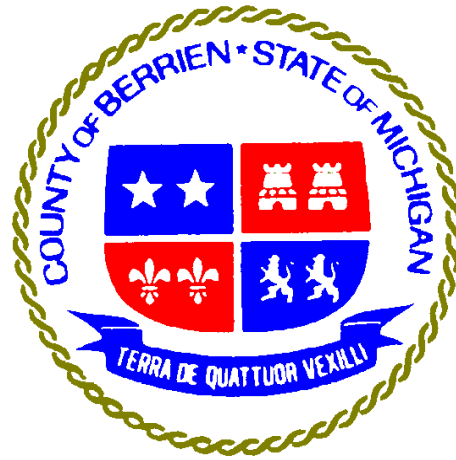


County of Berrien,
Michigan



Year Ended
December 31, 2012

Financial
Statements

COUNTY OF BERRIEN, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

July 1, 2013

Board of Commissioners
County of Berrien, Michigan
St. Joseph, Michigan**Report on the Financial Statements**

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* (the "County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 or the Berrien Mental Health Authority which represent 59.3% and 11.1% of the assets, respectively, 74.5% and 6.7% of the net position, respectively, and 24.1% and 61.4% of the revenues, respectively, of the aggregate discretely presented component units of the County. Those statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Berrien County Road Commission and Berrien Mental Health Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2013 on our consideration of the County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

As management of the County of Berrien, Michigan (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with accompanying audited financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$111,219 (net position). Of this amount, \$69,921 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's net position increased by \$1,307. Net position from governmental activities increased by \$4,639 while net position from business-type activities (i.e. Delinquent tax funds, Public works projects funds) decreased by \$3,332.
- As of the close of the current fiscal year, the County's governmental funds (which include the general fund, special revenue, debt service, and capital projects funds) reported combined ending fund balances of \$33,089, an increase of \$3,407 in comparison with the prior year. Of this balance, \$14,292 (43.2 percent), is unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,292, or 25.6 percent of total general fund expenditures and transfers out.
- The County's total debt decreased by \$6,787 (16.3 percent) during the current fiscal year. The key factor in this decrease was the refunding of \$3,405 of the Royalton Township Water bonds of which was all refunded in the Township's name and a decrease in general obligation notes of \$3,260.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, recreation and cultural, and community development. The business-type activities of the County include delinquent tax collections and forfeitures and public works projects.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

The government-wide financial statements include not only the County itself (known as the *primary government*), but also legally separate Road Commission, Drain Commission, Brownfield Redevelopment Authority, Economic Development Corporation, Land Bank Authority, and Mental Health Authority for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 58 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 which is considered to be major funds. Data from the other 57 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

Proprietary Funds. 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 its delinquent tax revolving fund, delinquent tax foreclosure and personal property tax funds, drain working capital, and various public works projects funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses *internal service funds* to account for its risk management and employee benefit programs. 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 revolving and Benton Township water system funds, both of which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not available* to support the County's own programs. The accounting used for *fiduciary funds* is much like that used for proprietary funds.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

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* concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions and other postemployment benefits.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$111,219 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 59,298	\$ 56,032	\$ 72,070	\$ 78,590	\$ 131,368	\$ 134,622
Capital assets, net	33,007	33,464	113	165	33,120	33,629
Total assets	<u>92,305</u>	<u>89,496</u>	<u>72,183</u>	<u>78,755</u>	<u>164,488</u>	<u>168,251</u>
Long-term liabilities	3,475	6,598	33,630	37,199	37,105	43,797
Other liabilities	7,253	12,794	2,077	1,748	9,330	14,542
Total liabilities	<u>10,728</u>	<u>19,392</u>	<u>35,707</u>	<u>38,947</u>	<u>46,435</u>	<u>58,339</u>
Taxes levied for a subsequent period	<u>6,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,834</u>	<u>-</u>
Net position:						
Net investment in capital assets	31,780	29,040	113	164	31,893	29,204
Restricted	9,405	8,315	-	-	9,405	8,315
Unrestricted	33,558	32,749	36,363	39,644	69,921	72,393
Total net position	<u>\$ 74,743</u>	<u>\$ 70,104</u>	<u>\$ 36,476</u>	<u>\$ 39,808</u>	<u>\$ 111,219</u>	<u>\$ 109,912</u>

A portion of the County's net position, \$31,893 (28.7 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County'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.

An additional portion of the County's net position of \$9,405 (8.5 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of *unrestricted net position* of \$69,921 (62.9 percent) to meet its ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

There was a decrease of \$1,090 in restricted net position reported in connection with the County's governmental activities. Of this amount, \$478 was the result of a reduction in the amount of funds restricted for the revenue sharing reserve fund mandated by the State of Michigan. State law restricts the use of accelerated property tax collections.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 13,195	\$ 12,265	\$ 2,709	\$ 3,856	\$ 15,904	\$ 16,121
Operating grants and contributions	23,299	21,227	1,687	931	24,986	22,158
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	39,396	39,960	-	-	39,396	39,960
Grants not restricted to specific programs	702	489	-	-	702	489
Unrestricted investment earnings	80	91	-	-	80	91
Total revenues	76,672	74,032	4,396	4,787	81,068	78,819
Expenses						
Legislative	2,153	1,971	-	-	2,153	1,971
Judicial	13,033	12,797	-	-	13,033	12,797
General government	9,456	9,480	-	-	9,456	9,480
Public safety	23,685	22,411	-	-	23,685	22,411
Public works	606	785	-	-	606	785
Health and welfare	16,605	16,811	-	-	16,605	16,811
Recreation and cultural	3,663	3,269	-	-	3,663	3,269
Community development	1,112	732	-	-	1,112	732
Other governmental activities	6,983	7,121	-	-	6,983	7,121
Interest on long-term debt	162	211	-	-	162	211
Delinquent tax collections/forfeitures	-	-	1,117	966	1,117	966
Public works projects	-	-	1,186	1,442	1,186	1,442
Total expenses	77,458	75,588	2,303	2,408	79,761	77,996
Change in net position, before transfers	(786)	(1,556)	2,093	2,379	1,307	823
Transfers	5,425	10	(5,425)	(10)	-	-
Change in net position	4,639	(1,546)	(3,332)	2,369	1,307	823
Net position:						
Beginning of year	70,104	71,650	39,808	37,439	109,912	109,089
End of year	\$ 74,743	\$ 70,104	\$ 36,476	\$ 39,808	\$ 111,219	\$ 109,912

The County's net position increased by \$1,307 during the current fiscal year. This increase was driven by governmental-type activities. Increases in ongoing expenses were offset by ongoing revenues. The overall increase is primarily attributable to general fund balance growth.

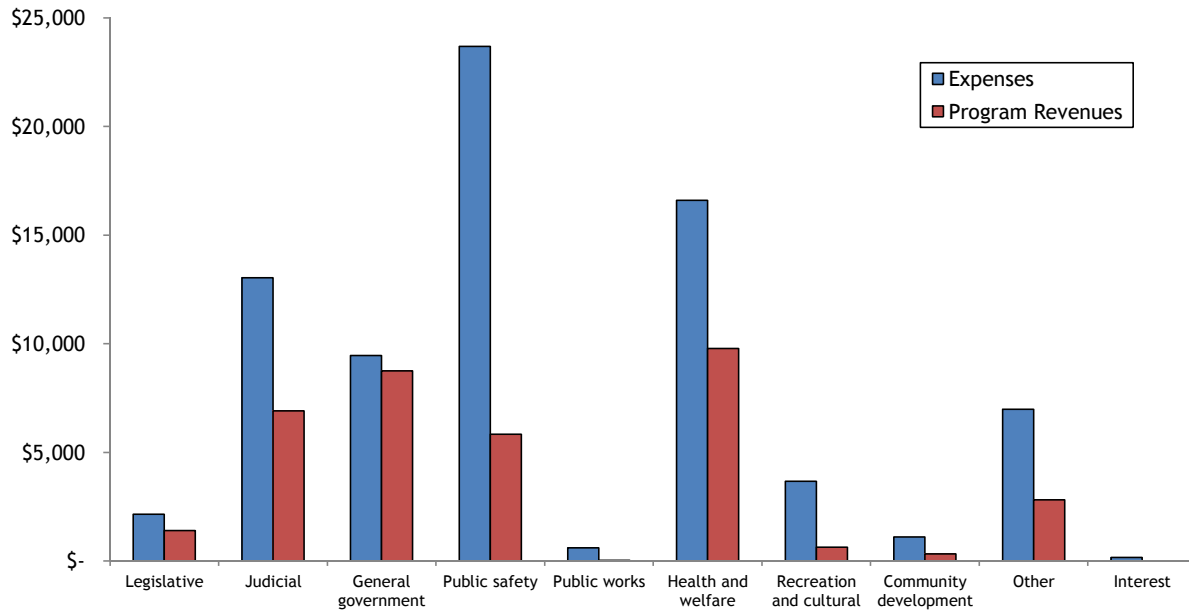
COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

Governmental Activities. Governmental activities increased the County's net position by \$4,639. Key elements of this increase are as follows:

- Increased charges for services of \$930 (7.6 percent).
- Increased operating grants and contributions of \$2,072 (9.8 percent).
- Decrease in property taxes of \$564 (1.4 percent) driven by a slight decline in taxable values and payments in lieu of taxes.
- Increase in expenses of \$1,870 (2.5 percent) partially driven by increased operating grants and contributions.
- Increase in transfers from the Tax Revolving Fund (business-type activities) to eliminate the Building Authority prior year deficit and reduce long term debt for a total of \$5,415.

