,932	(35,885)
Copy center	39,100	39,100	35,342	(3,758)
Insurance and surety bonds	792,018	792,068	748,348	(43,720)
Drains at large	90,000	90,000	89,158	(842)
BPW St. Joseph River	-	100,790	39,964	(60,826)
Total other expenditures	<u>4,702,725</u>	<u>4,732,091</u>	<u>4,485,663</u>	<u>(246,428)</u>
Total expenditures	<u>41,905,081</u>	<u>41,558,980</u>	<u>40,712,505</u>	<u>(846,475)</u>
Revenue over expenditures	<u>3,160,942</u>	<u>3,507,043</u>	<u>4,578,843</u>	<u>1,071,800</u>
Other financing sources (uses)				
Transfers in	4,874,777	4,874,777	3,579,777	(1,295,000)
Transfers out	(8,035,719)	(8,381,820)	(7,495,559)	(886,261)
Total other financing (uses)	<u>(3,160,942)</u>	<u>(3,507,043)</u>	<u>(3,915,782)</u>	<u>(408,739)</u>
Net change in fund balances	-	-	663,061	663,061
Fund balance, beginning of year	<u>12,737,782</u>	<u>12,737,782</u>	<u>12,737,782</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,737,782</u>	<u>\$ 12,737,782</u>	<u>\$ 13,400,843</u>	<u>\$ 663,061</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, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenue				
Interest revenue	\$ -	\$ 500,000	\$ 290,731	\$ (209,269)
Expenditures				
General government	-	-	-	-
Revenue over expenditures	-	500,000	290,731	(209,269)
Other financing uses				
Transfers out	-	(3,420,601)	(3,420,601)	-
Net change in fund balances	-	(2,920,601)	(3,129,870)	(209,269)
Fund balances, beginning of year	14,272,189	14,272,189	14,272,189	-
Fund balances, end of year	<u>\$ 14,272,189</u>	<u>\$ 11,351,588</u>	<u>\$ 11,142,319</u>	<u>\$ (209,269)</u>

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities
	Royalton Township Water System No. 25			Total	Internal Service Funds
	Delinquent Tax Revolving	851.84	Other Enterprise Funds		
Assets					
Current assets:					
Cash and cash equivalents	\$ 17,346,780	\$ 48	\$ 992,351	\$ 18,339,179	\$ 13,979,643
Investments	8,074,174	-	-	8,074,174	-
Receivables:					
Taxes receivable - delinquent	5,970,385	-	-	5,970,385	-
Interest	835,197	-	-	835,197	-
Interfund	148,749	-	-	148,749	-
Current portion of leases receivable	-	100,000	360,000	460,000	-
Advance to other funds	6,914,500	-	-	6,914,500	-
Inventories	-	-	39,550	39,550	-
Total current assets	<u>39,289,785</u>	<u>100,048</u>	<u>1,391,901</u>	<u>40,781,734</u>	<u>13,979,643</u>
Non-current assets:					
Restricted cash	-	-	-	-	634,282
Leases receivable, net of current portion	-	2,149,952	3,347,713	5,497,665	-
Capital assets being depreciated, net	-	-	269,148	269,148	-
Total non-current assets	<u>-</u>	<u>2,149,952</u>	<u>3,616,861</u>	<u>5,766,813</u>	<u>634,282</u>
Total assets	<u>39,289,785</u>	<u>2,250,000</u>	<u>5,008,762</u>	<u>46,548,547</u>	<u>14,613,925</u>
Liabilities					
Current liabilities:					
Accounts payable	12,670	-	41,072	53,742	591
Accrued and other liabilities	-	-	3,163	3,163	3,676,997
Due to other governments	1,121,582	-	-	1,121,582	-
Current portion of long-term debt	5,540,881	100,000	420,403	6,061,284	-
Total current liabilities	<u>6,675,133</u>	<u>100,000</u>	<u>464,638</u>	<u>7,239,771</u>	<u>3,677,588</u>
Long-term liabilities:					
Due in more than one year	-	2,150,000	3,400,000	5,550,000	-
Total liabilities	<u>6,675,133</u>	<u>2,250,000</u>	<u>3,864,638</u>	<u>12,789,771</u>	<u>3,677,588</u>
Net assets					
Invested in capital assets, net of related debt	-	-	208,745	208,745	-
Restricted for self-insurance claims	-	-	-	-	634,282
Unrestricted, undesignated	32,614,652	-	935,379	33,550,031	10,302,055
Total net assets	<u>\$ 32,614,652</u>	<u>\$ -</u>	<u>\$ 1,144,124</u>	<u>\$ 33,758,776</u>	<u>\$ 10,936,337</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, 2008

	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
Operating revenue					
Charges for services	\$ 392,404	\$ 87,632	\$ 1,246,565	\$ 1,726,601	\$ 11,524,219
Interest on taxes	1,186,129	-	-	1,186,129	-
Total operating revenue	1,578,533	87,632	1,246,565	2,912,730	11,524,219
Operating expenses					
Operation and maintenance	210,141	-	895,731	1,105,872	14,527
Public works projects	-	-	5,587	5,587	-
Benefits and claims	-	-	-	-	8,984,261
Depreciation	-	-	47,007	47,007	-
Total operating expenses	210,141	-	948,325	1,158,466	8,998,788
Operating income	1,368,392	87,632	298,240	1,754,264	2,525,431
Non-operating revenue (expenses)					
Interest income	960,710	1	11,275	971,986	230,199
Interest and fiscal charges	-	(87,638)	(217,211)	(304,849)	-
Total non-operating revenue (expenses)	960,710	(87,637)	(205,936)	667,137	230,199
Income (loss) before transfers	2,329,102	(5)	92,304	2,421,401	2,755,630
Transfers					
Transfers in	47,850	-	-	47,850	-
Transfers out	-	-	(47,850)	(47,850)	-
Total transfers	47,850	-	(47,850)	-	-
Change in net assets	2,376,952	(5)	44,454	2,421,401	2,755,630
Net assets, beginning of year	30,237,700	5	1,099,670	31,337,375	8,180,707
Net assets, end of year	\$ 32,614,652	\$ -	\$ 1,144,124	\$ 33,758,776	\$ 10,936,337

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, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities
	Royalton Township Water			Total	Internal Service Funds
	Delinquent Tax Revolving	System No. 25 851.84	Other Enterprise Funds		
Cash flows from operating activities					
Cash received from customers	\$ 10,479,097	\$ 87,632	\$ 1,246,565	\$ 11,813,294	\$ -
Cash received from interfund services provided	-	-	-	-	11,524,219
Cash payments to suppliers for goods and services	799,017	-	(741,219)	57,798	(8,117,723)
Cash payments for delinquent tax rolls	(10,257,188)	-	-	(10,257,188)	-
Cash payments to employees for services	-	-	(141,504)	(141,504)	-
Net cash provided by operating activities	1,020,926	87,632	363,842	1,472,400	3,406,496
Cash flows from non-capital financing activities					
Principal payments	(9,226,254)	-	-	(9,226,254)	-
Proceeds from issuance of long-term debt	10,830,000	-	-	10,830,000	-
Transfers in	47,850	-	-	47,850	-
Transfers out	-	-	(47,850)	(47,850)	-
Net cash provided by (used in) non-capital financing activities	1,651,596	-	(47,850)	1,603,746	-
Cash flows from capital and related financing activities					
Principal payments	-	(100,000)	(689,478)	(789,478)	-
Interest payments	-	(87,638)	(217,211)	(304,849)	-
Net cash used in capital and related financing activities	-	(187,638)	(906,689)	(1,094,327)	-
Cash flows from investing activities					
Interest received	960,710	1	11,275	971,986	230,199
Amounts collected on leases receivable	-	100,004	632,992	732,996	-
Purchase of investments	(8,074,174)	-	-	(8,074,174)	-
Sale of investments	15,418,679	2	-	15,418,681	-
Net cash provided by investing activities	8,305,215	100,007	644,267	9,049,489	230,199
Net increase in cash and cash equivalents	10,977,737	1	53,570	11,031,308	3,636,695
Cash and cash equivalents, beginning of year	6,369,043	47	938,781	7,307,871	10,977,230
Cash and cash equivalents, end of year	\$ 17,346,780	\$ 48	\$ 992,351	\$ 18,339,179	\$ 14,613,925
Statement of net assets classification of cash and cash equivalents					
Cash and cash equivalents	\$ 17,346,780	\$ 48	\$ 992,351	\$ 18,339,179	\$ 13,979,643
Restricted cash	-	-	-	-	634,282
	\$ 17,346,780	\$ 48	\$ 992,351	\$ 18,339,179	\$ 14,613,925

continued...

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

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Delinquent Tax Revolving</u>	<u>Royalton Township Water System No. 25 851.84</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 1,368,392	\$ 87,632	\$ 298,240	\$ 1,754,264	\$ 2,525,431
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	-	-	47,007	47,007	-
Changes in assets and liabilities:					
Taxes receivable	(1,194,204)	-	-	(1,194,204)	-
Interest receivable	(150,918)	-	-	(150,918)	-
Interfund	(11,502)	-	-	(11,502)	-
Inventories	-	-	(4,584)	(4,584)	-
Accounts payable	(2,911)	-	22,550	19,639	591
Accrued and other liabilities	-	-	629	629	880,474
Due to other governments	1,012,069	-	-	1,012,069	-
Net cash provided by operating activities	<u>\$ 1,020,926</u>	<u>\$ 87,632</u>	<u>\$ 363,842</u>	<u>\$ 1,472,400</u>	<u>\$ 3,406,496</u>

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

	Pension/Other Postemployment Benefit Trust Funds			Agency Funds
	Pension	Retiree Healthcare	Total	
Assets				
Cash and cash equivalents	\$ 5,041,850	\$ 364,504	\$ 5,406,354	\$ 3,079,486
Investments:				
U.S. Government obligations	76,541	5,534	82,075	-
U.S. Government agencies	8,971,934	648,632	9,620,566	-
Corporate obligations	22,424,023	1,621,159	24,045,182	-
International obligations	98,571	7,126	105,697	-
Corporate stocks	34,068,845	2,463,029	36,531,874	-
International stocks	1,486,584	107,474	1,594,058	-
Mutual funds	19,889,122	1,437,897	21,327,019	-
Certificates of deposit	-	-	-	210,217
Receivables:				
Taxes receivable - delinquent	-	-	-	1,110,481
Accrued interest	424,825	30,713	455,538	-
Total assets	92,482,295	6,686,068	99,168,363	\$ 4,400,184
Liabilities				
Undistributed receipts	-	-	-	\$ 3,289,703
Delinquent taxes payable	-	-	-	1,110,481
Total liabilities	-	-	-	\$ 4,400,184
Net Assets				
Held in trust for pension and other postemployment benefits	<u>\$ 92,482,295</u>	<u>\$ 6,686,068</u>	<u>\$ 99,168,363</u>	

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

COUNTY OF BERRIEN, MICHIGAN
Statement of Changes in Plan Net Assets
Pension/Other Postemployment Benefits Trust Funds
For the Year Ended December 31, 2008

	<u>Pension</u>	<u>Retiree Health</u>	<u>Total</u>
Additions			
Investment income:			
Net realized and unrealized depreciation in fair value of investments	\$ (36,978,039)	\$ (2,673,352)	\$ (39,651,391)
Interest and dividends	2,830,010	204,597	3,034,607
Less investment expenses	(505,890)	(36,574)	(542,464)
	<u>(34,653,919)</u>	<u>(2,505,329)</u>	<u>(37,159,248)</u>
Contributions:			
Employer	2,552,514	1,207,372	3,759,886
Employees	2,487,202	-	2,487,202
	<u>5,039,716</u>	<u>1,207,372</u>	<u>6,247,088</u>
Total contributions	<u>5,039,716</u>	<u>1,207,372</u>	<u>6,247,088</u>
Total additions	<u>(29,614,203)</u>	<u>(1,297,957)</u>	<u>(30,912,160)</u>
Deductions			
Pension benefit payments	8,252,952	-	8,252,952
Contribution refunds	503,889	-	503,889
Medical insurance premiums	90,148	799,524	889,672
Administration	107,682	7,785	115,467
	<u>8,954,671</u>	<u>807,309</u>	<u>9,761,980</u>
Total deductions	<u>8,954,671</u>	<u>807,309</u>	<u>9,761,980</u>
Net deductions to net assets held in trust for benefits	(38,568,874)	(2,105,266)	(40,674,140)
Net assets held in trust for benefits, beginning of year	<u>131,481,495</u>	<u>8,361,008</u>	<u>139,842,503</u>
Net assets held in trust for benefits, end of year	<u><u>\$ 92,482,295</u></u>	<u><u>\$ 6,686,068</u></u>	<u><u>\$ 99,168,363</u></u>

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

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2008

	<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	\$ 583,510	\$ 2,222,680	\$ 1,131,365	\$ 469,974	\$ 4,407,529
Restricted cash	171,386	-	-	-	171,386
Investments	2,411,278	-	-	-	2,411,278
Receivables, net	2,731,881	3,748,000	2,612,757	2,373,443	11,466,081
Prepaid items and other assets	1,490,123	-	-	-	1,490,123
Capital assets not being depreciated	14,706,539	1,136,954	-	-	15,843,493
Capital assets being depreciated, net	65,159,806	2,792,395	-	-	67,952,201
Total assets	87,254,523	9,900,029	3,744,122	2,843,417	103,742,091
Liabilities					
Accounts payable and accrued expenses	1,846,413	531,354	1,500,000	1,500,000	5,377,767
Long-term liabilities:					
Due within one year	490,000	1,565,000	-	-	2,055,000
Due in more than one year	2,050,770	2,571,363	1,999,608	-	6,621,741
Total liabilities	4,387,183	4,667,717	3,499,608	1,500,000	14,054,508
Net assets					
Invested in capital assets, net of related debt	77,626,545	(207,014)	-	-	77,419,531
Restricted for other purposes	171,386	-	-	-	171,386
Unrestricted	5,069,409	5,439,326	244,514	1,343,417	12,096,666
Total net assets	\$ 82,867,340	\$ 5,232,312	\$ 244,514	\$ 1,343,417	\$ 89,687,583

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, 2008

	<u>Road Commission</u>	<u>Drain Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Economic Development Corporation</u>	<u>Total</u>
Expenses					
County roads	\$ 16,487,445	\$ -	\$ -	\$ -	\$ 16,487,445
County drains	-	612,380	-	-	612,380
Brownfield redevelopment	-	-	514,619	-	514,619
Economic development	-	-	-	47,424	47,424
Total expenses	<u>16,487,445</u>	<u>612,380</u>	<u>514,619</u>	<u>47,424</u>	<u>17,661,868</u>
Program revenues					
Charges for services	-	-	5,500	7,844	13,344
Operating grants and contributions	15,397,866	1,250,287	202,712	-	16,850,865
Capital grants and contributions	709,920	1,430,006	-	-	2,139,926
Total program revenues	<u>16,107,786</u>	<u>2,680,293</u>	<u>208,212</u>	<u>7,844</u>	<u>19,004,135</u>
Net (expense) revenue	(379,659)	2,067,913	(306,407)	(39,580)	1,342,267
General revenues					
Property taxes	-	-	39,673	-	39,673
Interest revenue	-	-	-	24,087	24,087
Total general revenues	<u>-</u>	<u>-</u>	<u>39,673</u>	<u>24,087</u>	<u>63,760</u>
Change in net assets	(379,659)	2,067,913	(266,734)	(15,493)	1,406,027
Net assets, beginning of year	<u>83,246,999</u>	<u>3,164,399</u>	<u>511,248</u>	<u>1,358,910</u>	<u>88,281,556</u>
Net assets, end of year	<u>\$ 82,867,340</u>	<u>\$ 5,232,312</u>	<u>\$ 244,514</u>	<u>\$ 1,343,417</u>	<u>\$ 89,687,583</u>

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

NOTES to FINANCIAL STATEMENTS

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COUNTY OF BERRIEN, MICHIGAN

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For the Year Ended December 31, 2008

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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.