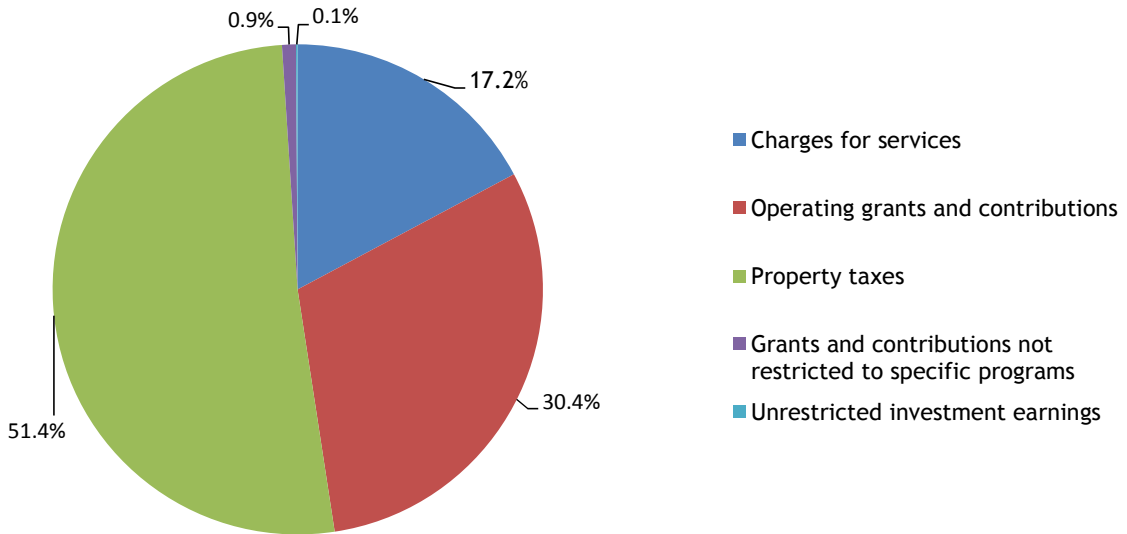
Expenses and Program Revenues - Governmental Activities



COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

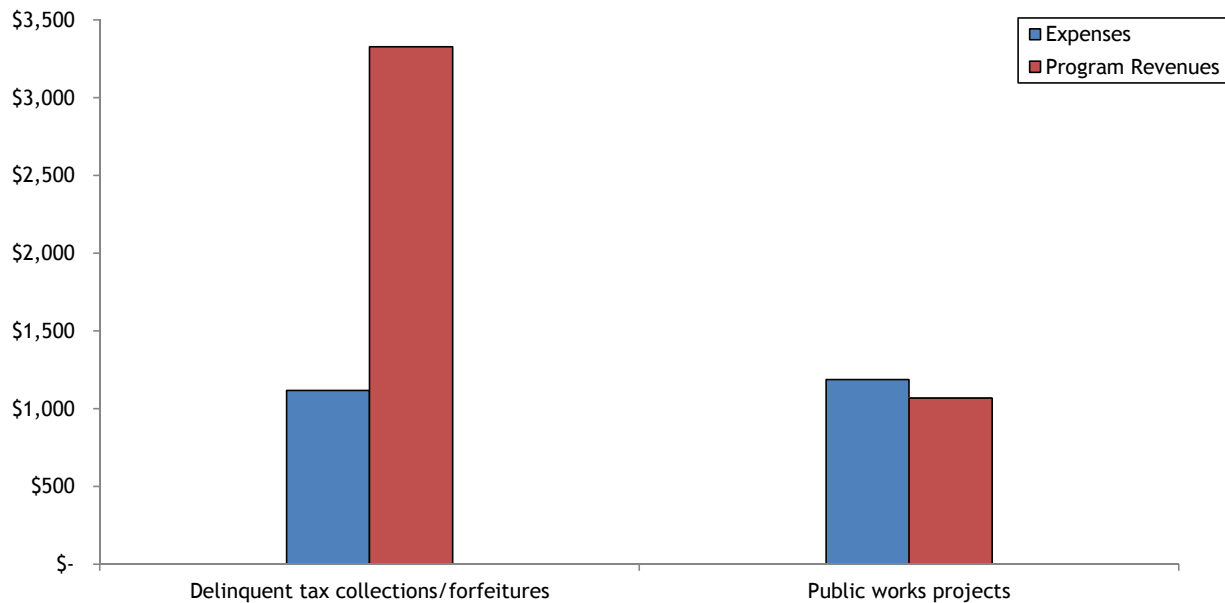
Revenues by Source - Governmental Activities



Business-type Activities. Business-type activities decreased the County's net position by \$3,332. Key elements of this decrease are as follows:

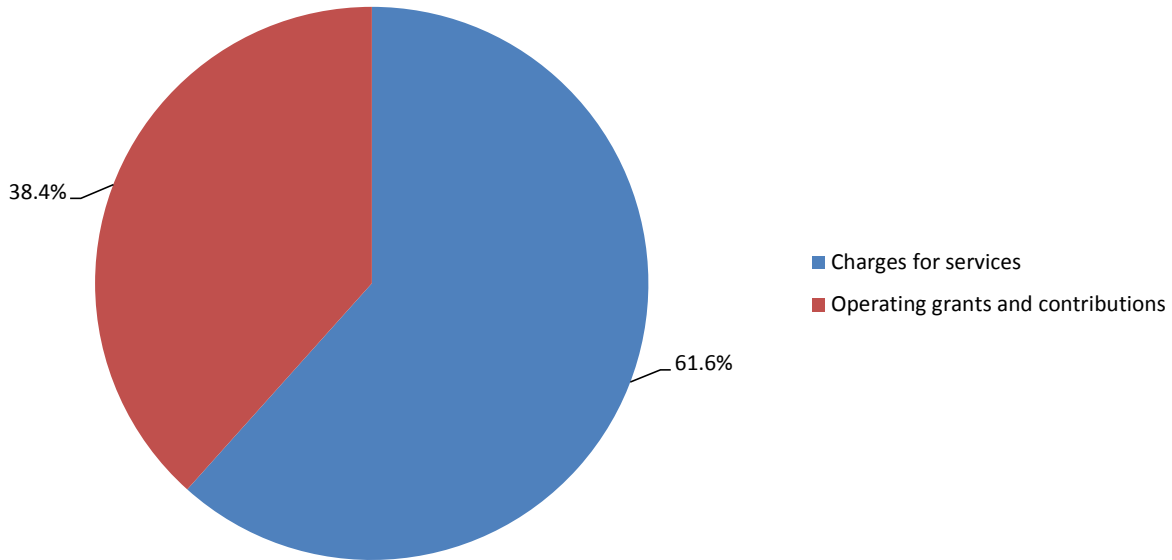
- Delinquent Tax Revolving Fund revenue, driven by penalty and interest revenue, continuing to outpace expenditures (before transfers) by \$1,812.
Expenditure from Tax Revolving Fund to eliminate Building Authority prior year deficit and reduction of long term debt (Governmental Activities) for a fund balance decrease of \$5,415.
- Delinquent Tax Foreclosure Fund revenue outpacing expenditures by \$299.

Expenses and Program Revenues - Business-type Activities



COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis



Financial Analysis of the County's Funds

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

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$33,089, a increase of \$3,407 in comparison with the prior year. Approximately half of the total amount (\$14,292 or 43.2 percent) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has already been 1) advanced to other funds or component units (\$2,245), 2) restricted for various purposes (\$6,383) or 3) committed for various projects (\$10,169).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,292, while total fund balance reached \$16,387. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 25.6 percent of total general fund expenditures and transfers out, while total fund balance represents 29.4 percent of that same amount.

The fund balance of the County's general fund increased by \$1,041 during the current fiscal year, an increase over the prior year increase by \$590. Key factors in this growth are as follows:

- A decrease in tax revenues of \$511 driven by current taxes real property and payment in lieu of taxes decrease of \$478 created by a small decrease in taxable values.
- An increase in intergovernmental revenue of \$326 created by an increase in in program revenues and taxes of \$304, decrease in state revenue sharing of \$99 (2011 classified as transfer in, 2012 as intergovernmental revenue), and other intergovernment revenue items net of \$121.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

- An increase in charges for services of \$474 driven largely by real estate transfer and recording fees.
- A decrease in fines and forfeitures of \$144.
- An increase in other revenues and reimbursements of \$588 driven primarily by an increase in administrative cost reimbursements of \$362 and an insurance refund of \$200.
- An increase in expenditures of \$366 (0.9 percent) of which \$178 is employee costs for salaries and fringe benefits and \$188 in increased non-personnel costs.
- An increase in interfund net transfers of \$196.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the delinquent tax revolving funds at the end of the year amounted to \$34,880. A decrease in net position of \$3,602 was driven by a transfer to governmental funds for deficit and debt elimination in the Building Authority for \$5,416 partially offset by penalty and interest revenue continuing to outpace expenditures.

Internal Service Funds net position at the end of the year amounted to \$8,973, decreasing by \$1,108 from the prior year. A major factor in this decrease was a reduction in the Health Care fund balance of \$1,116.

General Fund Budgetary Highlights

The general fund budgeted for zero change in fund balance and the actual increase in fund balance was \$1,041. Significant changes in budgetary variances are as follows:

- Tax revenues had an unfavorable budgetary variance of \$452, the majority of which is less than anticipated property tax collections of \$517 partially offset by more than anticipated payment in lieu of taxes of \$88.
- Charges for services had an favorable budgetary variance \$849. The favorable variance is primarily made up of \$467 in Registrar of Deeds fees, \$156 in law enforcement fees for care of prisoners and other items, and \$140 in community development service fees.
- Intergovernmental revenues had a favorable budgetary variance of \$1,037, of which \$981 state revenue sharing, \$140 in marine division funding, \$116 in COBO Hall taxes partially offset by a decline in state court funding of \$147.
- Lower than budgeted interest revenue of \$110 created by continued poor interest rates.
- All other revenue categories net unfavorable \$13.
- Expenditures had an overall favorable budgetary variance of \$884. Almost all departments contributed to a favorable variance compared to the original budget of \$3,065.

The general fund amended budget had appropriations to other funds (transfers out) of \$14,212. Actual appropriations were \$14,240, an increase of \$0.27. These additional appropriations were financed from savings in other budgeted expenditures along with better than anticipated incoming revenue and transfers allowing for an additional year end appropriation.

Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2012 amounted to \$33,120 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was 1.5 percent (a 1.4 percent decrease for governmental activities and a 0.3 percent decrease for business-type activities).

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

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

- Acquisition of law enforcement vehicles at a cost of \$216.
- Repaving of the courthouse parking lot at a cost of \$101.
- Replacement of desktop computers and software at a cost of \$247.
- Installation of a point to point communications system at a cost of \$131.
- Acquisition of new bus for Berrien Bus at a cost of \$72.
- Acquisition of in car video system at a cost of \$95.
- Acquisition of Fiscal/HR software and hardware at a cost of \$208.
- Acquisition of Registrar of Deeds and Clerk of Court software at a cost of \$133.
- Acquisition of Backup system for Registrar of Deeds at a cost of \$99.
- Acquisition of Jail Management software and hardware at a cost of \$116.
- Building improvements and remodeling at various buildings at a cost of \$146.
- All other equipment, vehicle, and software purchases at a cost of \$87.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 5,572	\$ 5,572	\$ -	\$ -	\$ 5,572	\$ 5,572
Construction in progress	165	-	-	-	165	-
Land improvements	322	264	-	-	322	264
Buildings	21,719	22,373	-	-	21,719	22,373
Equipment	5,229	5,255	113	165	5,342	5,420
Total capital assets, net	<u>\$ 33,007</u>	<u>\$ 33,464</u>	<u>\$ 113</u>	<u>\$ 165</u>	<u>\$ 33,120</u>	<u>\$ 33,629</u>

The County conducts an annual inventory of its capital assets and an appraisal for insurance purposes using an outside service.

Long-Term Debt. At the end of the current fiscal year, the County had total debt outstanding of \$34,859 excluding compensated absences. Of this amount, \$26,999 comprises debt backed by the full faith and credit of the government and general obligation limited tax notes of \$7,792.

	Bonds and Notes					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 1,060	\$ 4,320	\$ 25,939	\$ 30,326	\$ 26,999	\$ 34,646
Capital leases payable	170	108	-	-	170	108
Unamortized bond discount	-	-	(102)	(107)	(102)	(107)
Delinquent tax notes	-	-	7,792	6,980	7,792	6,980
Notes Payable	-	19	-	-	-	19
Total	<u>\$ 1,230</u>	<u>\$ 4,447</u>	<u>\$ 33,629</u>	<u>\$ 37,199</u>	<u>\$ 34,859</u>	<u>\$ 41,646</u>

The County's total installment debt decreased by \$6,787 (16.3 percent) during the current fiscal year. The key factor in this decrease was the refunding of the Royalton Township Water bonds.

The County maintains an "AA" rating from Standard & Poors for its general obligation debt. The Standard & Poors rating reflects the County's recent history of strong financial reserves and maintenance of a low overall debt burden.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$868,255 which is significantly higher than the County's outstanding general obligation debt.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

In May 2013, the County issued \$12,500 of general obligation limited tax notes to finance the Delinquent Tax Revolving Fund as part of its normal operating process.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2013 fiscal year:

- The average annual unemployment rate for the County for 2012 was 9.0 percent, which is down from a year ago. This is slightly below the State's average annual unemployment rate of 9.1 percent and above the national average of 8.1 percent for 2012. The average unemployment rate for the County for 2013 through April is 9.4 percent.
- Inflationary trends in the region compare closely to national indices. Consumer Price Index annual percentage increases traditionally run slightly higher than the national average, however overall averages are slightly lower.
- Economic developments of the last couple of years have resulted in a decline in taxable values. The 2013 budget assumes taxable values decrease slightly from the 2012 taxable valuation by 0.5 percent.
- Interest rates have declined over the past few years. The 2012 budget assumes the continuation of these poor rates.
- Each year, the State of Michigan provides guidance on the amount of Revenue Sharing Reserve Fund balance the County is able to use during the year. The 2013 budget reflects this guidance.
- Defined benefit plan maintenance costs are predicted to continue to impact the fiscal operations of the County. The 2013 employer contribution percentages as determined by actuarial recommendations are up from the 2012 budget.
- Property and liability insurance is self-funded with the Michigan Municipal Risk Management Authority. Premiums have increased due to many factors, including poor investment earnings in the re-insurance market. The County expects an increase in costs in the 2013 fiscal year from the 2012 budgeted level.
- Health insurance coverage for the County is self-funded. The County, as other governmental entities and the private sector, has experienced increasing costs. The County anticipates healthcare cost claims to rise by 3.3 percent in 2013 from the 2012 budgeted level.

During the current fiscal year, unassigned fund balance in the general fund was \$14,292. The County has committed to maintaining a sufficient general fund balance to provide fiscal flexibility and to meet unforeseen emergencies. The County has adopted a balanced budget for 2013 without the need to appropriate any of this amount for spending. It is intended that this approach will avoid the need to raise taxes or charges during the 2013 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County of Berrien's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the The County of Berrien Administration Center, Financial Services Department, 701 Main Street, St. Joseph, Michigan 49085-1316.

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BASIC FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 45,343,316	\$ 32,929,777	\$ 78,273,093	\$ 23,119,212
Restricted cash	1,168,882	-	1,168,882	660,117
Receivables, net	12,365,582	37,667,059	50,032,641	23,641,140
Internal balances	(1,435,451)	1,435,451	-	-
Prepaid items and other assets	1,855,770	37,520	1,893,290	1,655,377
Capital assets not being depreciated	5,737,112	-	5,737,112	15,150,008
Capital assets being depreciated, net	27,270,073	113,370	27,383,443	78,373,517
Total assets	92,305,284	72,183,177	164,488,461	142,599,371
Liabilities				
Accounts payable and accrued expenses	6,803,674	2,077,068	8,880,742	12,080,946
Unearned revenue	449,107	-	449,107	212,992
Long-term liabilities:				
Due within one year	3,155,635	2,652,569	5,808,204	2,161,805
Due in more than one year	319,671	30,977,079	31,296,750	17,513,793
Net other postemployment benefit obligation	-	-	-	487,570
Total liabilities	10,728,087	35,706,716	46,434,803	32,457,106
Deferred inflows of resources				
Taxes levied for a subsequent period	6,834,600	-	6,834,600	86,829
Net position				
Net investment in capital assets	31,780,014	113,370	31,893,384	79,487,447
Restricted for:				
Judicial	147,315	-	147,315	-
Public safety	2,128,389	-	2,128,389	-
Health and welfare	953,897	-	953,897	-
Recreation and cultural	8,708	-	8,708	-
State mandated programs and other purposes	4,272,501	-	4,272,501	2,209,721
Capital projects	1,893,780	-	1,893,780	-
Unrestricted	33,557,993	36,363,091	69,921,084	28,358,268
Total net position	\$ 74,742,597	\$ 36,476,461	\$ 111,219,058	\$ 110,055,436

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 2,153,426	\$ 8,232	\$ 1,400,468	\$ -	\$ (744,726)
Judicial	13,032,523	4,556,288	2,360,623	-	(6,115,612)
General government	9,455,811	2,253,289	6,504,268	-	(698,254)
Public safety	23,684,629	2,999,914	2,837,367	-	(17,847,348)
Public works	606,059	70	25,887	-	(580,102)
Health and welfare	16,604,818	677,589	9,109,223	-	(6,818,006)
Recreation and cultural	3,662,969	483,738	145,534	-	(3,033,697)
Community development	1,112,199	170,960	148,657	-	(792,582)
Other governmental activities	6,983,417	2,045,311	767,249	-	(4,170,857)
Interest on long-term debt	162,360	-	-	-	(162,360)
Total governmental activities	77,458,211	13,195,391	23,299,276	-	(40,963,544)
Business-type activities:					
Delinquent tax collections/forfeitures	1,116,976	1,640,722	1,686,564	-	2,210,310
Public works projects	1,185,628	1,068,277	-	-	(117,351)
Total business-type activities	2,302,604	2,708,999	1,686,564	-	2,092,959
Total primary government	\$ 79,760,815	\$ 15,904,390	\$ 24,985,840	\$ -	\$ (38,870,585)
Component units					
County roads	\$ 15,876,045	\$ -	\$ 13,952,808	\$ -	\$ (1,923,237)
County drains	2,096,405	-	4,560,270	-	2,463,865
Brownfield redevelopment	679,627	7,500	195,332	-	(476,795)
Economic development	216,984	327,491	-	-	110,507
Land bank	2,988,542	286	366,824	2,635,801	14,369
Community mental health	34,981,511	29,692,671	5,855,177	-	566,337
Total component units	\$ 56,839,114	\$ 30,027,948	\$ 24,930,411	\$ 2,635,801	\$ 755,046

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COUNTY OF BERRIEN, MICHIGAN

Statement of Activities For the Year Ended December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenues	\$ (40,963,544)	\$ 2,092,959	\$ (38,870,585)	\$ 755,046
General revenues:				
Property taxes	39,395,664	-	39,395,664	331,363
Grants and contributions not restricted to specific programs	701,764	-	701,764	-
Unrestricted investment earnings	79,994	-	79,994	-
Transfers - internal activities	5,424,845	(5,424,845)	-	-
Total general revenues and transfers	45,602,267	(5,424,845)	40,177,422	331,363
Change in net position	4,638,723	(3,331,886)	1,306,837	1,086,409
Net position, beginning of year, as restated	70,103,874	39,808,347	109,912,221	108,969,027
Net position, end of year	\$ 74,742,597	\$ 36,476,461	\$ 111,219,058	\$ 110,055,436

concluded.