The Berrien County Land Bank Fast Track Authority was created pursuant to the Michigan Land Bank Fast Track Act (Public Act 258). The Authority had no account balances as of or for the year ended December 31, 2008.

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

Berrien County Road Commission
2860 E. Napier Avenue
Benton Harbor, Michigan 49023

**Berrien County Brownfield
Redevelopment Authority**
701 Main Street
St. Joseph, MI 49085

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 such 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 tax collections held for the replacement of future state shared revenues.

The *capital reserve 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 and other postemployment benefit (OPEB) trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension and OPEB trust funds account for the assets of the County's defined benefit pension and OPEB plans.

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.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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 government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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."

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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

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

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
Roads	Straight-line	5-30
Other infrastructure	Straight-line	12-50

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, 2008, the County incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Health Department Grants – Health and welfare	\$ 5,248,728	\$ 5,269,683	\$ 20,955
911 County Operational Fund – Debt service	-	170,746	170,746
Brownfield Redevelopment Authority	-	514,619	514,619

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Following is a reconciliation of deposits and investments as of December 31, 2008:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Assets:			
Cash and cash equivalents	\$ 74,264,372	\$ 4,407,529	\$ 78,671,901
Restricted cash	634,282	171,386	805,668
Investments	11,676,815	2,411,278	14,088,093
 Statement of Fiduciary Net Assets:			
Cash and cash equivalents	8,485,840	-	8,485,840
Investments	<u>93,516,688</u>	<u>-</u>	<u>93,516,688</u>
Total	<u>\$ 188,577,997</u>	<u>\$ 6,990,193</u>	<u>\$ 195,568,190</u>
 Deposits and Investments:			
Bank deposits:			
Checking/savings accounts			\$ 29,834,645
Certificates of deposit – due within one year			12,003,312
Certificates of deposit – due in one to five years			1,374,932
Investments in securities and mutual funds:			
Treasurer’s investment pool			54,027,083
Pension and OPEB investments			97,676,121
Cash on deposit with agent			634,282
Cash on hand			<u>17,815</u>
Total			<u>\$ 195,568,190</u>

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

Bank Deposits and Treasurer’s Investment Pool

Custodial Credit Risk - Deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. At year end, the carrying amount of the County’s deposits was \$43,847,172. The combined bank balance of these deposits was \$42,064,164, of which \$38,544,475 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.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

In accordance with the County's investment policy and State law, all deposits are uncollateralized, held in the County's name, and evidenced by a safekeeping receipt. Also, due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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

U.S. agencies	\$ 15,394,297
Repurchase agreements (collateralized by U.S. government securities)	18,140,142
Money market and cash management funds	<u>20,492,644</u>
Total	<u>\$ 54,027,083</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations. Ratings are not required for money market funds.

As of December 31, 2008, all of the County's investments in securities of U.S. agencies were rated AAA by Standard & Poor's. United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer. At December 31, 2008, the County had greater than 5% of its total investment portfolio concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
Government repurchase	Bank of New York	35.14%

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2008, all of the County's debt securities were scheduled to mature in one to two years.

Pension and Other Postemployment Benefit Trust Fund Investments

The Trusts' investments are primarily held in a bank-administered trust fund. Following is a summary of the Trusts' investments as of December 31, 2008:

	Total	On Securities Loan
Investments at fair value, as determined by quoted market price:		
U.S. treasuries	\$ 82,075	\$ -
U.S. agencies	9,620,566	4,691,850
Corporate bonds	24,045,182	220,239
International bonds	105,697	-
Domestic equities	36,531,874	82,178
International equities	1,594,058	-
Mutual funds	21,327,019	-
Money market	4,369,650	-
	\$ 97,676,121	\$ 4,994,267
Total investments		

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in domestic and foreign stocks, government securities, corporate securities, mortgages, real estate and various other investment instruments, subject to certain limitations.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks.

As of December 31, 2008, the Trusts' investments in debt securities were rated by Standard & Poor's as follows:

<u>Rating</u>	<u>U.S. Treasuries</u>	<u>U.S. Agencies</u>	<u>Corporate Bonds</u>
AAA	\$ 82,075	\$ 9,620,566	\$ 1,571,905
AA	-	-	2,867,012
A	-	-	9,566,762
BBB	-	-	1,238,855
BB	-	-	86,359
not rated	-	-	8,714,289
	<u>\$ 82,075</u>	<u>\$ 9,620,566</u>	<u>\$ 24,045,182</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The Trust's investments in bond mutual and money market funds are not rated.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trusts' investment policy requires that securities be held in trust by a third-party institution in the Trusts' name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the Trusts' investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the Trusts' name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Trust's investment in a single issuer. At December 31, 2008 the Trusts' investment portfolio was concentrated as follows.

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
Mutual fund	McBt Opportunistic EAFE Fund	5.1%
Mutual fund	State Street Global Advisors	12.0%
U.S. Obligations	Federal Home Loan Mortgage Corporation	5.7%

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trusts' investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of December 31, 2008, maturities of the Trusts' debt securities were as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
U.S. treasuries	\$ 82,075	4.75
U.S. agencies	9,620,566	4.25
Corporate bonds	24,045,182	5.00
	<u>\$ 33,747,823</u>	<u>4.79</u>

Securities Lending. A contract approved by the Trusts' Board permits the Trusts to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The Trusts' custodial bank manages the securities lending program and receives cash as collateral. The collateral securities cannot be pledged or sold by the Trusts unless the borrower defaults. Collateral cash is initially pledged 100 percent of the fair value of the securities lent, and may not fall below 100 percent during the term of the loan. The Trusts did not impose any restrictions during the year on the amount of securities that could be loaned. There were no failures by any borrowers to return loaned securities or to pay distributions thereon during the year. At year-end, the Trusts have no credit risk exposure to borrowers because the amounts the borrowers owe the Trusts exceed the amounts the Trusts owe the borrowers. The contract with the Trusts' custodian requires it to indemnify the Trust if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Trusts for income distributions by the securities' issuers while the securities are on loan.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

B. Receivables

Receivables in the governmental activities are as follows:

Taxes (current)	\$ 7,295,202
Taxes (delinquent)	110,855
Due from other governments	2,498,672
Advances to component units (not due within one year)	1,950,000
Notes receivable (not due within one year)	<u>150,000</u>
	<u>\$ 12,004,729</u>

Receivables in the business-type activities are as follows:

Taxes (delinquent)	\$ 5,970,385
Interest	835,197
Leases, current portion	460,000
Leases, long-term portion	<u>5,497,665</u>
	<u>\$ 12,763,247</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>	<u>Total</u>
Property taxes receivable (general fund)	\$ 1,718,311	\$ -	\$ 1,718,311
Property taxes receivable (other governmental funds)	17,170	4,903,940	4,921,110
Long-term receivables	700,000	-	700,000
Grant drawdowns prior to meeting all eligibility requirements	<u>-</u>	<u>880,329</u>	<u>880,329</u>
	<u>\$ 2,435,481</u>	<u>\$ 5,784,269</u>	<u>\$ 8,219,750</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

C. Capital assets

Capital assets activity for the year ended December 31, 2008 was as follows:

Primary government

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,814,779	\$ -	\$ -	\$ 4,814,779
Construction in progress	542,060	-	(542,060)	-
Total capital assets not being depreciated	5,356,839	-	(542,060)	4,814,779
Capital assets, being depreciated:				
Land improvements	1,367,996	76,440	-	1,444,436
Buildings	33,365,704	1,332,896	-	34,698,600
Equipment	9,840,894	1,267,622	(1,485,982)	9,622,534
Total capital assets being depreciated	44,574,594	2,676,958	(1,485,982)	45,765,570
Less accumulated depreciation for:				
Land improvements	(978,392)	(54,103)	-	(1,032,495)
Buildings	(12,397,072)	(668,698)	-	(13,065,770)
Equipment	(5,828,901)	(838,228)	1,359,194	(5,307,935)
Total accumulated depreciation	(19,204,365)	(1,561,029)	1,359,194	(19,406,200)
Total capital assets being depreciated, net	25,370,229	1,115,929	(126,788)	26,359,370
Capital assets, net	\$ 30,727,068	\$ 1,115,929	\$ (668,848)	\$ 31,174,149
	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets, being depreciated:				
Equipment	\$ 853,704	\$ -	\$ (112,259)	\$ 741,445
Less accumulated depreciation for:				
Equipment	(537,549)	(47,007)	112,259	(472,297)
Capital assets, net	\$ 316,155	\$ (47,007)	\$ -	\$ 269,148

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Component units

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Drain Commission				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 1,241,950	\$ (104,996)	\$ 1,136,954
Capital assets, being depreciated:				
Land improvements	12,500	-	-	12,500
Equipment	138,070	92,100	-	230,170
Infrastructure	3,677,778	284,810	-	3,962,588
Total capital assets being depreciated	3,828,348	376,910	-	4,205,258
Less accumulated depreciation for:				
Land improvements	(12,500)	-	-	(12,500)
Equipment	(50,447)	(11,282)	-	(61,729)
Infrastructure	(1,203,512)	(135,122)	-	(1,338,634)
Total accumulated depreciation	(1,266,459)	(146,404)	-	(1,412,863)
Total capital assets being depreciated, net	2,561,889	230,506	-	2,792,395
Capital assets, net	\$ 2,561,889	\$ 1,472,456	\$ (104,996)	\$ 3,929,349
	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Road Commission				
Capital assets, not being depreciated:				
Land	\$ 13,903,296	\$ 803,243	\$ -	14,706,539
Capital assets, being depreciated:				
Buildings	2,153,385	38,043	-	2,191,428
Equipment	11,920,932	529,477	(971,553)	11,478,856
Infrastructure	128,795,752	4,543,330	-	133,339,082
Total capital assets being depreciated	142,870,069	5,110,850	(971,553)	147,009,366
Less accumulated depreciation for:				
Buildings	(1,595,465)	(65,095)	-	(1,660,560)
Equipment	(9,817,629)	(789,804)	970,180	(9,637,253)
Infrastructure	(65,957,615)	(4,594,132)	-	(70,551,747)
Total accumulated depreciation	(77,370,709)	(5,449,031)	970,180	(81,849,560)
Total capital assets being depreciated, net	65,499,360	(338,181)	(1,373)	65,159,806
Capital assets, net	\$ 79,402,656	\$ 465,062	\$ (1,373)	\$ 79,866,345

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	\$ 131,723
General government	830,375
Public safety	448,581
Health and welfare	48,487
Recreation and cultural	49,997
Community development	<u>51,866</u>
Total depreciation expense – governmental activities	<u>\$ 1,561,029</u>
Business-type activities	
Public works	<u>\$ 47,007</u>

D. Accounts payable

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable	\$ 917,241	\$ 53,742
Accrued liabilities and other	4,622,976	3,163
Due to other governments	-	1,121,582
Advances from other governments	90,000	-
Undistributed receipts	343	-
Accrued interest on long-term debt	<u>119,267</u>	<u>-</u>
Total	<u>\$ 5,749,827</u>	<u>\$ 1,178,487</u>

E. Interfund receivables, payables and transfers

The General Fund has amounts due from non-major governmental funds of \$900. This balance 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.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

The General Fund has made long-term advances to the Drain Commission and Economic Development Corporation component units in the amounts of \$450,000 and \$1,500,000, respectively and to the Capital Reserve Fund and Nonmajor governmental funds in the amounts of \$5,414,500 and \$21,000, respectively; \$6,914,500 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 \$148,749 reported in the Delinquent Tax Revolving Fund.

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

	<u>In</u>	<u>Out</u>
General Fund	\$ 3,579,777	\$ 7,495,559
Revenue Sharing Reserve Fund	-	3,420,601
Non-major governmental funds	9,677,908	2,341,525
Delinquent Tax Revolving Fund	47,850	-
Nonmajor enterprise fund	-	47,850
	<u>\$ 13,305,535</u>	<u>\$ 13,305,535</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.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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 \$31,090,000, currently outstanding are as follows:

Governmental Activities

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
2002 Berrien County Building Authority	2015	\$575,000 - \$900,000	3.00% - 4.65%	\$ 5,700,000
2005 Berrien County Building Authority	2020	\$175,000 - \$300,000	3.25% - 4.10%	<u>3,075,000</u>
				<u>\$ 8,775,000</u>

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 925,000	\$ 357,800	\$ 1,282,800
2010	975,000	323,388	1,298,388
2011	1,000,000	285,513	1,285,513
2012	1,050,000	245,862	1,295,862
2013	1,100,000	203,335	1,303,335
2014-2018	3,125,000	409,214	3,534,214
2016-2020	600,000	36,900	636,900
Total	<u>\$ 8,775,000</u>	<u>\$ 1,862,012</u>	<u>\$ 10,637,012</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Business-type Activities

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
1995 Royalton Township Water System No. 20	2014	\$50,000 - \$95,000	5.10% - 6.00%	\$ 470,000
1998 Royalton Township Water System No. 23	2018	\$75,000 - \$145,000	4.30% - 4.75%	1,095,000
1996 Buchanan Township Sewer System No. 23 and Water System No. 21	2015	\$35,000 - \$50,000	5.15% - 5.80%	260,000
1989 City of Watervliet Sewer System No. 22	2009	\$20,000 - \$35,000	7.15% - 7.30%	35,000
1999 Coloma Township Sewer System No. 24	2019	\$50,000 - \$125,000	5.00% - 5.70%	1,095,000
2001 Village of Berrien Springs/Oronoko Township Water/Sewer System No. 26	2020	\$15,000 - \$35,000	4.60% - 5.65%	305,000
2003 Royalton Township Water System No. 25	2023	\$25,000 - \$200,000	2.00% - 4.45%	2,250,000
2005 Royalton Township Water System No. 26	2025	\$5,000 - \$45,000	3.35% - 4.70%	<u>500,000</u>
Total business-type activities				<u><u>\$ 6,010,000</u></u>

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

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 460,000	\$ 272,167	\$ 732,167
2010	425,000	250,051	675,051
2011	450,000	229,727	679,727
2012	450,000	208,712	658,712
2013	485,000	186,487	671,487
2014-2018	2,345,000	592,426	2,937,426
2019-2023	1,310,000	154,853	1,464,853
2024-2027	<u>85,000</u>	<u>4,104</u>	<u>89,104</u>
Total	<u>\$ 6,010,000</u>	<u>\$ 1,898,527</u>	<u>\$ 7,908,527</u>

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 Enterprise 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, 2008, are as follows:

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

<u>Series</u>	<u>Amount</u>
2007 - \$10,250,000 G.O. Limited Tax Notes payable, variable interest rate, dated May 24, 2007	\$ 467,326
2008 - \$10,830,000 G.O. Limited Tax Notes payable, variable interest rate, dated May 13, 2008	<u>5,073,555</u>
	<u>\$ 5,540,881</u>

Leases payable. The Drain Working Capital Enterprise Fund has two outstanding capital leases. The current principal balance of \$19,435 on a truck is payable in annual installments with interest at 5.00%, matured December 2008. The current principal balance of \$40,968 on equipment is payable in annual installments of \$40,968 with interest at 7.00%, maturing December 2009.