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

COUNTY OF BERRIEN, MICHIGAN

Balance Sheet

Governmental Funds

December 31, 2012

	General (101)	Other Governmental Funds	Total
Assets			
Cash and investments	\$ 16,003,965	\$ 17,396,264	\$ 33,400,229
Receivables:			
Accounts	-	65,661	65,661
Taxes - current	1,696,227	6,222,120	7,918,347
Taxes - delinquent	7,501	22,118	29,619
Due from other governments	234,571	1,687,609	1,922,180
Due from component units	-	195,963	195,963
Notes	-	388,812	388,812
Due from other funds	6,669	866,470	873,139
Interfund receivable	360,803	-	360,803
Advances to other funds	250,000	-	250,000
Advances to component units	1,845,000	-	1,845,000
Total assets	\$ 20,404,736	\$ 26,845,017	\$ 47,249,753
Liabilities			
Accounts payable	\$ 368,718	\$ 648,501	\$ 1,017,219
Accrued expenses	881,675	524,169	1,405,844
Due to other funds	17,162	841,428	858,590
Due to other governments	-	145,823	145,823
Interfund payable	-	360,803	360,803
Advances from other governments	-	89,000	89,000
Advances from other funds	1,450,000	250,000	1,700,000
Unearned revenue	-	449,107	449,107
Total liabilities	2,717,555	3,308,831	6,026,386
Deferred inflows of resources			
Unavailable revenue - property taxes	1,299,696	-	1,299,696
Taxes levied for a subsequent period	-	6,834,600	6,834,600
Total deferred inflows of resources	1,299,696	6,834,600	8,134,296
Fund balances			
Nonspendable	2,095,000	150,000	2,245,000
Restricted	-	6,383,204	6,383,204
Committed	-	10,168,382	10,168,382
Unassigned	14,292,485	-	14,292,485
Total fund balances	16,387,485	16,701,586	33,089,071
Total liabilities, deferred inflows of resources and fund balances	\$ 20,404,736	\$ 26,845,017	\$ 47,249,753

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

COUNTY OF BERRIEN, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2012

Fund balances - total governmental funds	\$ 33,089,071
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.	
Capital assets not being depreciated	5,737,112
Capital assets being depreciated, net	27,270,073
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
Unavailable property taxes	1,299,696
Governmental funds report expenditures equal to amounts contributed to defined benefit other postemployment benefit plans (OPEB). However, in the statement of activities, net OPEB costs are equal to the actuarially determined net OPEB costs. Differences between actuarially determined net OPEB costs and annual contributions are accumulated and reported as a net OPEB asset.	
Net OPEB asset	1,855,770
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 position.	
Net position of governmental activities accounted for in internal service funds	8,973,248
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, notes and capital lease payable	(1,230,437)
Compensated absences	(2,244,869)
Accrued interest on long-term liabilities	(7,067)
Net position of governmental activities	<u>\$ 74,742,597</u>

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2012

	General (101)	Other Governmental Funds	Total
Revenues			
Taxes	\$ 33,253,796	\$ 6,273,167	\$ 39,526,963
Licenses and permits	318,128	272,255	590,383
Intergovernmental revenue	6,423,763	12,852,513	19,276,276
Charges for services	7,098,363	4,941,307	12,039,670
Fines and forfeitures	565,338	-	565,338
Interest revenue	41,802	26,157	67,959
Other revenue and reimbursements	2,305,248	2,402,584	4,707,832
Total revenues	50,006,438	26,767,983	76,774,421
Expenditures			
Current expenditures:			
Legislative	1,802,855	-	1,802,855
Judicial	9,236,499	3,579,753	12,816,252
General government	8,490,534	167,856	8,658,390
Public safety	15,109,379	8,159,354	23,268,733
Public works	233,945	323,352	557,297
Health and welfare	740,700	15,848,844	16,589,544
Recreation and cultural	372,716	3,062,445	3,435,161
Community development	912,331	79,283	991,614
Other governmental activities	4,519,427	2,870,989	7,390,416
Debt service:			
Principal	93,991	3,260,000	3,353,991
Interest and fiscal charges	3,695	132,496	136,191
Total expenditures	41,516,072	37,484,372	79,000,444
Revenues over (under) expenditures	8,490,366	(10,716,389)	(2,226,023)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	51,698	51,698
Proceeds from issuance of long-term debt	156,595	-	156,595
Transfers in	6,633,305	24,467,897	31,101,202
Transfers out	(14,239,660)	(11,436,697)	(25,676,357)
Total other financing sources (uses)	(7,449,760)	13,082,898	5,633,138
Net change in fund balances	1,040,606	2,366,509	3,407,115
Fund balance, beginning of year	15,346,879	14,335,077	29,681,956
Fund balance, end of year	\$ 16,387,485	\$ 16,701,586	\$ 33,089,071

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

COUNTY OF BERRIEN, MICHIGAN

Reconciliation

Net Changes in Fund Balance of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds	\$ 3,407,115
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition/construction of capital assets	1,651,418
Depreciation expense	(2,033,008)
Net book value of capital asset disposals	(75,648)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.	
Change in unavailable property taxes and special assessments	(131,299)
Governmental funds report expenditures equal to amounts contributed to defined benefit other postemployment benefit (OPEB) plans. However, in the statement of activities, net OPEB costs are equal to actuarially determined net OPEB costs.	
Excess contributions over net OPEB cost	(231,344)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceeds from issuance of long-term debt	(156,595)
Principal payments on long-term debt	3,353,991
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in accrued interest on bonds payable	37,016
Change in accrued compensated absences	(74,510)
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 of the internal service fund is reported with governmental activities.	
Interest revenue from governmental internal service fund	28,967
Net operating loss from governmental activities accounted for internal service funds	<u>(1,137,380)</u>
Change in net position of governmental activities	<u>\$ 4,638,723</u>

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2012

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Taxes	\$ 33,705,900	\$ 33,705,900	\$ 33,253,796	\$ (452,104)
Licenses and permits	278,101	278,101	318,128	40,027
Intergovernmental revenues	3,118,984	3,118,984	6,423,763	3,304,779
Charges for services	6,250,136	6,249,836	7,098,363	848,527
Fines and forfeitures	660,000	660,300	565,338	(94,962)
Interest revenue	152,000	152,000	41,802	(110,198)
Other revenue and reimbursements	2,262,882	2,262,882	2,305,248	42,366
Total revenues	46,428,003	46,428,003	50,006,438	3,578,435
Expenditures				
Legislative:				
Board of Commissioners	573,702	552,862	552,852	(10)
Appropriations to outside agencies	962,542	1,020,339	1,020,339	-
County Administrator	230,419	229,665	229,664	(1)
Total legislative	1,766,663	1,802,866	1,802,855	(11)
Judicial:				
Circuit court	897,454	848,126	845,320	(2,806)
District court	2,864,067	2,772,562	2,772,555	(7)
Probate court	309,218	242,006	241,994	(12)
Jury board	34,128	30,998	30,993	(5)
Family court intake	664,734	663,986	663,979	(7)
Tri-court cashiering unit	812,402	773,655	773,447	(208)
Trial court	2,070,030	1,925,834	1,925,876	42
District court probation	610,953	587,712	587,707	(5)
Adult probation	15,644	9,086	8,747	(339)
Juvenile probation	707,047	570,360	570,351	(9)
Probate court administration	853,464	815,663	815,530	(133)
Total judicial	9,839,141	9,239,988	9,236,499	(3,489)

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2012

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures (continued)				
General government:				
Elections	\$ 173,193	\$ 198,047	\$ 198,013	\$ (34)
Clerk	993,792	947,509	947,300	(209)
Equalization	573,650	489,521	486,416	(3,105)
Personnel	329,941	329,796	329,792	(4)
Purchasing	61,910	62,064	62,057	(7)
Corporate counsel	141,528	132,881	132,877	(4)
Prosecutor	2,662,892	2,522,914	2,522,714	(200)
Register of deeds	303,236	310,813	310,805	(8)
Treasurer	410,248	410,498	410,493	(5)
Courthouse and grounds	1,274,543	1,187,508	1,149,389	(38,119)
Building authority	840	223	223	-
South county building	340,277	429,278	337,107	(92,171)
Other county property	174,526	191,794	119,667	(72,127)
Administration center	284,285	271,367	197,036	(74,331)
2100 complex	202,785	202,785	140,725	(62,060)
HD Buildings and grounds	307,144	307,544	258,259	(49,285)
Training facility	14,536	14,536	6,251	(8,285)
Drain commissioner	317,457	317,457	282,552	(34,905)
Building security	137,570	137,189	137,188	(1)
Financial services	491,903	461,677	461,670	(7)
Total general government	9,196,256	8,925,401	8,490,534	(434,867)
Public safety:				
Sheriff's office and road patrol	4,592,115	4,644,597	4,644,310	(287)
Jail inmate rehabilitation	28,203	28,412	28,412	-
Sheriff's department radios	93,300	97,190	91,374	(5,816)
Sheriff's department marine safety	271,427	271,427	268,294	(3,133)
Jail division	8,556,571	8,599,341	8,507,320	(92,021)
Jail maintenance	999,542	923,816	770,202	(153,614)
Emergency management	316,461	316,461	285,834	(30,627)
Animal shelter	479,946	513,647	513,633	(14)
Total public safety	15,337,565	15,394,891	15,109,379	(285,512)
Public works - St. Joseph River	256,095	256,095	233,945	(22,150)

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2012

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures (continued)				
Health and welfare:				
Contagious disease	\$ 30,500	\$ 30,500	\$ 23,815	\$ (6,685)
Medical examiner	118,200	118,200	91,828	(26,372)
Veterans services	99,805	103,035	102,557	(478)
Veterans burial	12,000	22,800	22,500	(300)
Mental health	500,000	500,000	500,000	-
Total health and welfare	760,505	774,535	740,700	(33,835)
Recreation and cultural:				
Cooperative extension service	267,492	271,031	270,738	(293)
Historical association	101,978	101,978	101,978	-
Total recreation and cultural	369,470	373,009	372,716	(293)
Community development:				
Economic development	1,903,267	571,959	552,784	(19,175)
Plat board	2,304	2,304	2,042	(262)
Survey and remonumentation	80,000	80,000	68,068	(11,932)
GIS/mapping	313,784	289,445	289,437	(8)
Total community development	2,299,355	943,708	912,331	(31,377)
Other expenditures:				
Information systems	2,166,269	1,974,583	1,974,397	(186)
Automation upgrade	216,016	214,899	262,952	48,053
Central supply	94,600	94,600	88,078	(6,522)
Livestock claims	100	100	-	(100)
Mailing services	399,015	399,015	324,256	(74,759)
Motor pool	317,519	336,689	311,803	(24,886)
Telephone switchboard-central	149,297	149,297	147,951	(1,346)
Printing and microfilming	496,976	500,049	492,830	(7,219)
Copy center	31,500	31,500	30,285	(1,215)
Insurance and surety bonds	885,111	891,111	886,875	(4,236)
Total other expenditures	4,756,403	4,591,843	4,519,427	(72,416)

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2012

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures (concluded)				
Debt service:				
Principal	\$ -	\$ 93,991	\$ 93,991	\$ -
Interest and fiscal charges	-	3,695	3,695	-
Total debt service	-	97,686	97,686	-
Total expenditures	44,581,453	42,400,022	41,516,072	(883,950)
Revenues over expenditures	1,846,550	4,027,981	8,490,366	4,462,385
Other financing sources (uses)				
Proceeds from issuance of long-term debt	-	-	156,595	156,595
Transfers in	4,769,768	10,184,268	6,633,305	(3,550,963)
Transfers out	(6,616,218)	(14,212,249)	(14,239,660)	27,411
Total other financing uses	(1,846,450)	(4,027,981)	(7,449,760)	(3,421,779)
Net change in fund balance	100	-	1,040,606	1,040,606
Fund balance, beginning of year	15,346,879	15,346,879	15,346,879	-
Fund balance, end of year	\$ 15,346,979	\$ 15,346,879	\$ 16,387,485	\$ 1,040,606

concluded.

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Benton Township Water System No. 27 851.88	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 30,651,290	\$ 632,009	\$ 1,646,478	\$ 32,929,777	\$ 11,943,087
Receivables:					
Taxes receivable - delinquent	10,335,393	-	374,382	10,709,775	-
Interest	1,261,120	-	-	1,261,120	-
Leases receivable, current	-	755,000	330,000	1,085,000	-
Due from other governments	303,933	-	31,207	335,140	-
Due from other funds	388,222	-	512,025	900,247	-
Advance to other funds	1,450,000	-	-	1,450,000	-
Inventories	-	-	37,520	37,520	-
Total current assets	<u>44,389,958</u>	<u>1,387,009</u>	<u>2,931,612</u>	<u>48,708,579</u>	<u>11,943,087</u>
Noncurrent assets:					
Restricted cash	-	-	-	-	1,168,882
Leases receivable, net of current portion	-	18,928,663	5,347,361	24,276,024	-
Capital assets being depreciated, net	-	-	113,370	113,370	-
Total noncurrent assets	<u>-</u>	<u>18,928,663</u>	<u>5,460,731</u>	<u>24,389,394</u>	<u>1,168,882</u>
Total assets	<u>44,389,958</u>	<u>20,315,672</u>	<u>8,392,343</u>	<u>73,097,973</u>	<u>13,111,969</u>
Liabilities					
Current liabilities:					
Accounts payable	-	-	2,723	2,723	-
Accrued expense	3,899	128,463	47,713	180,075	4,138,721
Due to other funds	509,910	-	404,886	914,796	-
Due to other governments	1,204,211	-	690,059	1,894,270	-
Current portion of long-term debt	1,567,569	755,000	330,000	2,652,569	-
Total current liabilities	<u>3,285,589</u>	<u>883,463</u>	<u>1,475,381</u>	<u>5,644,433</u>	<u>4,138,721</u>
Long-term liabilities -					
Due in more than one year	<u>6,224,009</u>	<u>19,432,209</u>	<u>5,320,861</u>	<u>30,977,079</u>	<u>-</u>
Total liabilities	<u>9,509,598</u>	<u>20,315,672</u>	<u>6,796,242</u>	<u>36,621,512</u>	<u>4,138,721</u>
Net position					
Net investment in capital assets	-	-	113,370	113,370	-
Restricted for self-insurance claims	-	-	-	-	1,168,882
Unrestricted	<u>34,880,360</u>	<u>-</u>	<u>1,482,731</u>	<u>36,363,091</u>	<u>7,804,366</u>
Total net position	<u>\$ 34,880,360</u>	<u>\$ -</u>	<u>\$ 1,596,101</u>	<u>\$ 36,476,461</u>	<u>\$ 8,973,248</u>

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Benton Township Water System No. 27 851.88	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 354,528	\$ 775,713	\$ 1,507,270	\$ 2,637,511	\$ 11,443,755
Interest on taxes	71,488	-	-	71,488	-
Total operating revenues	426,016	775,713	1,507,270	2,708,999	11,443,755
Operating expenses					
Operation and maintenance	168,802	-	884,167	1,052,969	1,503,656
Benefits and claims	-	-	-	-	11,077,479
Depreciation	-	-	51,218	51,218	-
Total operating expenses	168,802	-	935,385	1,104,187	12,581,135
Operating income (loss)	257,214	775,713	571,885	1,604,812	(1,137,380)
Nonoperating revenues (expenses)					
Interest income	1,685,879	-	685	1,686,564	28,967
Interest and fiscal charges	(130,618)	(775,713)	(292,086)	(1,198,417)	-
Total nonoperating revenue (expense)	1,555,261	(775,713)	(291,401)	488,147	28,967
Income (loss) before transfers	1,812,475	-	280,484	2,092,959	(1,108,413)
Transfers in	-	-	2,510	2,510	-
Transfers out	(5,414,500)	-	(12,855)	(5,427,355)	-
Change in net position	(3,602,025)	-	270,139	(3,331,886)	(1,108,413)
Net position, beginning of year	38,482,385	-	1,325,962	39,808,347	10,081,661
Net position, end of year	\$ 34,880,360	\$ -	\$ 1,596,101	\$ 36,476,461	\$ 8,973,248

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, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Benton Township Water System No. 27 851.88	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash received from customers	\$ 8,234,643	\$ 775,713	\$ 1,507,270	\$ 10,517,626	\$ -
Cash received from interfund services provided	-	-	-	-	11,443,755
Cash payments to suppliers for goods and services	(299,837)	(332,188)	(865,044)	(1,497,069)	(12,430,775)
Cash payments for delinquent tax rolls	(10,257,188)	-	-	(10,257,188)	-
Cash payments to employees for services	-	-	(89,603)	(89,603)	-
Net cash provided by (used in) operating activities	(2,322,382)	443,525	552,623	(1,326,234)	(987,020)
Cash flows from noncapital financing activities					
Proceeds from issuance of long-term debt	13,000,000	-	43,275	13,043,275	-
Payments received on interfund advances	6,864,500	-	-	6,864,500	-
Principal payments	(12,187,982)	(730,000)	(3,700,000)	(16,617,982)	-
Interest payments	(130,618)	(775,713)	(292,086)	(1,198,417)	-
Transfers in	-	-	2,510	2,510	-
Transfers out	(5,414,500)	-	(12,855)	(5,427,355)	-
Net cash provided by noncapital financing activities	2,131,400	(1,505,713)	(3,959,156)	(3,333,469)	-
Cash flows from investing activities					
Interest received	1,685,879	-	685	1,686,564	28,967
Amounts collected on leases receivable	-	-	3,667,602	3,667,602	-
Purchase of leased assets	-	(42,709)	-	(42,709)	-
Net cash provided by (used in) investing activities	1,685,879	(42,709)	3,668,287	5,311,457	28,967
Net change in cash and investments	1,494,897	(1,104,897)	261,754	651,754	(958,053)
Cash and investments, beginning of year	29,156,393	1,736,906	1,384,724	32,278,023	14,070,022
Cash and cash investments, end of year	\$ 30,651,290	\$ 632,009	\$ 1,646,478	\$ 32,929,777	\$ 13,111,969
Statement of net position classification of cash and investments					
Cash and investments	\$ 30,651,290	\$ 632,009	\$ 1,646,478	\$ 32,929,777	\$ 11,943,087
Restricted cash	-	-	-	-	1,168,882
Cash and cash investments, end of year	\$ 30,651,290	\$ 632,009	\$ 1,646,478	\$ 32,929,777	\$ 13,111,969