Annual debt service requirements to maturity for these leases are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 60,403	\$ 3,840	\$ 64,243

During 2006, the County entered into a capital lease for public safety communications equipment. The current principal balance of \$608,136 is payable in annual installments with interest at 4.81%, maturing December 2012.

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

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 141,494	\$ 29,251	\$ 170,745
2010	148,300	22,446	170,746
2011	155,433	15,312	170,745
2012	162,909	7,836	170,745
Total	<u>\$ 608,136</u>	<u>\$ 74,845</u>	<u>\$ 682,981</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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>
2000 Michigan Department of Transportation Bonds	2010	4.50% - 4.75%	\$ 1,190,000

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 2018, and amounted to \$1,049,800 at December 31, 2008.

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

<u>Year Ended</u>	<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$	490,000	\$ 47,838	\$ 537,838
2010		540,000	30,300	570,300
2011		580,000	10,450	590,450
2012		140,000	-	140,000
2013		140,000	-	140,000
2014-2018		349,800	-	349,800
Total	\$	2,239,800	\$ 88,588	\$ 2,328,388

Drain Commission component unit

Special assessment bonds. The Drain Commission is authorized by State statues 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%	\$ 35,000
2002 Hollywood Road Detention Drainage District Bonds	2022	\$15,000 - \$20,000	4.13% - 5.00%	280,000
2008 Starr and Wellington Drain Bonds	2024	\$12,000 - \$13,000	5.95%	181,000
Total component unit - Drain Commission				\$ 496,000

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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

Year Ended December 31,	Principal	Interest	Total
2009	\$ 55,000	\$ 19,010	\$ 74,010
2010	32,000	22,150	54,150
2011	32,000	20,596	52,596
2012	32,000	19,056	51,056
2013	32,000	17,474	49,474
2014-2018	160,000	63,580	223,580
2019-2023	140,000	22,532	162,532
2024	13,000	775	13,775
Total	<u>\$ 496,000</u>	<u>\$ 185,173</u>	<u>\$ 681,173</u>

Drain notes. The Drain Commission issues drain notes payable to finance various drain capital projects. Interest rates vary from 2.99% to 4.70%, with repayment based on actual collections of special assessments, which are subject to collection over a period of three to ten years. Drain notes outstanding at December 31, 2008, amounted to \$3,640,363.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Brownfield Redevelopment Authority component unit

Loans Payable. The Brownfield Redevelopment Authority has two loans outstanding for the purpose of rehabilitating local properties. These bonds are to be repaid from property tax captures in future years.

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
2007 DEQ Cleanup Revolving Fund Loan	2021	\$0 - \$19,992	0.00% - 2.00%	\$ 999,608
2007 Michigan Cleanup Initiative Loan	2022	\$0 - \$17,997	0.00% - 2.00%	<u>1,000,000</u>
Total component unit - Brownfield Redevelopment Authority				<u><u>\$ 1,999,608</u></u>

Annual debt service requirements to maturity for these loans are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	\$ -	\$ -
2010	-	-	-
2011	-	-	-
2012	191,465	19,992	211,457
2013	175,295	36,163	211,458
2014-2018	930,484	126,803	1,057,287
2019-2023	702,364	32,183	734,547
Total	<u>\$ 1,999,608</u>	<u>\$ 215,141</u>	<u>\$ 2,214,749</u>

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, 2008, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 9,650,000	\$ -	\$ 875,000	\$ 8,775,000	\$ 925,000
Capital lease payable	743,137	-	135,001	608,136	141,494
Compensated absences	1,834,859	2,006,906	1,785,952	2,055,813	2,055,813
	<u>\$ 12,227,996</u>	<u>\$ 2,006,906</u>	<u>\$ 2,795,953</u>	<u>\$ 11,438,949</u>	<u>\$ 3,122,307</u>
<u>Business-type activities</u>					
General obligation bonds	\$ 6,740,000	\$ -	\$ 730,000	\$ 6,010,000	\$ 460,000
Notes payable	3,937,135	10,830,000	9,226,254	5,540,881	5,540,881
Capital leases payable	119,881	-	59,478	60,403	60,403
	<u>\$ 10,797,016</u>	<u>\$ 10,830,000</u>	<u>\$ 10,015,732</u>	<u>\$ 11,611,284</u>	<u>\$ 6,061,284</u>
<u>Road Commission component unit</u>					
General obligation bonds	\$ 1,665,000	\$ -	\$ 475,000	\$ 1,190,000	\$ 350,000
General obligation notes payable	719,800	500,000	170,000	1,049,800	140,000
Compensated absences	90,217	-	10,217	80,000	-
OPEB liability	162,327	58,643	-	220,970	-
	<u>\$ 2,637,344</u>	<u>\$ 558,643</u>	<u>\$ 655,217</u>	<u>\$ 2,540,770</u>	<u>\$ 490,000</u>
<u>Drain Commission component unit</u>					
General obligation bonds payable	\$ 370,000	\$ 181,000	\$ 55,000	\$ 496,000	\$ 55,000
Drain notes payable	2,370,243	2,255,668	985,548	3,640,363	1,510,000
	<u>\$ 2,740,243</u>	<u>\$ 2,436,668</u>	<u>\$ 1,040,548</u>	<u>\$ 4,136,363</u>	<u>\$ 1,565,000</u>
<u>Brownfield Redevelopment Authority component unit</u>					
Loans payable	<u>\$ 1,999,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,608</u>	<u>\$ -</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, 2008, the balance of the County's member retention fund was \$634,282.

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>2008</u>	<u>2007</u>
Unpaid claims, beginning of year	\$ 319,322	\$ 533,860
Incurred claims (including change in IBNR provision)	1,041,485	(165,451)
Claim payments	<u>(34,002)</u>	<u>(49,087)</u>
Unpaid claims, end of year	<u>\$1,326,805</u>	<u>\$ 319,322</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>2008</u>	<u>2007</u>
Unpaid claims, beginning of year	\$2,066,118	\$2,014,225
Incurred claims (including IBNR's)	7,756,437	8,264,471
Claim payments	<u>(7,883,446)</u>	<u>(8,212,578)</u>
Unpaid claims, end of year	<u>\$1,939,109</u>	<u>\$2,066,118</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>2008</u>	<u>2007</u>
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	66,930	32,443
Claim payments	<u>(66,930)</u>	<u>(32,443)</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>2008</u>	<u>2007</u>
Unpaid claims, beginning of year	\$ 411,083	\$ 683,490
Incurred claims (including IBNR's)	239,239	113,801
Claim payments	<u>(239,239)</u>	<u>(386,208)</u>
Unpaid claims, end of year	<u>\$ 411,083</u>	<u>\$ 411,083</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, 2008 and 2007, nor were the amount of claims paid or incurred during 2008 and 2007 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

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The assessed and taxable value of real and personal property for the 2008 levy was \$6,608,426,284. The general operating tax rate for this levy was 4.7723 mills with an additional 0.2468 mills, 0.3456 mills, and 0.2963 mills assessed for 911 emergency services, public safety operations, and senior center operations, respectively.

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

C. Pension 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. Membership of the Plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	525
Terminated plan members entitled to but not yet receiving benefits	50
Active plan members	<u>872</u>
	<u>1,447</u>

Eligible members are required to contribute 4.0 to 17.0% 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, 2008, represents 6.86% 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	\$ 2,552,514
Contribution made	<u>(2,552,514)</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>

The annual required contribution for the current year was determined as part of an actuarial valuation of the Plan as of December 31, 2008, 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 4.0% to 1.0%, depending on age, attributable to seniority/merit; and (d) projected pension benefit increases of 2.0% annually after retirement through January 1, 2010.

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.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

Three-Year Trend Information – Pension

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Benefit</u> <u>Cost</u> <u>(APBC)</u>	<u>Percentage</u> <u>of APBC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Benefit</u> <u>Obligation</u>
12/31/2006	\$1,430,228	100%	\$ -
12/31/2007	2,229,778	100	-
12/31/2008	2,552,514	100	-

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

D. Other Postemployment Benefits

Plan description. The Berrien County Employees Amended Retirement Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the County of Berrien. In addition to the retirement benefits described above, the Plan provides 50% health insurance benefits to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. The Plan is included as an other postemployment benefits trust fund in the County’s financial statements; a stand-alone financial report of the Plan has not been issued.

Funding Policy. The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the County. For the year ended December 31, 2008, the County contributed \$1,207,372 to the Plan, including \$1,207,372 for current premiums (approximately 50% of total premiums) and an additional \$0 to prefund benefits. Plan members receiving benefits contributed \$1,207,372, or approximately 50% of total premiums, through their required contribution of \$128.50 - \$282.74 per month for retiree-only coverage and \$257.00 - \$565.48 for retiree and spouse coverage (offered to Sheriff department retirees only), depending on age and bargaining unit.

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

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

Annual required contribution	\$ 1,207,372
Interest on net OPEB obligation	-
Adjustment to annual required contribution	(-)
Annual OPEB cost (expense)	<u>1,207,372</u>
Contributions made	<u>(1,207,372)</u>
Increase in net OPEB obligation	-
Net OPEB obligation-beginning of year	<u>-</u>
Net OPEB obligation-end of year	<u><u>\$ -</u></u>

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

Three-Year Trend Information – OPEB

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
12/31/2006	\$ 919,574	100%	\$ -
12/31/2007	1,112,028	100	-
12/31/2008	1,207,372	100	-

Funded status and funding progress. As of December 31, 2008, the date of the most recent actuarial valuation, the Plan was 22.23 percent funded. The actuarial accrued liability for benefits was \$42,194,772, and the actuarial value of assets was \$9,378,052, resulting in an unfunded actuarial accrued liability (UAAL) of \$32,816,720. The covered payroll (annual payroll of the active employees covered by the Plan) was \$34,797,360 and the ratio of the UAAL to the covered payroll was 94.31 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumption about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the

COUNTY OF BERRIEN, MICHIGAN

Notes to the Financial Statements

healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions includes: (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 4.0% to 1.0%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.5% to 10.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years on an open basis.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Funding Progress (*Pension*)

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
12/31/1999	\$ 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%
12/31/2005	120,055,889	123,472,811	(3,416,922)	97.2%	35,858,048	-9.5%
12/31/2006	124,174,243	131,049,616	(6,875,373)	94.8%	37,225,805	-18.5%
12/31/2007	132,385,511	139,264,155	(6,878,644)	95.1%	37,880,390	-18.2%
12/31/2008	129,718,059	146,500,504	(16,782,445)	88.5%	38,043,448	-44.1%

Schedule of Employer Contributions (*Pension*)

Year Ended December 31	Annual Required Contributions	Percentage Contributed
1999	\$ 557,894	100%
2000	419,282	100%
2001	430,135	100%
2002	506,736	100%
2003	367,270	100%
2004	750,207	100%
2005	836,144	100%
2006	1,430,228	100%
2007	2,229,778	100%
2008	2,552,514	100%

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

Schedule of Funding Progress *(Other Post Employment Benefits)*

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percent of Covered Payroll
12/31/2007	\$ 8,418,495	\$ 46,390,077	\$ 37,971,582	18.15%	\$ 34,524,792	109.98%
12/31/2008	9,378,052	42,194,772	32,816,720	22.23%	34,797,360	94.31%

Schedule of Employer Contributions *(Other Post Employment Benefits)*

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2007	\$ 1,112,028	100%
2008	1,207,372	100%

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

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COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Other Governmental Funds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 14,049,796	\$ 260	\$ 510,584	\$ 14,560,640
Investments	-	-	188,131	188,131
Receivables:				
Taxes receivable - current	5,281,312	-	-	5,281,312
Taxes receivable - delinquent	17,170	-	-	17,170
Due from other governments	2,408,356	-	-	2,408,356
Notes receivable	150,000	-	-	150,000
	<u>\$ 21,906,634</u>	<u>\$ 260</u>	<u>\$ 698,715</u>	<u>\$ 22,605,609</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable	\$ 597,980	\$ -	\$ 1,662	\$ 599,642
Accrued and other liabilities	340,079	-	-	340,079
Due to other funds	900	-	-	900
Interfund payable	148,749	-	-	148,749
Advances from other governments	90,000	-	-	90,000
Advances from other funds	21,000	-	-	21,000
Undistributed receipts	343	-	-	343
Deferred revenue	6,501,439	-	-	6,501,439
	<u>7,700,490</u>	<u>-</u>	<u>1,662</u>	<u>7,702,152</u>
Fund balance				
Reserved for long-term receivables	150,000	-	-	150,000
Unreserved:				
Designated for subsequent years' expenditures	1,746,100	-	215,000	1,961,100
Undesignated	12,310,044	260	482,053	12,792,357
	<u>14,206,144</u>	<u>260</u>	<u>697,053</u>	<u>14,903,457</u>
	<u>\$ 21,906,634</u>	<u>\$ 260</u>	<u>\$ 698,715</u>	<u>\$ 22,605,609</u>

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

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Other Governmental Funds
Revenue				
Taxes	\$ 5,539,393	\$ -	\$ -	\$ 5,539,393
Licenses and permits	273,494	-	-	273,494
Intergovernmental revenue	13,855,112	1,264,438	-	15,119,550
Charges for services	4,654,083	-	-	4,654,083
Fines and forfeitures	100,048	-	-	100,048
Interest revenue	31,874	-	12,852	44,726
Other revenue and reimbursements	2,576,941	-	9,631	2,586,572
Total revenue	27,030,945	1,264,438	22,483	28,317,866
Expenditures				
Current expenditures:				
Judicial	3,650,590	-	-	3,650,590
General government	128,249	-	-	128,249
Public safety	7,499,312	-	-	7,499,312
Public works	-	-	450,831	450,831
Health and welfare	16,011,885	-	-	16,011,885
Recreation and cultural	2,895,654	-	-	2,895,654
Community development	209,258	-	-	209,258
Other governmental activities	5,468,494	-	-	5,468,494
Debt service:				
Principal	135,001	875,000	-	1,010,001
Interest and fiscal charges	35,745	389,438	-	425,183
Total expenditures	36,034,188	1,264,438	450,831	37,749,457
Revenue (under) expenditures	(9,003,243)	-	(428,348)	(9,431,591)
Other financing sources (uses)				
Transfers in	9,427,908	-	250,000	9,677,908
Transfers out	(2,341,525)	-	-	(2,341,525)
Total other financing sources (uses)	7,086,383	-	250,000	7,336,383
Net change in fund balances	(1,916,860)	-	(178,348)	(2,095,208)
Fund balance, beginning of year	16,123,004	260	875,401	16,998,665
Fund balance, end of year	\$ 14,206,144	\$ 260	\$ 697,053	\$ 14,903,457