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COUNTY OF BERRIEN, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Benton Township Water System No. 27 851.88	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 257,214	\$ 775,713	\$ 571,885	\$ 1,604,812	\$ (1,137,380)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	51,218	51,218	-
Amortization	-	4,884	477	5,361	-
Changes in assets and liabilities:					
Taxes receivable	(1,790,654)	-	124,015	(1,666,639)	-
Interest receivable	(149,069)	-	-	(149,069)	-
Advances to other funds	(1,450,000)	-	-	(1,450,000)	-
Due from other governments	(120,616)	-	56,326	(64,290)	-
Interfund	(388,222)	-	(482,773)	(870,995)	-
Inventories	-	-	(1,242)	(1,242)	-
Accounts payable	-	(326,510)	(105,940)	(432,450)	-
Accrued expenses	428	(10,562)	(26,155)	(36,289)	150,360
Due to other funds	480,658	-	404,886	885,544	-
Due to other governments	837,879	-	(40,074)	797,805	-
Net cash provided by (used in) operating activities	<u>\$ (2,322,382)</u>	<u>\$ 443,525</u>	<u>\$ 552,623</u>	<u>\$ (1,326,234)</u>	<u>\$ (987,020)</u>

concluded.

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Fiduciary Assets and Liabilities

Fiduciary Funds
December 31, 2012

	Pension/Other Postemployment Benefit Trust Funds			Agency Funds
	Pension	Retiree Healthcare	Total	
Assets				
Cash and cash equivalents	\$ 1,380,379	\$ 4,631,019	\$ 6,011,398	\$ 1,545,726
Investments:				
U.S. government obligations	1,430,547	270,758	1,701,305	-
U.S. government agencies	5,192,831	982,843	6,175,674	-
Municipal obligations	1,253,256	237,203	1,490,459	-
Corporate obligations	8,904,874	1,685,419	10,590,293	-
International obligations	2,006,530	379,774	2,386,304	-
Collateralized mortgage obligations	685,872	129,815	815,687	-
Corporate stocks	35,596,670	6,737,355	42,334,025	-
International stocks	2,403,318	454,874	2,858,192	-
American depository receipts	909,177	172,079	1,081,256	-
Bond mutual funds	14,505,318	2,745,411	17,250,729	-
Equity mutual funds	44,863,691	4,101,561	48,965,252	-
Receivables:				
Accounts	-	-	-	1,251,117
Accrued interest	209,086	32,153	241,239	-
Other assets	325,489	86,551	412,040	-
Total assets	119,667,038	22,646,815	142,313,853	\$ 2,796,843
Liabilities				
Obligation for impaired investment of securities lending collateral	69,754	10,727	80,481	\$ -
Undistributed receipts	-	-	-	2,796,843
Total liabilities	69,754	10,727	80,481	\$ 2,796,843
Net position				
Held in trust for pension and other postemployment benefits	<u>\$ 119,597,284</u>	<u>\$ 22,636,088</u>	<u>\$ 142,233,372</u>	

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

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COUNTY OF BERRIEN, MICHIGAN

Statement of Changes in Plan Assets Pension/Other Postemployment Benefits Trust Funds For the Year Ended December 31, 2012

	Pension	Retiree Healthcare	Total
Additions			
Investment income:			
Net change in fair value of investments	\$ 11,310,914	\$ 1,699,358	\$ 13,010,272
Interest and dividends	2,595,030	390,505	2,985,535
Less investment expenses	(423,735)	(63,568)	(487,303)
Net investment income	13,482,209	2,026,295	15,508,504
Contributions:			
Employer	4,338,987	2,388,543	6,727,530
Employees	2,542,246	-	2,542,246
Total contributions	6,881,233	2,388,543	9,269,776
Total additions	20,363,442	4,414,838	24,778,280
Deductions			
Pension benefit payments	10,428,795	-	10,428,795
Contribution refunds	445,787	-	445,787
Medical insurance premiums	-	1,286,425	1,286,425
Administration	90,961	14,153	105,114
Total deductions	10,965,543	1,300,578	12,266,121
Change in net position	9,397,899	3,114,260	12,512,159
Net position, beginning of year	110,199,385	19,521,828	129,721,213
Net position, end of year	\$ 119,597,284	\$ 22,636,088	\$ 142,233,372

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

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Component Units
December 31, 2012

	Road Commission	Drain Commission	Brownfield Redevelopment Authority
Assets			
Cash and investments	\$ 2,845,848	\$ 4,882,292	\$ 1,039,920
Restricted cash	183,474	-	-
Receivables, net	2,556,175	16,087,770	2,561,440
Prepaid items and other assets	1,396,248	-	-
Capital assets not being depreciated	14,806,261	215,747	-
Capital assets being depreciated, net	62,765,812	14,299,338	-
Total assets	84,553,818	35,485,147	3,601,360
Liabilities			
Accounts payable and accrued expenses	975,528	837,875	1,181,085
Unearned revenue	-	-	-
Long-term liabilities:			
Due within one year	200,000	1,757,000	175,355
Due in more than one year	878,433	14,209,379	1,633,121
Net other postemployment benefit obligation	487,570	-	-
Total liabilities	2,541,531	16,804,254	2,989,561
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	86,829
Net position			
Net investment in capital assets	76,553,640	1,843,107	-
Restricted for other purposes	183,474	2,026,247	-
Unrestricted	5,275,173	14,811,539	524,970
Total net position	\$ 82,012,287	\$ 18,680,893	\$ 524,970

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



Economic Development Corporation	Land Bank Authority	Mental Health Authority	Total
\$ 961,128	\$ 14,388	\$ 13,375,636	\$ 23,119,212
-	-	476,643	660,117
1,833,181	311,239	291,335	23,641,140
-	-	259,129	1,655,377
-	-	128,000	15,150,008
-	-	1,308,367	78,373,517
<u>2,794,309</u>	<u>325,627</u>	<u>15,839,110</u>	<u>142,599,371</u>
1,346,621	280,614	7,459,223	12,080,946
-	927	212,065	212,992
-	-	29,450	2,161,805
-	-	792,860	17,513,793
-	-	-	487,570
<u>1,346,621</u>	<u>281,541</u>	<u>8,493,598</u>	<u>32,457,106</u>
-	-	-	86,829
-	-	1,090,700	79,487,447
-	-	-	2,209,721
1,447,688	44,086	6,254,812	28,358,268
<u>\$ 1,447,688</u>	<u>\$ 44,086</u>	<u>\$ 7,345,512</u>	<u>\$ 110,055,436</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Activities

Component Units
December 31, 2012

	Road Commission	Drain Commission	Brownfield Redevelopment Authority
Expenses			
County roads	\$ 15,876,045	\$ -	\$ -
County drains	-	2,096,405	-
Brownfield redevelopment	-	-	679,627
Economic development	-	-	-
Land bank	-	-	-
Community mental health	-	-	-
Total expenses	<u>15,876,045</u>	<u>2,096,405</u>	<u>679,627</u>
Program revenues			
Charges for services	-	-	7,500
Operating grants and contributions	13,952,808	4,560,270	195,332
Capital grants and contributions	-	-	-
Total program revenues	<u>13,952,808</u>	<u>4,560,270</u>	<u>202,832</u>
Net (expenses) revenues	(1,923,237)	2,463,865	(476,795)
General revenues			
Property taxes	-	-	331,363
Change in net position	(1,923,237)	2,463,865	(145,432)
Net position, beginning of year, as restated	<u>83,935,524</u>	<u>16,217,028</u>	<u>670,402</u>
Net position, end of year	<u>\$ 82,012,287</u>	<u>\$ 18,680,893</u>	<u>\$ 524,970</u>

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



Economic Development Corporation	Land Bank Authority	Mental Health Authority	Total
\$ -	\$ -	\$ -	\$ 15,876,045
-	-	-	2,096,405
-	-	-	679,627
216,984	-	-	216,984
-	2,988,542	-	2,988,542
-	-	34,981,511	34,981,511
<u>216,984</u>	<u>2,988,542</u>	<u>34,981,511</u>	<u>56,839,114</u>
327,491	286	29,692,671	30,027,948
-	366,824	5,855,177	24,930,411
-	2,635,801	-	2,635,801
<u>327,491</u>	<u>3,002,911</u>	<u>35,547,848</u>	<u>57,594,160</u>
110,507	14,369	566,337	755,046
-	-	-	331,363
<u>110,507</u>	<u>14,369</u>	<u>566,337</u>	<u>1,086,409</u>
<u>1,337,181</u>	<u>29,717</u>	<u>6,779,175</u>	<u>108,969,027</u>
<u>\$ 1,447,688</u>	<u>\$ 44,086</u>	<u>\$ 7,345,512</u>	<u>\$ 110,055,436</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

1. 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.

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 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

Berrien County Building Authority (the “Building Authority”) - The Berrien County 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

Berrien County Road Commission (the “Road Commission”) - The Berrien County Road Commission, established pursuant to State statutes, is governed by a five 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 Financial Statements

Berrien County Drain Commission (the "Drain Commission") - The Berrien County 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 County 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.

Berrien County Brownfield Redevelopment Authority (the "Authority") - 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.

Berrien County Economic Development Corporation (the "EDC") - The Berrien County Economic Development Corporation, 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.

Berrien County Land Bank Authority - The Berrien County Land Bank Authority was created pursuant to the Michigan Land Bank Fast Track Act (Public Act 258). The governing body of the Land Bank Authority is appointed by the County, and is financially accountable to the County, as defined by GASB Statement No. 14, and is disclosed as a component unit, accordingly. The Land Bank Authority has a December 31 year end.

Berrien Mental Health Authority - The Berrien Mental Health Authority, established pursuant to State statutes, is governed by a 12-member board appointed by the Berrien County Board of Commissioners. The Mental Health Authority is financially accountable to the County, as defined by GASB Statement No. 14, and is disclosed as a component unit, accordingly. The Mental Health Authority has a September 30 year end.

Complete financial statements for the Road Commission, Brownfield Redevelopment Authority, Land Bank Authority, and Mental Health 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, Michigan 49085

Berrien County Land Bank Authority
701 Main Street
St. Joseph, Michigan 49085

Berrien Mental Health Authority
1485 S. M-139
Benton Harbor, Michigan 49022

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for 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.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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 fund -

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

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 *Benton Township Water System No. 27 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.

Additionally, the County reports the following fund types:

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

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

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

Enterprise funds are used to account for 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.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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

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

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

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

Assets, Liabilities and Equity

Deposits and Investments

The government's cash and cash equivalents 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 authorize 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.

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 noncurrent 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 Financial Statements

Advances between funds are offset by nonspendable fund balance 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.

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.

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 component units are depreciated over the useful life of the assets as follows:

	Depreciation Method	Useful Lives - Years
Primary government:		
Buildings	Straight-line	30
Public domain infrastructure	Straight-line	35
System infrastructure	Straight-line	35
Vehicles	Straight-line	3-20
Equipment	Straight-line	5-10
Road Commission:		
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

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

	Depreciation Method	Useful Lives - Years
Drain Commission:		
Buildings	Straight-line	30
Public domain infrastructure	Straight-line	35
System infrastructure	Straight-line	35
Vehicles	Straight-line	3-20
Equipment	Straight-line	5-10
Community Mental Health Authority:		
Buildings and improvements	Straight-line	15-25
Vehicles	Straight-line	4
Equipment	Straight-line	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.

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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 in the current period.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Fund Equity

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

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

2. 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 activity level. Management may make transfers of appropriations within funds. Transfers of appropriations between funds 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-November for the special revenue funds.

3. 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 activity level basis, which is the legal level of control.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

During the year ended December 31, 2012, the County incurred expenditures in excess of the amounts appropriated as follows:

	Amended Budget	Actual	Over (Under) Budget
General fund:			
Judicial -			
Trial court	\$ 1,925,834	\$ 1,925,876	\$ 42
Other expenditures -			
Automation upgrade	214,899	262,952	48,053
Transfers out	14,212,249	14,239,660	27,411
MSHDA 2008 Housing CDBG			
Community development	-	335	335

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances of December 31, 2012:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 78,273,093	\$ 23,119,212	\$ 101,392,305
Restricted cash	1,168,882	660,117	1,828,999
Statement of Fiduciary Net Position			
Cash and investments	7,557,124	-	7,557,124
Investments	135,649,176	-	135,649,176
Total	<u>\$ 222,648,275</u>	<u>\$ 23,779,329</u>	<u>\$ 246,427,604</u>
Deposits and investments			
Bank deposits:			
Checking/savings accounts			\$ 27,677,663
Certificates of deposit - due within one year			1,068,076
Certificates of deposit - due in one to five years			1,995,373
Investments in securities and mutual funds:			
Treasurer's investment pool			77,768,634
Pension and OPEB investments			136,714,041
Cash on deposit with agent			1,168,882
Cash on hand			34,935
Total			<u>\$ 246,427,604</u>

Restricted cash of the primary government consists of the County's deposits with MMRMA.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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 \$30,741,112. The combined bank balance of these deposits was \$32,789,687 of which \$31,043,081 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.

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, 2012:

U.S. treasury notes	\$ 1,602,642
U.S. government agencies	13,582,378
Repurchase agreements (collateralized by U.S. government securities)	31,414,698
Money market and cash management funds	<u>31,168,916</u>
Total	<u>\$ 77,768,634</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, 2012, all of the County's investments in securities of U.S. agencies were rated AA by Standard & Poor's. United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk.

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.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

At December 31, 2012, the County had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Government repurchase	Bank of New York	24.90%
Federal Home Loan Bank	Various	12.00%
Federal Farm Credit Bank	Wells Fargo	5.61%

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, 2012, all of the County's debt securities had the following maturities:

	< 1 year	1 - 5 years	Total
U.S. treasury notes	\$ -	\$ 1,602,642	\$ 1,602,642
U.S. government agencies	4,059,841	9,522,537	13,582,378
Repurchase agreements	31,414,698	-	31,414,698
	<u>\$ 35,474,539</u>	<u>\$ 11,125,179</u>	<u>\$ 46,599,718</u>

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, 2012:

	Total	On Securities Loan
Investments at fair value, as determined by quoted market price:		
U.S. treasuries	\$ 1,701,305	\$ -
U.S. agencies	6,175,674	-
Municipal obligations	1,490,459	-
Corporate bonds	10,590,293	-
International bonds	2,386,304	-
Collateralized mortgage obligations	815,687	-
Corporate stocks	42,334,025	3,139,392
International stocks	2,858,192	-
American depository receipts	1,081,256	-
Bond mutual funds	17,250,729	-
Equity mutual funds	48,965,252	-
Money market	1,064,865	-
Total investments	<u>\$ 136,714,041</u>	<u>\$ 3,139,392</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trusts' 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, 2012, the Trusts' investments in debt securities were rated by Standard & Poor's as follows:

Rating	U.S. Agencies	Municipal Obligations	Corporate Bonds	International Bonds	Collateralized Mortgage Obligations
AAA	\$ -	\$ 1,079,608	\$ 347,539	\$ 300,960	\$ 428,810
AA	6,175,674	410,851	296,972	450,467	-
A	-	-	4,889,962	949,186	-
BBB	-	-	4,851,849	685,691	-
BB	-	-	-	-	77,767
CCC	-	-	33,847	-	-
not rated	-	-	170,124	-	309,110
	<u>\$ 6,175,674</u>	<u>\$ 1,490,459</u>	<u>\$ 10,590,293</u>	<u>\$ 2,386,304</u>	<u>\$ 815,687</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The Trusts' 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.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Trusts' investment in a single issuer. At December 31, 2012, the Trusts' investment portfolio was concentrated as follows.

Investment Type	Issuer	% of Portfolio
Commingled funds	S&P Composite 1500 Index Fund	21.07%
Mutual funds	Loomis New Hampshire	12.63%
Mutual funds	GMO	9.46%
Mutual funds	TT International Investment Trust Pension Portfolio A	5.01%

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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, 2012, maturities of the Trusts' debt securities were as follows:

	Fair Value	Weighted Average Maturity
U.S. treasuries	\$ 1,701,305	7.52
U.S. agencies	6,175,674	9.18
Municipal obligations	1,490,459	5.80
Corporate bonds	10,590,293	7.74
International bonds	2,386,304	3.70
Collateralized mortgage obligations	815,687	18.62
	<u>\$ 23,159,722</u>	<u>8.76</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.

Also at year-end, through a cash collateral investing program provided by the custodial bank, the Trust has an obligation to repay \$80,481 of cash collateral that was invested in the Sigma Finance Medium Term Note, which is impaired. Any current or future recoveries from Sigma Finance are not expected.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

5. RECEIVABLES

	Governmental Activities	Business-type Activities
Accounts	\$ 65,661	\$ -
Taxes (current)	7,918,347	-
Taxes (delinquent)	29,619	10,709,775
Interest	-	1,261,120
Due from other governments	1,922,180	335,140
Due from component units	195,963	-
Leases, current portion	-	1,085,000
Leases, long-term portion	-	24,276,024
Advances to component units (not due within one year)	1,845,000	-
Notes (not due within one year)	388,812	-
	<u>\$ 12,365,582</u>	<u>\$ 37,667,059</u>

6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2012 was as follows:

Primary government

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities				
Capital assets not being depreciated -				
Land	\$ 5,571,676	\$ -	\$ -	\$ 5,571,676
Construction in progress	-	165,436	-	165,436
	<u>5,571,676</u>	<u>165,436</u>	<u>-</u>	<u>5,737,112</u>
 Capital assets being depreciated:				
Land improvements	1,444,436	100,532	-	1,544,968
Buildings	37,562,389	135,755	-	37,698,144
Equipment	11,852,626	1,249,695	(720,310)	12,382,011
	<u>50,859,451</u>	<u>1,485,982</u>	<u>(720,310)</u>	<u>51,625,123</u>
 Less accumulated depreciation for:				
Land improvements	(1,180,132)	(42,641)	-	(1,222,773)
Buildings	(15,189,095)	(789,681)	-	(15,978,776)
Equipment	(6,597,477)	(1,200,686)	644,662	(7,153,501)
	<u>(22,966,704)</u>	<u>(2,033,008)</u>	<u>644,662</u>	<u>(24,355,050)</u>
 Total capital assets being depreciated, net	<u>27,892,747</u>	<u>(547,026)</u>	<u>(75,648)</u>	<u>27,270,073</u>
 Governmental activities capital assets, net	<u>\$ 33,464,423</u>	<u>\$ (381,590)</u>	<u>\$ (75,648)</u>	<u>\$ 33,007,185</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities				
Capital assets being depreciated -				
Equipment	\$ 833,372	\$ -	\$ -	\$ 833,372
Less accumulated depreciation for -				
Equipment	(668,784)	(51,218)	-	(720,002)
Business-type activities				
capital assets, net	<u>\$ 164,588</u>	<u>\$ (51,218)</u>	<u>\$ -</u>	<u>\$ 113,370</u>