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Public Safety Cigarette Tax 205.00	Parks and Recreation 208.00	Parks and Recreation Grants 208.02	Historical Association Loan Fund 211.00
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 48,592	\$ 43,586	\$ -	\$ -
Taxes receivable - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Due from other governments	-	-	-	-
Notes receivable	-	-	-	150,000
	<hr/>			
<u>TOTAL ASSETS</u>	\$ 48,592	\$ 43,586	\$ -	\$ 150,000
<hr/>				
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ 1,475	\$ -	\$ -
Accrued and other liabilities	-	10,392	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governments	-	-	-	-
Advances from other funds	-	-	-	-
Undistributed receipts	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>			
Total liabilities	-	11,867	-	-
<hr/>				
Fund balances				
Reserved for long-term receivables	-	-	-	150,000
Unreserved:				
Designated for subsequent year expenditures	-	-	-	-
Undesignated	48,592	31,719	-	-
	<hr/>			
Total fund balances	48,592	31,719	-	150,000
<hr/>				
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 48,592	\$ 43,586	\$ -	\$ 150,000
<hr/>				

Berrien Community Foundation 213.00	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
\$ 2,271	\$ 4,228	\$ 316,457	\$ 143,811	\$ 342,246	\$ 20,595	\$ 338,255
-	-	-	-	-	-	-
-	-	390,518	-	-	-	264,348
-	-	-	-	-	-	-
\$ 2,271	\$ 4,228	\$ 706,975	\$ 143,811	\$ 342,246	\$ 20,595	\$ 602,603
\$ -	\$ -	\$ 5,697	\$ 1,247	\$ 34,732	\$ 5,397	\$ 55,322
-	-	45,322	-	55,456	2,225	55,042
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	69,487
-	-	51,019	1,247	90,188	7,622	179,851
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,271	4,228	655,956	142,564	252,058	12,973	422,752
2,271	4,228	655,956	142,564	252,058	12,973	422,752
\$ 2,271	\$ 4,228	\$ 706,975	\$ 143,811	\$ 342,246	\$ 20,595	\$ 602,603

continued...

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

	Berrien County Landfill Use 227.00	Public Maintenance & Improvement 245.00	Revenue Sharing Board Four Winds Casino 255.00	Register of Deeds Automation 256.00
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 4,946,823	\$ 2,263,746	\$ 578	\$ 66,958
Taxes receivable - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Due from other governments	-	-	21,000	-
Notes receivable	-	-	-	-
	<hr/>			
<u>TOTAL ASSETS</u>	\$ 4,946,823	\$ 2,263,746	\$ 21,578	\$ 66,958
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 1,525	\$ 59,952	\$ -	\$ 324
Accrued and other liabilities	-	-	-	691
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governments	-	-	-	-
Advances from other funds	-	-	21,000	-
Undistributed receipts	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>			
Total liabilities	1,525	59,952	21,000	1,015
Fund balances				
Reserved for long-term receivables	-	-	-	-
Unreserved:				
Designated for subsequent year expenditures	-	1,746,100	-	-
Undesignated	4,945,298	457,694	578	65,943
	<hr/>			
Total fund balances (deficit)	4,945,298	2,203,794	578	65,943
	<hr/>			
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 4,946,823	\$ 2,263,746	\$ 21,578	\$ 66,958

Drug Enforcement Public Safety 264.00	Law Enforcement Funds [various #s]	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	Self-Help Legal Resource Center 268.00
\$ 369,967	\$ 1,546,773	\$ -	\$ -	\$ 1,758,661	\$ 14,855	\$ 100,000
2,084,939	-	-	-	1,504,791	-	-
6,906	-	-	-	4,932	-	-
-	864,004	86,550	44,689	-	-	-
-	-	-	-	-	-	-
\$ 2,461,812	\$ 2,410,777	\$ 86,550	\$ 44,689	\$ 3,268,384	\$ 14,855	\$ 100,000
\$ -	\$ 89,970	\$ 414	\$ -	\$ 11,753	\$ 98	\$ -
-	58,781	7,549	5,269	35,058	3,073	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78,587	39,420	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,217,311	700,000	-	-	1,599,319	-	-
2,217,311	848,751	86,550	44,689	1,646,130	3,171	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
244,501	1,562,026	-	-	1,622,254	11,684	100,000
244,501	1,562,026	-	-	1,622,254	11,684	100,000
\$ 2,461,812	\$ 2,410,777	\$ 86,550	\$ 44,689	\$ 3,268,384	\$ 14,855	\$ 100,000

continued...

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

	County Law Library 269.00	Senior Citizen 270.00	Library 271.00	Hazardous Materials Emergency Preparedness 273.22
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 43,902	\$ 109,280	\$ -	\$ 44,735
Taxes receivable - current	-	1,691,582	-	-
Taxes receivable - delinquent	-	5,332	-	-
Due from other governments	-	-	-	-
Notes receivable	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 43,902	\$ 1,806,194	\$ -	\$ 44,735
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 5,581	\$ -	\$ -	\$ -
Accrued and other liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	-	-	-
Advances from other governments	-	-	-	-
Advances from other funds	-	-	-	-
Undistributed receipts	-	-	-	-
Deferred revenue	-	1,804,480	-	44,735
Total liabilities	5,581	1,804,480	-	44,735
Fund balances				
Reserved for long-term receivables	-	-	-	-
Unreserved:				
Designated for subsequent year expenditures	-	-	-	-
Undesignated	38,321	1,714	-	-
Total fund balances	38,321	1,714	-	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 43,902	\$ 1,806,194	\$ -	\$ 44,735

City of Watervliet Homeowner CDBG 274.06	MSHDA 2004 Housing CDBG 274.07	Harbortown CDBG 274.08	HMIS HUD Homeless Grant 274.10	MSHDA 2006 Housing CDBG 274.11	MSHDA Property Improvement Project 274.12	CDBG Housing Needs Assessment 274.13
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	900	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	900	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ -

continued...

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

	MSHDA 2008 Housing CDBG 274.14	Small Bus Program 281.00	Clean Sweep Pest Control Grant 281.14	Project Zero Transit Grant 281.17
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 500,305	\$ -	\$ 28,449
Taxes receivable - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Due from other governments	2,083	16,809	-	-
Notes receivable	-	-	-	-
	<hr/>			
<u>TOTAL ASSETS</u>	\$ 2,083	\$ 517,114	\$ -	\$ 28,449
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ 88,638	\$ -	\$ -
Accrued and other liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	2,083	-	-	-
Advances from other governments	-	-	-	-
Advances from other funds	-	-	-	-
Undistributed receipts	-	-	-	-
Deferred revenue	-	36,708	-	28,449
	<hr/>			
Total liabilities	2,083	125,346	-	28,449
Fund balances				
Reserved for long-term receivables	-	-	-	-
Unreserved:				
Designated for subsequent year expenditures	-	-	-	-
Undesignated	-	391,768	-	-
	<hr/>			
Total fund balances	-	391,768	-	-
	<hr/>			
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 2,083	\$ 517,114	\$ -	\$ 28,449

Southwest Michigan Planning Commission 281.21	Social Services 290.00	Child Care Probate 292.00	Child Care Social Services 292.01	Soldiers and Sailors Relief 293.00	Veteran's Trust 294.00	Board of Public Works 296.00
\$ -	\$ 81,335	\$ 706,899	\$ 67,901	\$ 1,757	\$ 730	\$ 69,894
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,397	36,217	576,895	68,634	-	-	-
-	-	-	-	-	-	-
\$ 14,397	\$ 117,552	\$ 1,283,794	\$ 136,535	\$ 1,757	\$ 730	\$ 69,894
\$ 393	\$ -	\$ 227,805	\$ -	\$ -	\$ -	\$ -
-	-	60,628	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,004	-	-	-	-	-	-
-	90,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	343	-	-	-	-
-	-	-	-	-	-	-
14,397	90,000	288,776	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	27,552	995,018	136,535	1,757	730	69,894
-	27,552	995,018	136,535	1,757	730	69,894
\$ 14,397	\$ 117,552	\$ 1,283,794	\$ 136,535	\$ 1,757	\$ 730	\$ 69,894

continued...

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

	Campaign Finance Administration 297.03	Juvenile Incentive Block Grant [various #s]	Juvenile Delinquent Title V Plan Grant 297.25 & 297.27	Hollywood Basin Wetland Grant 297.28
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 3,114	\$ -	\$ -	\$ -
Taxes receivable - current	-	-	-	-
Taxes receivable - delinquent	-	-	-	-
Due from other governments	-	-	13,091	9,121
Notes receivable	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 3,114	\$ -	\$ 13,091	\$ 9,121
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 7,372	\$ 185
Accrued and other liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	-	5,719	8,936
Advances from other governments	-	-	-	-
Advances from other funds	-	-	-	-
Undistributed receipts	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	13,091	9,121
Fund balances				
Reserved for long-term receivables	-	-	-	-
Unreserved:				
Designated for subsequent year expenditures	-	-	-	-
Undesignated	3,114	-	-	-
Total fund balances	3,114	-	-	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 3,114	\$ -	\$ 13,091	\$ 9,121

Speech GRD Transportation Grant 297.29	Animal Control Neuter / Spay Program 298.01	Homestead Audit Administration 620.00	Total
\$ 950	\$ 13,846	\$ 47,397	\$ 14,049,796
-	-	-	5,281,312
-	-	-	17,170
-	-	-	2,408,356
-	-	-	150,000
<hr/>			
\$ 950	\$ 13,846	\$ 47,397	\$ 21,906,634
<hr/>			
\$ -	\$ 100	\$ -	\$ 597,980
-	-	593	340,079
-	-	-	-
-	-	-	900
-	-	-	148,749
-	-	-	90,000
-	-	-	21,000
-	-	-	343
950	-	-	6,501,439
<hr/>			
950	100	593	7,700,490
<hr/>			
-	-	-	150,000
-	-	-	1,746,100
-	13,746	46,804	12,310,044
<hr/>			
-	13,746	46,804	14,206,144
<hr/>			
\$ 950	\$ 13,846	\$ 47,397	\$ 21,906,634
<hr/>			

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

	Public Safety Cigarette Tax 205.00	Parks and Recreation 208.00	Parks and Recreation Grants 208.02	Historical Association Loan Fund 211.00
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	10,000	-	19,000	-
Charges for services	-	360,885	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenue	-	107,598	-	-
Total revenue	10,000	468,483	19,000	-
Expenditures				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	3,684	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	921,080	19,000	-
Community development	-	-	-	-
Other governmental activities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,684	921,080	19,000	-
Revenue over (under) expenditures	6,316	(452,597)	-	-
Other financing sources (uses)				
Transfers in	16,427	467,465	-	-
Transfers out	(6,091)	-	-	-
Total other financing sources (uses)	10,336	467,465	-	-
Net change in fund balances	16,652	14,868	-	-
Fund balances, beginning of year	31,940	16,851	-	150,000
Fund balances, end of year	\$ 48,592	\$ 31,719	\$ -	\$ 150,000

Berrien Community Foundation 213.00	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	16,815	256,679	-	-
-	-	1,932,474	-	510,859	-	4,759,450
-	-	220,757	-	144,713	77,606	430,352
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,462	1,834	71	-	725,142	-	140,669
16,462	1,834	2,153,302	16,815	1,637,393	77,606	5,330,471
-	-	2,815,734	10,751	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,480,258	199,667	5,269,683
14,561	1,338	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,561	1,338	2,815,734	10,751	2,480,258	199,667	5,269,683
1,901	496	(662,432)	6,064	(842,865)	(122,061)	60,788
-	-	777,724	-	913,507	128,000	-
-	-	-	-	-	-	-
-	-	777,724	-	913,507	128,000	-
1,901	496	115,292	6,064	70,642	5,939	60,788
370	3,732	540,664	136,500	181,416	7,034	361,964
\$ 2,271	\$ 4,228	\$ 655,956	\$ 142,564	\$ 252,058	\$ 12,973	\$ 422,752

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, 2008

	Berrien County Landfill Use 227.00	Public Maintenance & Improvement 245.00	Revenue Sharing Board Four Winds Casino 255.00	Register of Deeds Automation 256.00
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	21,000	-
Charges for services	1,384,142	-	-	-
Fines and forfeitures	-	-	-	-
Interest	(5,167)	32,966	13	1,387
Other revenue	-	30,000	-	-
	<hr/>			
Total revenue	1,378,975	62,966	21,013	1,387
	<hr/>			
Expenditures				
Judicial	-	-	-	-
General government	-	-	-	128,249
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community development	-	-	-	-
Other governmental activities	1,886,716	2,153,970	20,435	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>			
Total expenditures	1,886,716	2,153,970	20,435	128,249
	<hr/>			
Revenue over (under) expenditures	(507,741)	(2,091,004)	578	(126,862)
	<hr/>			
Other financing sources (uses)				
Transfers in	-	701,000	-	166,460
Transfers out	(48,000)	-	-	(65,000)
	<hr/>			
Total other financing sources (uses)	(48,000)	701,000	-	101,460
	<hr/>			
Net change in fund balances	(555,741)	(1,390,004)	578	(25,402)
	<hr/>			
Fund balances, beginning of year	5,501,039	3,593,798	-	91,345
	<hr/>			
Fund balances, end of year	\$ 4,945,298	\$ 2,203,794	\$ 578	\$ 65,943

Drug Enforcement Public Safety 264.00	Law Enforcement Funds [various #s]	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	Self-Help Legal Resource Center 268.00
\$ 2,154,263	\$ -	\$ -	\$ -	\$ 1,538,969	\$ -	\$ -
-	-	-	-	-	-	-
-	774,142	274,909	119,913	397,092	5,034	-
-	1,426,843	-	-	225	18,782	-
-	-	-	-	-	-	-
-	4,315	-	-	(1,608)	-	-
-	641,013	-	-	646,183	-	-
2,154,263	2,846,313	274,909	119,913	2,580,861	23,816	-
-	-	369,128	-	-	257,916	-
-	-	-	-	-	-	-
-	4,419,315	-	257,804	2,810,809	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	135,001	-	-
-	-	-	-	35,745	-	-
-	4,419,315	369,128	257,804	2,981,555	257,916	-
2,154,263	(1,573,002)	(94,219)	(137,891)	(400,694)	(234,100)	-
-	1,643,054	94,219	137,891	-	230,000	100,000
(2,122,674)	(13,760)	-	-	(86,000)	-	-
(2,122,674)	1,629,294	94,219	137,891	(86,000)	230,000	100,000
31,589	56,292	-	-	(486,694)	(4,100)	100,000
212,912	1,505,734	-	-	2,108,948	15,784	-
\$ 244,501	\$ 1,562,026	\$ -	\$ -	\$ 1,622,254	\$ 11,684	\$ 100,000

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, 2008

	County Law Library 269.00	Senior Citizen 270.00	Library 271.00	Hazardous Materials Emergency Preparedness 273.22
Revenue				
Taxes	\$ -	\$ 1,846,161	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,500	-	93,548	-
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenue	6,500	1,846,161	93,548	-
Expenditures				
Judicial	85,442	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	1,846,127	93,548	-
Community development	-	-	-	-
Other governmental activities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	85,442	1,846,127	93,548	-
Revenue over (under) expenditures	(78,942)	34	-	-
Other financing sources (uses)				
Transfers in	64,170	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	64,170	-	-	-
Net change in fund balances	(14,772)	34	-	-
Fund balances, beginning of year	53,093	1,680	-	-
Fund balances, end of year	\$ 38,321	\$ 1,714	\$ -	\$ -

City of Watervliet Homeowner CDBG 274.06	MSHDA 2004 Housing CDBG 274.07	Harbortown CDBG 274.08	HMIS HUD Homeless Grant 274.10	MSHDA 2006 Housing CDBG 274.11	MSHDA Property Improvement Project 274.12	CDBG Housing Needs Assessment 274.13
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	149,213	4,024	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,390	24,125	10,500
-	-	149,213	4,024	1,390	24,125	10,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
86	7,862	149,213	4,024	1,390	27,325	12,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
86	7,862	149,213	4,024	1,390	27,325	12,500
(86)	(7,862)	-	-	-	(3,200)	(2,000)
-	-	-	-	-	-	2,000
-	-	-	-	-	-	-
-	-	-	-	-	-	2,000
(86)	(7,862)	-	-	-	(3,200)	-
86	7,862	-	-	-	3,200	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2008

	MSHDA 2008 Housing CDBG 274.14	Small Bus Program 281.00	Clean Sweep Pest Control Grant 281.14	Project Zero Transit Grant 281.17
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	6,858	622,401	2,373	-
Charges for services	-	531,565	-	-
Fines and forfeitures	-	-	-	-
Interest	-	(208)	-	-
Other revenue	-	23,673	-	-
Total revenue	6,858	1,177,431	2,373	-
Expenditures				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community development	6,858	-	-	-
Other governmental activities	-	1,372,284	2,373	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	6,858	1,372,284	2,373	-
Revenue over (under) expenditures	-	(194,853)	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(194,853)	-	-
Fund balances, beginning of year	-	586,621	-	-
Fund balances, end of year	\$ -	\$ 391,768	\$ -	\$ -

Southwest Michigan Planning Commission 281.21	Social Services 290.00	Child Care Probate 292.00	Child Care Social Services 292.01	Soldiers and Sailors Relief 293.00	Veteran's Trust 294.00	Board of Public Works 296.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,397	714,713	2,925,779	453,768	-	27,275	-
-	-	-	-	-	-	420
-	-	-	-	-	-	-
-	-	199,730	-	-	-	-
14,397	714,713	3,125,509	453,768	-	27,275	420
-	-	89	-	-	-	-
-	-	-	-	-	-	-
-	706,956	6,459,194	867,581	687	27,859	-
-	-	-	-	-	-	-
14,397	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,397	706,956	6,459,283	867,581	687	27,859	-
-	7,757	(3,333,774)	(413,813)	(687)	(584)	420
-	9,900	3,572,000	402,000	1,000	-	-
-	-	-	-	-	-	-
-	9,900	3,572,000	402,000	1,000	-	-
-	17,657	238,226	(11,813)	313	(584)	420
-	9,895	756,792	148,348	1,444	1,314	69,474
\$ -	\$ 27,552	\$ 995,018	\$ 136,535	\$ 1,757	\$ 730	\$ 69,894

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, 2008

	Campaign Finance Administration 297.03	Juvenile Incentive Block Grant [various #s]	Juvenile Delinquent Title V Plan Grant 297.25 & 297.27	Hollywood Basin Wetland Grant 297.28
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	9,727	74,641	26,070
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Other revenue	50	-	1	-
	<hr/>			
Total revenue	50	9,727	74,642	26,070
	<hr/>			
Expenditures				
Judicial	-	10,818	74,642	26,070
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community development	-	-	-	-
Other governmental activities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>			
Total expenditures	-	10,818	74,642	26,070
	<hr/>			
Revenue over (under) expenditures	50	(1,091)	-	-
	<hr/>			
Other financing sources (uses)				
Transfers in	-	1,091	-	-
Transfers out	-	-	-	-
	<hr/>			
Total other financing sources (uses)	-	1,091	-	-
	<hr/>			
Net change in fund balances	50	-	-	-
	<hr/>			
Fund balances, beginning of year	3,064	-	-	-
	<hr/>			
Fund balances, end of year	\$ 3,114	\$ -	\$ -	\$ -
	<hr/> <hr/>			

Speech GRD Transportation Grant 297.29	Animal Control Neuter / Spay Program 298.01	Homestead Audit Administration 620.00	Total
\$ -	\$ -	\$ -	\$ 5,539,393
-	-	-	273,494
-	-	-	13,855,112
-	-	57,793	4,654,083
-	-	-	100,048
-	-	176	31,874
-	8,500	-	2,576,941
-	8,500	57,969	27,030,945
-	-	-	3,650,590
-	-	-	128,249
-	7,700	-	7,499,312
-	-	-	16,011,885
-	-	-	2,895,654
-	-	-	209,258
-	-	18,319	5,468,494
-	-	-	135,001
-	-	-	35,745
-	7,700	18,319	36,034,188
-	800	39,650	(9,003,243)
-	-	-	9,427,908
-	-	-	(2,341,525)
-	-	-	7,086,383
-	800	39,650	(1,916,860)
-	12,946	7,154	16,123,004
\$ -	\$ 13,746	\$ 46,804	\$ 14,206,144

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, 2008

	Public Safety Cigarette Tax - 205.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	10,000	10,000	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	5,000	-	(5,000)
Total revenue	15,000	10,000	(5,000)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	35,000	3,684	(31,316)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	35,000	3,684	(31,316)
Revenue over (under) expenditures	(20,000)	6,316	26,316
Other financing sources (uses)			
Transfers in	26,204	16,427	(9,777)
Transfers (out)	(6,204)	(6,091)	113
Total other financing sources (uses)	20,000	10,336	(9,664)
Net change in fund balances	-	16,652	16,652
Fund balances, beginning of year	31,940	31,940	-
Fund balances, end of year	\$ 31,940	\$ 48,592	\$ 16,652

Parks and Recreation - 208.00			Parks and Recreation Grants - 208.02		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	19,000	19,000	-
349,900	360,885	10,985	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
127,206	107,598	(19,608)	-	-	-
477,106	468,483	(8,623)	19,000	19,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
944,571	921,080	(23,491)	19,000	19,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
944,571	921,080	(23,491)	19,000	19,000	-
(467,465)	(452,597)	14,868	-	-	-
467,465	467,465	-	-	-	-
-	-	-	-	-	-
467,465	467,465	-	-	-	-
-	14,868	14,868	-	-	-
16,851	16,851	-	-	-	-
\$ 16,851	\$ 31,719	\$ 14,868	\$ -	\$ -	\$ -

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, 2008

	Historical Association Loan Fund - 211.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	-	-	-
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	150,000	150,000	-
Fund balances, end of year	\$ 150,000	\$ 150,000	\$ -

Berrien Community Foundation - 213.00			Generous Juror Program - 214.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,570	16,462	(108)	4,000	1,834	(2,166)
16,570	16,462	(108)	4,000	1,834	(2,166)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,570	14,561	(2,009)	4,000	1,338	(2,662)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,570	14,561	(2,009)	4,000	1,338	(2,662)
-	1,901	1,901	-	496	496
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,901	1,901	-	496	496
370	370	-	3,732	3,732	-
\$ 370	\$ 2,271	\$ 1,901	\$ 3,732	\$ 4,228	\$ 496

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, 2008

	Friend of the Court - 215.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	2,031,738	1,932,474	(99,264)
Charges for services	200,000	220,757	20,757
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	48,167	71	(48,096)
Total revenue	2,279,905	2,153,302	(126,603)
Expenditures			
Judicial	3,057,629	2,815,734	(241,895)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	3,057,629	2,815,734	(241,895)
Revenue over (under) expenditures	(777,724)	(662,432)	115,292
Other financing sources (uses)			
Transfers in	777,724	777,724	-
Transfers (out)	-	-	-
Total other financing sources (uses)	777,724	777,724	-
Net change in fund balances	-	115,292	115,292
Fund balances, beginning of year	540,664	540,664	-
Fund balances, end of year	\$ 540,664	\$ 655,956	\$ 115,292

Family Counseling Services - 216.00			Health Department - 221.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,000	16,815	(3,185)	297,961	256,679	(41,282)
-	-	-	362,883	510,859	147,976
-	-	-	205,701	144,713	(60,988)
-	-	-	-	-	-
-	-	-	-	-	-
25,000	-	(25,000)	953,500	725,142	(228,358)
45,000	16,815	(28,185)	1,820,045	1,637,393	(182,652)
45,000	10,751	(34,249)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,758,128	2,480,258	(277,870)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,000	10,751	(34,249)	2,758,128	2,480,258	(277,870)
-	6,064	6,064	(938,083)	(842,865)	95,218
-	-	-	938,083	913,507	(24,576)
-	-	-	-	-	-
-	-	-	938,083	913,507	(24,576)
-	6,064	6,064	-	70,642	70,642
136,500	136,500	-	181,416	181,416	-
\$ 136,500	\$ 142,564	\$ 6,064	\$ 181,416	\$ 252,058	\$ 70,642

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, 2008

	Drug Court-Drug Treatment - 221.01		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	74,170	77,606	3,436
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	74,170	77,606	3,436
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	202,170	199,667	(2,503)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	202,170	199,667	(2,503)
Revenue over (under) expenditures	(128,000)	(122,061)	5,939
Other financing sources (uses)			
Transfers in	128,000	128,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	128,000	128,000	-
Net change in fund balances	-	5,939	5,939
Fund balances, beginning of year	7,034	7,034	-
Fund balances, end of year	\$ 7,034	\$ 12,973	\$ 5,939

Health Department Grants - 221.xx			Berrien County Landfill Use- 227.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,373,349	4,759,450	386,101	-	-	-
557,561	430,352	(127,209)	1,443,604	1,384,142	(59,462)
-	-	-	-	-	-
-	-	-	93,814	(5,167)	(98,981)
317,818	140,669	(177,149)	488,098	-	(488,098)
5,248,728	5,330,471	81,743	2,025,516	1,378,975	(646,541)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,248,728	5,269,683	20,955	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,902,516	1,886,716	(15,800)
-	-	-	-	-	-
-	-	-	-	-	-
5,248,728	5,269,683	20,955	1,902,516	1,886,716	(15,800)
-	60,788	60,788	123,000	(507,741)	(630,741)
-	-	-	-	-	-
-	-	-	(123,000)	(48,000)	75,000
-	-	-	(123,000)	(48,000)	75,000
-	60,788	60,788	-	(555,741)	(555,741)
361,964	361,964	-	5,501,039	5,501,039	-
\$ 361,964	\$ 422,752	\$ 60,788	\$ 5,501,039	\$ 4,945,298	\$ (555,741)

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, 2008

	Public Maintenance & Improvement - 245.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	32,966	32,966
Other revenue	3,587,080	30,000	(3,557,080)
Total revenue	3,587,080	62,966	(3,524,114)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	3,662,035	2,153,970	(1,508,065)
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	3,662,035	2,153,970	(1,508,065)
Revenue over (under) expenditures	(74,955)	(2,091,004)	(2,016,049)
Other financing sources (uses)			
Transfers in	74,955	701,000	626,045
Transfers (out)	-	-	-
Total other financing sources (uses)	74,955	701,000	626,045
Net change in fund balances	-	(1,390,004)	(1,390,004)
Fund balances, beginning of year	3,593,798	3,593,798	-
Fund balances, end of year	\$ 3,593,798	\$ 2,203,794	\$ (1,390,004)

**Revenue Sharing Board
Four Winds Casino - 255.00**

Register of Deeds Automation- 256.00

Revenue Sharing Board Four Winds Casino - 255.00			Register of Deeds Automation- 256.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	21,000	21,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100	13	(87)	5,000	1,387	(3,613)
-	-	-	-	-	-
100	21,013	20,913	5,000	1,387	(3,613)
-	-	-	-	-	-
-	-	-	146,321	128,249	(18,072)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,100	20,435	(665)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,100	20,435	(665)	146,321	128,249	(18,072)
(21,000)	578	21,578	(141,321)	(126,862)	14,459
21,000	-	(21,000)	210,000	166,460	(43,540)
-	-	-	(68,679)	(65,000)	3,679
21,000	-	(21,000)	141,321	101,460	(39,861)
-	578	578	-	(25,402)	(25,402)
-	-	-	91,345	91,345	-
\$ -	\$ 578	\$ 578	\$ 91,345	\$ 65,943	\$ (25,402)

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, 2008

	Drug Enforcement Public Safety - 264.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ 2,138,755	\$ 2,154,263	\$ 15,508
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	5,235	-	(5,235)
Total revenue	2,143,990	2,154,263	10,273
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	2,143,990	2,154,263	10,273
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(2,143,990)	(2,122,674)	21,316
Total other financing sources (uses)	(2,143,990)	(2,122,674)	21,316
Net change in fund balances	-	31,589	31,589
Fund balances, beginning of year	212,912	212,912	-
Fund balances, end of year	\$ 212,912	\$ 244,501	\$ 31,589

Law Enforcement Funds - [various #s]			Prosecutor's Welfare Fraud Grant - 266.02		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
843,651	774,142	(69,509)	310,124	274,909	(35,215)
1,576,246	1,426,843	(149,403)	-	-	-
-	-	-	-	-	-
-	4,315	4,315	-	-	-
838,813	641,013	(197,800)	-	-	-
3,258,710	2,846,313	(412,397)	310,124	274,909	(35,215)
-	-	-	375,211	369,128	(6,083)
-	-	-	-	-	-
4,866,663	4,419,315	(447,348)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,866,663	4,419,315	(447,348)	375,211	369,128	(6,083)
(1,607,953)	(1,573,002)	34,951	(65,087)	(94,219)	(29,132)
1,634,608	1,643,054	8,446	65,087	94,219	29,132
(26,655)	(13,760)	12,895	-	-	-
1,607,953	1,629,294	21,341	65,087	94,219	29,132
-	56,292	56,292	-	-	-
1,505,734	1,505,734	-	-	-	-
\$ 1,505,734	\$ 1,562,026	\$ 56,292	\$ -	\$ -	\$ -

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, 2008

	Prosecutor's Grant Victim-Witness - 266.04		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	118,500	119,913	1,413
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	118,500	119,913	1,413
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	260,177	257,804	(2,373)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	260,177	257,804	(2,373)
Revenue over (under) expenditures	(141,677)	(137,891)	3,786
Other financing sources (uses)			
Transfers in	141,677	137,891	(3,786)
Transfers (out)	-	-	-
Total other financing sources (uses)	141,677	137,891	(3,786)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

911 County Operational Fund - 266.09			Drug Court Program - 267.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 1,467,563	\$ 1,538,969	\$ 71,406	\$ -	\$ -	\$ -
-	-	-	-	-	-
100,000	397,092	297,092	5,000	5,034	34
-	225	225	16,500	18,782	2,282
-	-	-	-	-	-
32,000	(1,608)	(33,608)	-	-	-
2,395,497	646,183	(1,749,314)	-	-	-
3,995,060	2,580,861	(1,414,199)	21,500	23,816	2,316
-	-	-	270,316	257,916	(12,400)
-	-	-	-	-	-
3,909,060	2,810,809	(1,098,251)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	135,001	135,001	-	-	-
-	35,745	35,745	-	-	-
3,909,060	2,981,555	(927,505)	270,316	257,916	(12,400)
86,000	(400,694)	(486,694)	(248,816)	(234,100)	14,716
-	-	-	248,816	230,000	(18,816)
(86,000)	(86,000)	-	-	-	-
(86,000)	(86,000)	-	248,816	230,000	(18,816)
-	(486,694)	(486,694)	-	(4,100)	(4,100)
2,108,948	2,108,948	-	15,784	15,784	-
\$ 2,108,948	\$ 1,622,254	\$ (486,694)	\$ 15,784	\$ 11,684	\$ (4,100)

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, 2008

	Self-Help Legal Resource Center - 268.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	-	-	-
Expenditures			
Judicial	100,000	-	(100,000)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	100,000	-	(100,000)
Revenue over (under) expenditures	(100,000)	-	100,000
Other financing sources (uses)			
Transfers in	100,000	100,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	100,000	100,000	-
Net change in fund balances	-	100,000	100,000
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 100,000	\$ 100,000

County Law Library - 269.00			Senior Citizen - 270.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 1,852,362	\$ 1,846,161	\$ (6,201)
-	-	-	-	-	-
-	-	-	-	-	-
-	6,500	6,500	-	-	-
-	-	-	-	-	-
24,875	-	(24,875)	-	-	-
24,875	6,500	(18,375)	1,852,362	1,846,161	(6,201)
89,045	85,442	(3,603)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,852,362	1,846,127	(6,235)
-	-	-	-	-	-
-	-	-	-	-	-
89,045	85,442	(3,603)	1,852,362	1,846,127	(6,235)
(64,170)	(78,942)	(14,772)	-	34	34
64,170	64,170	-	-	-	-
-	-	-	-	-	-
64,170	64,170	-	-	-	-
-	(14,772)	(14,772)	-	34	34
53,093	53,093	-	1,680	1,680	-
\$ 53,093	\$ 38,321	\$ (14,772)	\$ 1,680	\$ 1,714	\$ 34

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, 2008

	Library - 271.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	93,548	93,548
Interest	-	-	-
Other revenue	-	-	-
Total revenue	-	93,548	93,548
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	93,549	93,548	(1)
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	93,549	93,548	(1)
Revenue over (under) expenditures	(93,549)	-	93,549
Other financing sources (uses)			
Transfers in	93,549	-	(93,549)
Transfers (out)	-	-	-
Total other financing sources (uses)	93,549	-	(93,549)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

**Hazardous Materials
Emergency Preparedness - 273.22**

City of Watervliet Homeowner CDBG - 274.06

Hazardous Materials Emergency Preparedness - 273.22			City of Watervliet Homeowner CDBG - 274.06		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
37,000	-	(37,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	87	-	(87)
37,000	-	(37,000)	87	-	(87)
-	-	-	-	-	-
-	-	-	-	-	-
37,000	-	(37,000)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	87	86	(1)
-	-	-	-	-	-
-	-	-	-	-	-
37,000	-	(37,000)	87	86	(1)
-	-	-	-	(86)	(86)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(86)	(86)
-	-	-	86	86	-
\$ -	\$ -	\$ -	\$ 86	\$ -	\$ (86)

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, 2008

	MSHDA 2004 Housing CDBG - 274.07		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	9,252	-	(9,252)
Total revenue	9,252	-	(9,252)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	9,252	7,862	(1,390)
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	9,252	7,862	(1,390)
Revenue over (under) expenditures	-	(7,862)	(7,862)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(7,862)	(7,862)
Fund balances, beginning of year	7,862	7,862	-
Fund balances, end of year	\$ 7,862	\$ -	\$ (7,862)

Harbortown CDBG - 274.08			HMIS HUD Homeless Grant - 274.10		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	149,213	149,213	8,000	4,024	(3,976)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
149,214	-	(149,214)	-	-	-
149,214	149,213	(1)	8,000	4,024	(3,976)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
149,214	149,213	(1)	8,000	4,024	(3,976)
-	-	-	-	-	-
-	-	-	-	-	-
149,214	149,213	(1)	8,000	4,024	(3,976)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2008

	MSHDA 2006 Housing CDBG - 274.11		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	7,035	1,390	(5,645)
Total revenue	7,035	1,390	(5,645)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	7,035	1,390	(5,645)
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	7,035	1,390	(5,645)
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

MSHDA Property Improvement Project - 274.12			CDBG Housing Needs Assessment - 274.13		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	12,500	-	(12,500)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,375	24,125	(3,250)	10,500	10,500	-
27,375	24,125	(3,250)	23,000	10,500	(12,500)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,375	27,325	(50)	25,000	12,500	(12,500)
-	-	-	-	-	-
-	-	-	-	-	-
27,375	27,325	(50)	25,000	12,500	(12,500)
-	(3,200)	(3,200)	(2,000)	(2,000)	-
-	-	-	2,000	2,000	-
-	-	-	-	-	-
-	-	-	2,000	2,000	-
-	(3,200)	(3,200)	-	-	-
3,200	3,200	-	-	-	-
\$ 3,200	\$ -	\$ (3,200)	\$ -	\$ -	\$ -

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, 2008

	MSHDA 2008 Housing CDBG - 274.14		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	140,500	6,858	(133,642)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	140,500	6,858	(133,642)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	140,500	6,858	(133,642)
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	140,500	6,858	(133,642)
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

Small Bus Program - 281.00			Clean Sweep Pest Control Grant - 281.14		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
707,000	622,401	(84,599)	6,000	2,373	(3,627)
562,700	531,565	(31,135)	-	-	-
-	-	-	-	-	-
25,000	(208)	(25,208)	-	-	-
186,500	23,673	(162,827)	-	-	-
1,481,200	1,177,431	(303,769)	6,000	2,373	(3,627)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,481,200	1,372,284	(108,916)	6,000	2,373	(3,627)
-	-	-	-	-	-
-	-	-	-	-	-
1,481,200	1,372,284	(108,916)	6,000	2,373	(3,627)
-	(194,853)	(194,853)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(194,853)	(194,853)	-	-	-
586,621	586,621	-	-	-	-
\$ 586,621	\$ 391,768	\$ (194,853)	\$ -	\$ -	\$ -

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, 2008

	Project Zero Transit Grant - 281.17		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	28,450	-	(28,450)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	28,450	-	(28,450)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	28,450	-	(28,450)
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	28,450	-	(28,450)
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

**Southwest Michigan
Planning Commission - 281.21**

Social Services - 290.00

Southwest Michigan Planning Commission - 281.21			Social Services - 290.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
14,500	14,397	(103)	710,100	714,713	4,613
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,500	14,397	(103)	710,100	714,713	4,613
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	720,000	706,956	(13,044)
-	-	-	-	-	-
14,500	14,397	(103)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,500	14,397	(103)	720,000	706,956	(13,044)
-	-	-	(9,900)	7,757	17,657
-	-	-	9,900	9,900	-
-	-	-	-	-	-
-	-	-	9,900	9,900	-
-	-	-	-	17,657	17,657
-	-	-	9,895	9,895	-
\$ -	\$ -	\$ -	\$ 9,895	\$ 27,552	\$ 17,657

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, 2008

	Child Care Probate - 292.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	3,072,618	2,925,779	(146,839)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	460,427	199,730	(260,697)
Total revenue	3,533,045	3,125,509	(407,536)
Expenditures			
Judicial	90	89	(1)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	7,104,955	6,459,194	(645,761)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	7,105,045	6,459,283	(645,762)
Revenue over (under) expenditures	(3,572,000)	(3,333,774)	238,226
Other financing sources (uses)			
Transfers in	3,572,000	3,572,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	3,572,000	3,572,000	-
Net change in fund balances	-	238,226	238,226
Fund balances, beginning of year	756,792	756,792	-
Fund balances, end of year	\$ 756,792	\$ 995,018	\$ 238,226

Child Care Social Services - 292.01			Soldiers and Sailors Relief - 293.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
623,000	453,768	(169,232)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
623,000	453,768	(169,232)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,025,000	867,581	(157,419)	1,000	687	(313)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,025,000	867,581	(157,419)	1,000	687	(313)
(402,000)	(413,813)	(11,813)	(1,000)	(687)	313
402,000	402,000	-	1,000	1,000	-
-	-	-	-	-	-
402,000	402,000	-	1,000	1,000	-
-	(11,813)	(11,813)	-	313	313
148,348	148,348	-	1,444	1,444	-
\$ 148,348	\$ 136,535	\$ (11,813)	\$ 1,444	\$ 1,757	\$ 313

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, 2008

	Veteran's Trust - 294.00		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	27,275	27,275	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	953	-	(953)
Total revenue	28,228	27,275	(953)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	28,228	27,859	(369)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	28,228	27,859	(369)
Revenue over (under) expenditures	-	(584)	(584)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(584)	(584)
Fund balances, beginning of year	1,314	1,314	-
Fund balances, end of year	\$ 1,314	\$ 730	\$ (584)

Board of Public Works - 296.00			Campaign Finance Administration - 297.03		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
5,500	420	(5,080)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	100	50	(50)
5,500	420	(5,080)	100	50	(50)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,500	-	(5,500)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	100	-	(100)
-	-	-	-	-	-
-	-	-	-	-	-
5,500	-	(5,500)	100	-	(100)
-	420	420	-	50	50
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	420	420	-	50	50
69,474	69,474	-	3,064	3,064	-
\$ 69,474	\$ 69,894	\$ 420	\$ 3,064	\$ 3,114	\$ 50

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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, 2008

	Juvenile Incentive Block Grant - [various #s]		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	10,835	9,727	(1,108)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	10,835	9,727	(1,108)
Expenditures			
Judicial	12,039	10,818	(1,221)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	12,039	10,818	(1,221)
Revenue over (under) expenditures	(1,204)	(1,091)	113
Other financing sources (uses)			
Transfers in	1,204	1,091	(113)
Transfers (out)	-	-	-
Total other financing sources (uses)	1,204	1,091	(113)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

4-H We Can Ride Grant - 297.15				Going Home Reintegration - 297.16			
Amended Budget	Actual	Over (Under) Budget		Amended Budget	Actual	Over (Under) Budget	
\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-

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, 2008

	Community Restoration Board - 297.19		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	-	-	-
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

**United Way Community
Investment - 297.21**

**Juvenile Delinquent Title V
Plan Grant - 297.25 & 297.27**

United Way Community Investment - 297.21			Juvenile Delinquent Title V Plan Grant - 297.25 & 297.27		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	110,263	74,641	(35,622)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1	1
-	-	-	110,263	74,642	(35,621)
-	-	-	110,263	74,642	(35,621)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	110,263	74,642	(35,621)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2008

	Hollywood Basin Wetland Grant - 297.28		
	Amended Budget	Actual	Over (Under) Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	315,000	26,070	(288,930)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenue	315,000	26,070	(288,930)
Expenditures			
Judicial	315,000	26,070	(288,930)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	315,000	26,070	(288,930)
Revenue over (under) expenditures	-	-	-
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

Speech GRD Transportation Grant - 297.29			Animal Control Neuter / Spay Program - 298.01		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
950	-	(950)	11,000	8,500	(2,500)
950	-	(950)	11,000	8,500	(2,500)
-	-	-	-	-	-
950	-	(950)	11,000	7,700	(3,300)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
950	-	(950)	11,000	7,700	(3,300)
-	-	-	-	800	800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	800	800
-	-	-	12,946	12,946	-
\$ -	\$ -	\$ -	\$ 12,946	\$ 13,746	\$ 800

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, 2008

	Homestead Audit Administration - 620.00		
	Amended		Over
	Budget	Actual	(Under)
			Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	12,718	57,793	45,075
Fines and forfeitures	-	-	-
Interest	-	176	176
Other revenue	11,201	-	(11,201)
	<hr/>	<hr/>	<hr/>
Total revenue	23,919	57,969	34,050
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	23,919	18,319	(5,600)
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	23,919	18,319	(5,600)
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	39,650	39,650
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	39,650	39,650
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	7,154	7,154	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 7,154	\$ 46,804	\$ 39,650

Total Special Revenue Funds

Amended Budget	Actual	Over (Under) Budget
\$ 5,805,827	\$ 5,539,393	\$ (266,434)
317,961	273,494	(44,467)
14,432,706	13,855,112	(577,594)
5,004,600	4,654,083	(350,517)
-	100,048	100,048
155,914	31,874	(124,040)
9,711,454	2,576,941	(7,134,513)
35,428,462	27,030,945	(8,397,517)
4,389,593	3,650,590	(739,003)
146,321	128,249	(18,072)
9,413,228	7,499,312	(1,913,916)
5,500	-	(5,500)
17,088,209	16,011,885	(1,076,324)
2,930,052	2,895,654	(34,398)
366,464	209,258	(157,206)
7,560,240	5,468,494	(2,091,746)
-	-	-
-	135,001	135,001
-	35,745	35,745
41,899,607	36,034,188	(5,865,419)
(6,471,145)	(9,003,243)	(2,532,098)
8,979,442	9,427,908	448,466
(2,508,297)	(2,341,525)	166,772
6,471,145	7,086,383	615,238
-	(1,916,860)	(1,916,860)
16,123,004	16,123,004	-
\$ 16,123,004	\$ 14,206,144	\$ (1,916,860)

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008

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

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

	Bridge Bond 301.00	Building Authority 450.00	Total
Revenue			
Intergovernmental	\$ -	\$ 1,264,438	\$ 1,264,438
Expenditures			
Debt service:			
Principal	-	875,000	875,000
Interest and fiscal charges	-	389,438	389,438
Total expenditures	-	1,264,438	1,264,438
Net change in fund balances	-	-	-
Fund balances, beginning of year	260	-	260
Fund balances, end of year	\$ 260	\$ -	\$ 260

COUNTY OF BERRIEN, MICHIGAN
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2008

	Vehicle/ Equipment Replacement 402.00	Animal Shelter 413.00	Building Authority 450.00	Courthouse 470.00	Total
Assets					
Cash and cash equivalents	\$ 348,066	\$ 143,581	\$ 18,936	\$ 1	\$ 510,584
Investments	-	-	188,131	-	188,131
Total assets	\$ 348,066	\$ 143,581	\$ 207,067	\$ 1	\$ 698,715
Liabilities					
Accounts payable	\$ 1,662	\$ -	\$ -	\$ -	\$ 1,662
Fund balances					
Unreserved:					
Designated for subsequent years' expenditure:	215,000	-	-	-	215,000
Undesignated	131,404	143,581	207,067	1	482,053
Total fund balances	346,404	143,581	207,067	1	697,053
Total liabilities and fund balances	\$ 348,066	\$ 143,581	\$ 207,067	\$ 1	\$ 698,715

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2008

	Vehicle/ Equipment Replacement 402.00	Animal Shelter 413.00	Building Authority 450.00	Courthouse 470.00	Total
Revenue					
Interest revenue	\$ -	\$ 6,364	\$ 6,488	\$ -	\$ 12,852
Other	-	9,631	-	-	9,631
Total revenue	-	15,995	6,488	-	22,483
Expenditures					
Public works	222,713	-	228,118	-	450,831
Revenue over (under) expenditures	(222,713)	15,995	(221,630)	-	(428,348)
Other financing sources					
Transfers in	250,000	-	-	-	250,000
Net change in fund balances	27,287	15,995	(221,630)	-	(178,348)
Fund balances, beginning of year	319,117	127,586	428,697	1	875,401
Fund balances, end of year	\$ 346,404	\$ 143,581	\$ 207,067	\$ 1	\$ 697,053

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2008

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00	Baroda Township Water System No. 14 851.09	Royalton Township Water System No. 20 851.15
Assets					
Current assets:					
Cash and cash equivalents	\$ 516,923	\$ 200,693	\$ 221,684	\$ -	\$ -
Current portion of leases receivable	-	-	-	-	75,000
Inventories	-	-	39,550	-	-
Total current assets	<u>516,923</u>	<u>200,693</u>	<u>261,234</u>	<u>-</u>	<u>75,000</u>
Non-current assets:					
Leases receivable, net of current portion	-	-	-	-	395,000
Capital assets being depreciated, net	-	-	269,148	-	-
Total non-current assets	<u>-</u>	<u>-</u>	<u>269,148</u>	<u>-</u>	<u>395,000</u>
Total assets	<u>516,923</u>	<u>200,693</u>	<u>530,382</u>	<u>-</u>	<u>470,000</u>
Liabilities					
Current liabilities:					
Accounts payable	39,353	-	955	-	-
Accrued and other liabilities	1,940	1,223	-	-	-
Current portion of long-term debt	-	-	60,403	-	75,000
Total current liabilities	<u>41,293</u>	<u>1,223</u>	<u>61,358</u>	<u>-</u>	<u>75,000</u>
Long-term liabilities:					
Due in more than one year	-	-	-	-	395,000
Total liabilities	<u>41,293</u>	<u>1,223</u>	<u>61,358</u>	<u>-</u>	<u>470,000</u>
Net assets (deficit)					
Invested in capital assets, net of related debt	-	-	208,745	-	-
Unrestricted	475,630	199,470	260,279	-	-
Total net assets (deficit)	<u>\$ 475,630</u>	<u>\$ 199,470</u>	<u>\$ 469,024</u>	<u>\$ -</u>	<u>\$ -</u>

Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ Water System No. 21 851.41	Royalton Township Sewer System No. 20 851.70 & .79	City of Watervliet Sewer System No. 22 851.72	Village of Baroda Sewer System No. 18 Refunding 851.74	GRSD No. 7 Chikaming Township Refunding 851.75	City of Benton Harbor Water System No. 17 Refunding 851.80
\$ 161	\$ 7,413	\$ 764	\$ -	\$ -	\$ -	\$ -
100,000	35,000	-	35,000	-	-	-
-	-	-	-	-	-	-
100,161	42,413	764	35,000	-	-	-
994,839	217,587	-	-	-	-	-
-	-	-	-	-	-	-
994,839	217,587	-	-	-	-	-
1,095,000	260,000	764	35,000	-	-	-
-	-	764	-	-	-	-
-	-	-	-	-	-	-
100,000	35,000	-	35,000	-	-	-
100,000	35,000	764	35,000	-	-	-
995,000	225,000	-	-	-	-	-
1,095,000	260,000	764	35,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds (Concluded)
December 31, 2008

	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	Royalton Township Water System No. 26 851.86	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ -	\$ 8,726	\$ -	\$ 35,987	\$ 992,351
Current portion of leases receivable	75,000	20,000	-	20,000	360,000
Inventories	-	-	-	-	39,550
Total current assets	75,000	28,726	-	55,987	1,391,901
Non-current assets:					
Leases receivable, net of current portion	1,020,000	276,274	-	444,013	3,347,713
Capital assets being depreciated, net	-	-	-	-	269,148
Total non-current assets	1,020,000	276,274	-	444,013	3,616,861
Total assets	1,095,000	305,000	-	500,000	5,008,762
Liabilities					
Current liabilities:					
Accounts payable	-	-	-	-	41,072
Accrued and other liabilities	-	-	-	-	3,163
Current portion of long-term debt	75,000	20,000	-	20,000	420,403
Total current liabilities	75,000	20,000	-	20,000	464,638
Long-term liabilities:					
Due in more than one year	1,020,000	285,000	-	480,000	3,400,000
Total liabilities	1,095,000	305,000	-	500,000	3,864,638
Net assets (deficit)					
Invested in capital assets, net of related debt	-	-	-	-	208,745
Unrestricted	-	-	-	-	935,379
Total net assets (deficit)	\$ -	\$ -	\$ -	\$ -	\$ 1,144,124

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Net assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2008

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00	Baroda Township Water System No. 14 851.09	Royalton Township Water System No. 20 851.15
Operating revenue					
Charges for services	\$ 725,838	\$ 91,701	\$ 213,135	\$ -	\$ 30,858
Operating expense					
Operations	693,441	46,893	155,397	-	-
Public works projects	-	-	-	-	-
Depreciation	-	-	47,007	-	-
Total operating expense	693,441	46,893	202,404	-	-
Operating income	32,397	44,808	10,731	-	30,858
Non-operating revenue					
Interest revenue	-	4,368	-	-	-
Interest and fiscal charges	-	-	-	-	(30,858)
Total non-operating revenue (expense)	-	4,368	-	-	(30,858)
Income (loss) before transfers	32,397	49,176	10,731	-	-
Transfers					
Transfers out	(47,850)	-	-	-	-
Change in net assets	(15,453)	49,176	10,731	-	-
Net assets, beginning of year	491,083	150,294	458,293	-	-
Net assets (deficit), end of year	\$ 475,630	\$ 199,470	\$ 469,024	\$ -	\$ -

Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ Water System No. 21 851.41	Royalton Township Sewer System No. 20 851.70 & .79	City of Watervliet Sewer System No. 22 851.72	Village of Baroda Sewer System No. 18 Refunding 851.74	GRSD No. 7 Chikaming Township Refunding 851.75	City of Benton Harbor Water System No. 17 Refunding 851.80
\$ 53,805	\$ 16,602	\$ 31	\$ 5,115	\$ 5,185	\$ -	\$ 3,501
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,805	16,602	31	5,115	5,185	-	3,501
3	(4)	(31)	-	-	-	-
(53,808)	(16,598)	-	(5,115)	(5,185)	-	(3,501)
(53,805)	(16,602)	(31)	(5,115)	(5,185)	-	(3,501)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2008

	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	Royalton Township Water System No. 26 851.86	Total
Operating revenue					
Charges for services	\$ 62,665	\$ 8,554	\$ -	\$ 29,575	\$ 1,246,565
Operating expense					
Operations	-	-	-	-	895,731
Public works projects	-	-	-	5,587	5,587
Depreciation	-	-	-	-	47,007
Total operating expense	-	-	-	5,587	948,325
Operating income	62,665	8,554	-	23,988	298,240
Non-operating revenue					
Interest revenue	-	8,726	-	(1,787)	11,275
Interest and fiscal charges	(62,665)	(17,280)	-	(22,201)	(217,211)
Total non-operating revenue (expense)	(62,665)	(8,554)	-	(23,988)	(205,936)
Income (loss) before transfers	-	-	-	-	92,304
Transfers					
Transfers out	-	-	-	-	(47,850)
Change in net assets	-	-	-	-	44,454
Net assets, beginning of year	-	-	-	-	1,099,670
Net assets (deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$ 1,144,124

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

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00	Baroda Township Water System No. 14 851.09
Cash flows from operating activities				
Cash received from customers	\$ 725,838	\$ 91,701	\$ 213,135	\$ -
Cash payments to suppliers for goods and services	(575,950)	(656)	(159,026)	-
Cash payments to employees for services	(95,357)	(46,147)	-	-
Net cash provided by operating activities	54,531	44,898	54,109	-
Cash flows from non-capital financing activities				
Transfers out	(47,850)	-	-	-
Cash flows from capital and related financing activities				
Principal payments	-	-	(59,478)	-
Interest payments	-	-	-	-
Net cash used in capital and related financing activities	-	-	(59,478)	-
Cash flows from investing activities				
Interest received	-	4,368	-	-
Amounts collected on leases receivable	-	-	-	-
Net cash provided by (used in) investing activities	-	4,368	-	-
Net increase (decrease) in cash and cash equivalents	6,681	49,266	(5,369)	-
Cash and cash equivalents, beginning of year	510,242	151,427	227,053	-
Cash and cash equivalents, end of year	\$ 516,923	\$ 200,693	\$ 221,684	\$ -

Royalton Township Water System No. 20 851.15	Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ Water System No. 21 851.41	Royalton Township Sewer System No. 20 851.70 & .79	City of Watervliet Sewer System No. 22 851.72	Village of Baroda Sewer System No. 18 Refunding 851.74	City of Benton Harbor Water System No. 17 Refunding 851.80
\$ 30,858	\$ 53,805	\$ 16,602	\$ 31	\$ 5,115	\$ 5,185	\$ 3,501
-	-	-	-	-	-	-
30,858	53,805	16,602	31	5,115	5,185	3,501
-	-	-	-	-	-	-
(75,000)	(100,000)	(35,000)	-	(30,000)	(130,000)	(150,000)
(30,858)	(53,808)	(16,598)	-	(5,115)	(5,185)	(3,501)
(105,858)	(153,808)	(51,598)	-	(35,115)	(135,185)	(153,501)
-	3	(4)	(31)	-	-	-
75,000	100,003	34,996	(31)	30,000	130,000	150,000
75,000	100,006	34,992	(62)	30,000	130,000	150,000
-	3	(4)	(31)	-	-	-
-	158	7,417	795	-	-	-
\$ -	\$ 161	\$ 7,413	\$ 764	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Year Ended December 31, 2008

	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	Royalton Township Water System No. 26 851.86	Total
Cash flows from operating activities					
Cash received from customers	\$ 62,665	\$ 8,554	\$ -	\$ 29,575	\$ 1,246,565
Cash payments to suppliers for goods and services	-	-	-	(5,587)	(741,219)
Cash payments to employees for services	-	-	-	-	(141,504)
Net cash provided by operating activities	62,665	8,554	-	23,988	363,842
Cash flows from non-capital financing activities					
Transfers out	-	-	-	-	(47,850)
Cash flows from capital and related financing activities					
Principal payments	(75,000)	(20,000)	-	(15,000)	(689,478)
Interest payments	(62,665)	(17,280)	-	(22,201)	(217,211)
Net cash (used in) capital and related financing activities	(137,665)	(37,280)	-	(37,201)	(906,689)
Cash flows from investing activities					
Interest received	-	8,726	-	(1,787)	11,275
Amounts collected on leases receivable	75,000	28,726	-	9,298	632,992
Net cash provided by (used in) investing activities	75,000	37,452	-	7,511	644,267
Net increase (decrease) in cash and cash equivalents	-	8,726	-	(5,702)	53,570
Cash and cash equivalents, beginning of year	-	-	-	41,689	938,781
Cash and cash equivalents, end of year	\$ -	\$ 8,726	\$ -	\$ 35,987	\$ 992,351

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Year Ended December 31, 2008

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00	Baroda Township Water System No. 14 851.09
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 32,397	\$ 44,808	\$ 10,731	\$ -
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	-	-	47,007	-
Changes in assets and liabilities:				
Inventories	-	-	(4,584)	-
Accounts payable	21,595	-	955	-
Accrued and other liabilities	539	90	-	-
Net cash provided by operating activities	\$ 54,531	\$ 44,898	\$ 54,109	\$ -

Royalton Township Water System No. 20 851.15	Royalton Township Water System No. 23 851.17	Buchanan Township Sewer System No. 23/ Water System No. 21 851.41	Royalton Township Sewer System No. 20 851.70 & .79	City of Watervliet Sewer System No. 22 851.72	Village of Baroda Sewer System No. 18 Refunding 851.74	City of Benton Harbor Water System No. 17 Refunding 851.80
\$ 30,858	\$ 53,805	\$ 16,602	\$ 31	\$ 5,115	\$ 5,185	\$ 3,501
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 30,858	\$ 53,805	\$ 16,602	\$ 31	\$ 5,115	\$ 5,185	\$ 3,501

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

	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	Royalton Township Water System No. 26 851.86	Total
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 62,665	\$ 8,554	\$ -	\$ 23,988	298,240
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	-	-	-	-	47,007
Changes in assets and liabilities:					
Inventories	-	-	-	-	(4,584)
Accounts payable	-	-	-	-	22,550
Accrued and other liabilities	-	-	-	-	629
Net cash provided by operating activities	\$ 62,665	\$ 8,554	\$ -	\$ 23,988	\$ 363,842

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COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2008

	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	\$ 2,387,892	\$ 1,743,667	\$ 9,675,124	\$ 172,960	\$ 13,979,643
Non-current assets:					
Restricted cash	634,282	-	-	-	634,282
Total assets	3,022,174	1,743,667	9,675,124	172,960	14,613,925
Liabilities					
Current liabilities:					
Accounts payable	-	50	541	-	591
Accrued and other liabilities	1,326,805	411,083	1,939,109	-	3,676,997
Total liabilities	1,326,805	411,133	1,939,650	-	3,677,588
Net assets					
Restricted for self-insurance claims	634,282	-	-	-	634,282
Unrestricted:					
Undesignated	1,061,087	1,332,534	7,735,474	172,960	10,302,055
Total net assets	\$ 1,695,369	\$ 1,332,534	\$ 7,735,474	\$ 172,960	\$ 10,936,337

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

	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	\$ -	\$ 418,141	\$ 11,013,678	\$ 92,400	\$ 11,524,219
Operating expenses					
Operation and maintenance	-	-	12,927	1,600	14,527
Benefits and claims	1,058,578	239,239	7,619,514	66,930	8,984,261
Total operating expenses	1,058,578	239,239	7,632,441	68,530	8,998,788
Operating income (loss)	(1,058,578)	178,902	3,381,237	23,870	2,525,431
Non-operating revenue					
Interest income	227,513	613	2,073	-	230,199
Change in net assets	(831,065)	179,515	3,383,310	23,870	2,755,630
Net assets, beginning of year	2,526,434	1,153,019	4,352,164	149,090	8,180,707
Net assets, end of year	\$ 1,695,369	\$ 1,332,534	\$ 7,735,474	\$ 172,960	\$ 10,936,337

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

	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	\$ -	\$ 418,141	\$ 11,013,678	\$ 92,400	\$ 11,524,219
Cash payments to suppliers for goods and services	(51,095)	(239,189)	(7,758,909)	(68,530)	(8,117,723)
Net cash (used in) provided by operating activities	(51,095)	178,952	3,254,769	23,870	3,406,496
Cash flows from investing activities					
Interest received	227,513	613	2,073	-	230,199
Net increase in cash and cash equivalents	176,418	179,565	3,256,842	23,870	3,636,695
Cash and cash equivalents, beginning of year	2,845,756	1,564,102	6,418,282	149,090	10,977,230
Cash and cash equivalents, end of year	\$ 3,022,174	\$ 1,743,667	\$ 9,675,124	\$ 172,960	\$ 14,613,925
Balance sheet classification of cash and cash equivalents					
Cash and cash equivalents	\$ 2,387,892	\$ 1,743,667	\$ 9,675,124	\$ 172,960	\$ 13,979,643
Restricted cash	634,282	-	-	-	634,282
	\$ 3,022,174	\$ 1,743,667	\$ 9,675,124	\$ 172,960	\$ 14,613,925
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,058,578)	\$ 178,902	\$ 3,381,237	\$ 23,870	\$ 2,525,431
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts payable	-	50	541	-	591
Accrued and other liabilities	1,007,483	-	(127,009)	-	880,474
Net cash (used in) provided by operating activities	\$ (51,095)	\$ 178,952	\$ 3,254,769	\$ 23,870	\$ 3,406,496

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Fiduciary Net Assets
All Agency Funds
December 31, 2008

	Trust and Agency 701.00	Court Orders Payable 702.00	Library Trust 721.00
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 1,139,644	\$ 107,356	\$ 839,268
Investments	210,216	-	1
Taxes receivable - delinquent	1,110,481	-	-
<u>TOTAL ASSETS</u>	\$ 2,460,341	\$ 107,356	\$ 839,269
<u>LIABILITIES</u>			
Liabilities			
Undistributed receipts	\$ 1,349,860	\$ 107,356	\$ 839,269
Delinquent taxes payable	1,110,481	-	-
<u>TOTAL LIABILITIES</u>	\$ 2,460,341	\$ 107,356	\$ 839,269

District Court Trust	Jail Inmate Trust	Total
\$ 985,370	\$ 7,848	\$ 3,079,486
-	-	210,217
-	-	1,110,481

\$ 985,370 \$ 7,848 \$ 4,400,184

\$ 985,370 \$ 7,848 \$ 3,289,703
 - - 1,110,481

\$ 985,370 \$ 7,848 \$ 4,400,184

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trust and Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 1,358,200	\$ 92,785,598	\$ 93,004,154	\$ 1,139,644
Investments	207,255	161,790	158,829	210,216
Taxes receivable - delinquent	1,219,355	833,969	942,843	1,110,481
Total assets	\$ 2,784,810	\$ 93,781,357	\$ 94,105,826	\$ 2,460,341
Liabilities				
Undistributed receipts	\$ 1,565,455	\$ 54,947,125	\$ 55,162,720	\$ 1,349,860
Delinquent taxes payable	1,219,355	38,834,232	38,943,106	1,110,481
Total liabilities	\$ 2,784,810	\$ 93,781,357	\$ 94,105,826	\$ 2,460,341
<u>Court Orders Payable Fund</u>				
Assets				
Cash and cash equivalents	\$ 112,561	\$ 699,656	\$ 704,861	\$ 107,356
Liabilities				
Undistributed receipts	\$ 112,561	\$ 699,656	\$ 704,861	\$ 107,356
<u>Library Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 122,834	\$ 2,789,632	\$ 2,073,198	\$ 839,268
Investments	724,000	1,217,817	1,941,816	1
Total assets	\$ 846,834	\$ 4,007,449	\$ 4,015,014	\$ 839,269
Liabilities				
Undistributed receipts	\$ 846,834	\$ 4,007,449	\$ 4,015,014	\$ 839,269

continued...

COUNTY OF BERRIEN, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Concluded)
For the Year Ended December 31, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Court Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 1,064,638	\$ 985,370	\$ 1,064,638	\$ 985,370
Liabilities				
Undistributed receipts	\$ 1,064,638	\$ 985,370	\$ 1,064,638	\$ 985,370
<u>Jail Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 17,032	\$ 7,848	\$ 17,032	\$ 7,848
Liabilities				
Undistributed receipts	\$ 17,032	\$ 7,848	\$ 17,032	\$ 7,848
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 2,675,265	\$ 97,268,104	\$ 96,863,883	\$ 3,079,486
Investments	931,255	1,379,607	2,100,645	210,217
Taxes receivable - delinquent	1,219,355	833,969	942,843	1,110,481
Total assets	\$ 4,825,875	\$ 99,481,680	\$ 99,907,371	\$ 4,400,184
Liabilities				
Undistributed receipts	\$ 3,606,520	\$ 60,647,448	\$ 60,964,265	\$ 3,289,703
Delinquent taxes payable	1,219,355	38,834,232	38,943,106	1,110,481
Total liabilities	\$ 4,825,875	\$ 99,481,680	\$ 99,907,371	\$ 4,400,184

COUNTY OF BERRIEN, MICHIGAN
Drain Commission Component Unit
Statement of Net Assets and Governmental Funds Balance Sheet
December 31, 2008

	Capital Projects Funds			
	Drain 801.00	Drain Revolving 802.00	Sawyer Village Drainage District 803.02	Hollywood Road Retention Bonds 803.03
Assets				
Cash and cash equivalents	\$ 1,792,426	\$ 91,221	\$ 3,114	\$ 154,919
Special assessments receivable	3,252,000	-	35,000	280,000
Due from other funds	-	388,779	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total assets	\$ 5,044,426	\$ 480,000	\$ 38,114	\$ 434,919
Liabilities				
Accounts payable	\$ 63,424	\$ 15,053	\$ -	\$ -
Accrued and other liabilities	-	-	-	-
Due to other funds	388,779	-	-	-
Advances from primary government	-	450,000	-	-
Deferred revenue	3,252,000	-	35,000	280,000
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	3,704,203	465,053	35,000	280,000
Fund balances				
Unreserved, undesignated	1,340,223	14,947	3,114	154,919
Total liabilities and fund balances	\$ 5,044,426	\$ 480,000	\$ 38,114	\$ 434,919
Net assets				
Invested in capital assets, net of related debt (deficit)				
Unrestricted				
Total net assets				

Starr & Wellington Drain 803.04	Chapter 20 Abraham Drain 820.00	Chapter 20 Niles Township Drain 821.00	Total	Adjustments	Statement of Net Assets
\$ 181,000	\$ -	\$ -	\$ 2,222,680	\$ -	\$ 2,222,680
181,000	-	-	3,748,000	-	3,748,000
-	-	-	388,779	(388,779)	-
-	-	-	-	1,136,954	1,136,954
-	-	-	-	2,792,395	2,792,395
\$ 362,000	\$ -	\$ -	\$ 6,359,459	3,540,570	9,900,029
\$ -	\$ -	\$ -	\$ 78,477	\$ -	\$ 78,477
-	-	-	-	2,877	2,877
-	-	-	388,779	(388,779)	-
-	-	-	450,000	-	450,000
181,000	-	-	3,748,000	(3,748,000)	-
-	-	-	-	1,565,000	1,565,000
-	-	-	-	2,571,363	2,571,363
181,000	-	-	4,665,256	2,461	4,667,717
181,000	-	-	1,694,203	(1,694,203)	-
\$ 362,000	\$ -	\$ -	\$ 6,359,459		
				(207,014)	(207,014)
				5,439,326	5,439,326
				\$ 5,232,312	\$ 5,232,312

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, 2008

	Capital Projects Funds			
	Drain 801.00	Drain Revolving 802.00	Sawyer Village Drainage District 803.02	Hollywood Road Detention Bonds 803.03
Expenditures / expenses				
Public works	\$ 1,945,161	\$ 15,053	\$ 4,126	\$ 275
Debt Service:				
Principal	985,548	-	35,000	20,000
Interest	-	-	3,080	13,052
Total expenditures / expenses	2,930,709	15,053	42,206	33,327
Program revenues				
Operating grants and contributions	1,177,946	-	45,320	27,021
Special assessments / capital grants and contributions	6	-	-	-
Total program revenues	1,177,952	-	45,320	27,021
Net program revenue	-	(15,053)	-	-
Other financing sources				
Issuance of long-term debt	2,255,668	-	-	-
Revenue and other sources over (under) expenditures / change in net assets	502,911	(15,053)	3,114	(6,306)
Fund balances / net assets, beginning of year	837,312	30,000	-	161,225
Fund balances / net assets, end of year	\$ 1,340,223	\$ 14,947	\$ 3,114	\$ 154,919

Starr & Wellington Drain 803.04	Chapter 20 Abraham Drain 820.00	Chapter 20 Niles Township Drain 821.00	Total	Adjustments	Statement of Activities
\$ -	\$ -	\$ -	\$ 1,964,615	\$ (1,368,367)	\$ 596,248
-	-	-	1,040,548	(1,040,548)	-
-	-	-	16,132	-	16,132
-	-	-	3,021,295	(2,408,915)	612,380
-	-	-	1,250,287	-	1,250,287
-	-	-	6	1,430,000	1,430,006
-	-	-	1,250,293	1,430,000	2,680,293
-	-	-	-	-	2,067,913
181,000	-	-	2,436,668	(2,436,668)	-
181,000	-	-	665,666	1,402,247	2,067,913
-	-	-	1,028,537	2,135,862	3,164,399
\$ 181,000	\$ -	\$ -	\$ 1,694,203	\$ 3,538,109	\$ 5,232,312

COUNTY OF BERRIEN, MICHIGAN
Brownfield Redevelopment Authority Component Unit
Statement of Net Assets and
Governmental Fund Balance Sheet
December 31, 2008

	Governmental Fund	Adjustments	Statement of Net Assets
Assets			
Cash and investments	\$ 1,131,365	\$ -	\$ 1,131,365
Due from other governments	2,098,868	-	2,098,868
Notes receivable	513,889	-	513,889
	\$ 3,744,122	-	3,744,122
Liabilities			
Advances from other component unit	1,500,000	-	1,500,000
Long-term debt - due in more than one year	-	1,999,608	1,999,608
	1,500,000	1,999,608	3,499,608
Fund balances			
Unreserved, undesignated	2,244,122	(2,244,122)	-
	\$ 3,744,122		
Net assets			
Unrestricted		\$ 244,514	\$ 244,514

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

COUNTY OF BERRIEN, MICHIGAN
Brownfield Redevelopment Authority Component Unit
Statement of Activities and
Governmental Fund Revenue, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2008

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenue			
Taxes	\$ 39,673	\$ -	\$ 39,673
Charges for services	5,500	-	5,500
Operating grants and contributions	202,712	-	202,712
Interest revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	247,885	-	247,885
Expenditures / expenses			
Health and welfare	514,619	-	514,619
	<hr/>	<hr/>	<hr/>
Change in fund balance / net assets	(266,734)	-	(266,734)
Fund balances / net assets			
Beginning of year	2,510,856	(1,999,608)	511,248
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 2,244,122</u>	<u>\$ (1,999,608)</u>	<u>\$ 244,514</u>

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

COUNTY OF BERRIEN, MICHIGAN
Brownfield Redevelopment Authority Component Unit
Statement of Revenue, Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2008

	Budget (Original and Final)	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ 39,673	\$ 39,673
Charges for services	-	5,500	5,500
Operating grants and contributions	-	202,712	202,712
Interest revenue	-	-	-
Total revenues	-	247,885	247,885
Expenditures			
Health and welfare	-	514,619	514,619
Net change in fund balance	-	(266,734)	(266,734)
Fund balance, beginning of year	2,510,856	2,510,856	-
Fund balance, end of year	\$ 2,510,856	\$ 2,244,122	\$ (266,734)

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Statement of Net Assets
December 31, 2008

	<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			
Current assets:			
Cash and cash equivalents	\$ 77,755	\$ 392,219	\$ 469,974
Long-term assets:			
Notes receivable	-	873,443	873,443
Advance to other component unit	-	1,500,000	1,500,000
Total assets	77,755	2,765,662	2,843,417
Liabilities			
Long-term liabilities:			
Advances from primary government	-	1,500,000	1,500,000
Net Assets			
Unrestricted:			
Undesignated	<u>\$ 77,755</u>	<u>\$ 1,265,662</u>	<u>\$ 1,343,417</u>

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Statement of Activities
For the Year Ended December 31, 2008

	<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	\$ 40,080	\$ 7,344	\$ 47,424
Program revenues			
Charges for services	7,844	-	7,844
Net expense	(32,236)	(7,344)	(39,580)
General revenues			
Interest revenue	1,345	22,742	24,087
Change in net assets	(30,891)	15,398	(15,493)
Net assets, beginning of year	108,646	1,250,264	1,358,910
Net assets, end of year	<u>\$ 77,755</u>	<u>\$ 1,265,662</u>	<u>\$ 1,343,417</u>

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Combining Statement of Net Assets
Enterprise Funds
December 31, 2008

	Small Cities Block Grant 289.00	Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
Assets				
Cash and cash equivalents	\$ 353,148	\$ -	\$ 39,071	\$ 392,219
Notes receivable	871,616	-	1,827	873,443
Advance to other component unit	-	1,500,000	-	1,500,000
Total assets	1,224,764	1,500,000	40,898	2,765,662
Liabilities				
Advances from primary government	-	1,500,000	-	1,500,000
Net assets, unrestricted	\$ 1,224,764	\$ -	\$ 40,898	\$ 1,265,662

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, 2008

	Small Cities Block Grant 289.00	Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
Operating revenue				
Interest on loans	\$ -	\$ -	\$ -	\$ -
Operating expense				
Community development	7,344	-	-	7,344
Operating loss	(7,344)	-	-	(7,344)
Non-operating revenue				
Interest revenue	22,742	-	-	22,742
Change in net assets	15,398	-	-	15,398
Net assets, beginning of year	1,209,366	-	40,898	1,250,264
Net assets, end of year	\$ 1,224,764	\$ -	\$ 40,898	\$ 1,265,662

COUNTY OF BERRIEN, MICHIGAN
Economic Development Corporation Component Unit
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2008

	Small Cities Block Grant 289.00	Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
Cash flows from operating activities				
Cash received from customers	\$ 143,921	\$ -	\$ 10,750	\$ 154,671
Cash payments to suppliers for goods and services	(7,344)	-	-	(7,344)
Net cash provided by operating activities	136,577	-	10,750	147,327
Cash flows from investing activities				
Investment income	22,742	-	-	22,742
Net increase in cash and cash equivalents	159,319	-	10,750	170,069
Cash and cash equivalents, beginning of year	193,829	-	28,321	222,150
Cash and cash equivalents, end of year	\$ 353,148	\$ -	\$ 39,071	\$ 392,219
Reconciliation of operating income to net cash provided by operating activities				
Operating loss	\$ (7,344)	\$ -	\$ -	\$ (7,344)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Decrease in notes receivable	143,921	-	10,750	154,671
Net cash provided by operating activities	\$ 136,577	\$ -	\$ 10,750	\$ 147,327