Discretely presented component units

Capital asset activity for the Road Commission component unit for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Road Commission				
Capital assets not being depreciated:				
Land	\$ 14,786,575	\$ 19,686	\$ -	\$ 14,806,261
Capital assets being depreciated:				
Land improvements	28,540	-	-	28,540
Buildings	2,203,515	286,032	-	2,489,547
Road equipment	10,797,573	122,296	(67,850)	10,852,019
Other equipment	1,010,458	29,737	(11,128)	1,029,067
Infrastructure	148,505,545	3,041,657	-	151,547,202
	<u>162,545,631</u>	<u>3,479,722</u>	<u>(78,978)</u>	<u>165,946,375</u>
Less accumulated depreciation for:				
Land improvements	(3,805)	(2,854)	-	(6,659)
Buildings	(1,840,955)	(49,169)	-	(1,890,124)
Road equipment	(9,844,210)	(395,357)	67,850	(10,171,717)
Other equipment	(875,621)	(29,618)	7,084	(898,155)
Infrastructure	(85,226,455)	(4,987,453)	-	(90,213,908)
	<u>(97,791,046)</u>	<u>(5,464,451)</u>	<u>74,934</u>	<u>(103,180,563)</u>
Total capital assets				
being depreciated, net	<u>64,754,585</u>	<u>(1,984,729)</u>	<u>(4,044)</u>	<u>62,765,812</u>
Road Commission				
capital assets, net	<u>\$ 79,541,160</u>	<u>\$ (1,965,043)</u>	<u>\$ (4,044)</u>	<u>\$ 77,572,073</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Drain Commission				
Capital assets not being depreciated -				
Construction in progress	\$ 696,743	\$ 182,758	\$ (663,754)	\$ 215,747
Capital assets being depreciated -				
Infrastructure	14,841,227	2,744,478	-	17,585,705
Less accumulated depreciation for -				
Infrastructure	(2,580,651)	(705,716)	-	(3,286,367)
Total capital assets				
being depreciated, net	12,260,576	2,038,762	-	14,299,338
Drain Commission				
capital assets, net	<u>\$ 12,957,319</u>	<u>\$ 2,221,520</u>	<u>\$ (663,754)</u>	<u>\$ 14,515,085</u>

Capital asset activity for the Community Mental Health Authority component unit for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Community				
Mental Health Authority				
Capital assets not being depreciated -				
Land	\$ 128,000	\$ -	\$ -	\$ 128,000
Capital assets being depreciated:				
Buildings and improvements	1,009,698	29,222	-	1,038,920
Furniture, fixtures and equipment	2,523,205	22,000	-	2,545,205
Vehicles	383,783	35,210	-	418,993
	<u>3,916,686</u>	<u>86,432</u>	<u>-</u>	<u>4,003,118</u>
Less accumulated depreciation for:				
Buildings and improvements	(203,867)	(49,366)	-	(253,233)
Furniture, fixtures and equipment	(2,025,543)	(167,588)	-	(2,193,131)
Vehicles	(188,068)	(60,319)	-	(248,387)
	<u>(2,417,478)</u>	<u>(277,273)</u>	<u>-</u>	<u>(2,694,751)</u>
Total capital assets				
being depreciated, net	1,499,208	(190,841)	-	1,308,367
Community Mental Health Authority				
capital assets, net	<u>\$ 1,627,208</u>	<u>\$ (190,841)</u>	<u>\$ -</u>	<u>\$ 1,436,367</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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

Depreciation of governmental activities by function	
Legislative	\$ 423,740
Judicial	84,683
General government	340,401
Public safety	612,118
Public works	48,762
Health and welfare	32,464
Recreation and cultural	42,961
Community enrichment	171,573
Other governmental activities	276,306
	<u>\$ 2,033,008</u>
Depreciation of business-type activities by function	
Public works	<u>\$ 51,218</u>

7. ACCOUNTS PAYABLE

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

	Governmental Activities	Business-type Activities
Accounts payable	\$ 1,017,219	\$ 2,723
Accrued and other liabilities	5,544,565	180,075
Due to other governments	145,823	1,894,270
Advances from other governments	89,000	-
Accrued interest on long-term debt	7,067	-
	<u>\$ 6,803,674</u>	<u>\$ 2,077,068</u>

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2012, was as follows:

	Due from other funds	Due to other funds
General fund	\$ 6,669	\$ 17,162
Nonmajor governmental funds	866,470	841,428
Delinquent tax revolving	388,222	509,910
Nonmajor enterprise funds	512,025	404,886
	<u>1,773,386</u>	<u>1,773,386</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

The general fund has made long-term advances to the Drain Commission, Economic Development Corporation, and Land Bank Authority component units in the amounts of \$650,000, \$1,150,000, and \$45,000, respectively, and to the nonmajor governmental funds in the amount of \$250,000; \$195,963 was advanced from nonmajor governmental funds to the Economic Development Corporation; and \$1,450,000 was advanced by the delinquent tax revolving fund to the general fund to provide sufficient resources for these advances.

In addition, certain nonmajor governmental funds with negative balances in the County’s pooled cash accounts reported an interfund payable, which is equal to the interfund receivable of \$360,803 reported in the general fund.

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

For the year ended December 31, 2012, interfund transfers consisted of the following:

	Transfers in	Transfers out
General fund	\$ 6,633,305	\$ 14,239,660
Nonmajor governmental funds	24,467,897	11,436,697
Delinquent tax revolving fun	-	5,414,500
Nonmajor enterprise funds	2,510	12,855
	<u>\$ 31,103,712</u>	<u>\$ 31,103,712</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.

9. CAPITAL LEASES

The County has entered into two lease agreement for financing the acquisition of computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Capital asset - equipment	\$ 284,683
Less accumulated depreciation for equipment	<u>(58,830)</u>
Total	<u>\$ 225,853</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2012, were as follows:

Year Ended December 31,	Amount
2013	\$ 97,689
2014	74,945
Total minimum lease payments	172,634
Less: amount representing interest	(2,197)
Present value of minimum lease payments	<u>\$ 170,437</u>

10. LONG-TERM DEBT

Primary government

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

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Governmental Activities

Bonds	Due	Annual Installments	Interest Rate	Amount
2011 Berrien County Building Authority - Refunding	2014	\$245,000- \$835,000	2.00%	<u>\$ 1,060,000</u>

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

Year Ended December 31,	Principal	Interest	Total
2013	\$ 815,000	\$ 21,200	\$ 836,200
2014	245,000	4,900	249,900
	<u>\$ 1,060,000</u>	<u>\$ 26,100</u>	<u>\$ 1,086,100</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Business-type Activities

Bonds	Due	Annual Installments	Interest Rate	Amount
1996 Buchanan Township Sewer System No. 23 and Water System No. 21	2015	\$35,000-\$50,000	5.15% - 5.80%	\$ 120,000
1999 Coloma Township Sewer System No. 24	2019	\$50,000-\$125,000	5.00% - 5.70%	795,000
2001 Village of Berrien Springs/Oronoko Township Water/Sewer System No. 26	2020	\$15,000-\$35,000	4.60% - 5.65%	225,000
2010 Benton Charter Township Water System No. 27	2031	\$675,000 - \$1,435,000	2.00% - 4.50%	18,860,000
2010 Village of Berrien Springs Water and Sewer System No. 29	2031	\$100,000-\$260,000	1.45% - 6.00%	3,080,000
2010 New Buffalo Water Supply System Bonds	2030	\$61,000-\$100,000	2.50%	1,439,924
2011 Benton Charter Township Water Supply System Bonds System No. 27	2031	\$55,000-\$105,000	1.00% - 4.35%	1,420,000
Total business-type activities				<u>\$ 25,939,924</u>

During the 2012, fiscal year Royalton Township Water System bonds in the amount of \$3,405,000 were refunded by the Township. As a result, the County was released from all liability on these bonds.

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

Year Ended December 31,	Principal	Interest	Total
2013	\$ 1,085,000	\$ 1,006,192	\$ 2,091,192
2014	1,110,000	978,449	2,088,449
2015	1,135,000	948,424	2,083,424
2016	1,145,000	913,760	2,058,760
2017	1,175,000	874,536	2,049,536
2018-2022	6,160,000	3,673,569	9,833,569
2023-2027	7,140,000	2,364,005	9,504,005
2028-2031	6,989,924	657,548	7,647,472
	<u>\$ 25,939,924</u>	<u>\$ 11,416,483</u>	<u>\$ 37,356,407</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 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.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Delinquent tax notes outstanding at December 31, 2012, are as follows:

Series	Amount
2011 - \$13,700,000 G.O. Limited Tax Notes payable, variable rate, dated May 5, 2011	\$ 1,567,569
2012 - \$13,000,000 G.O. Limited Tax Notes payable, variable rate, dated May 8, 2012	<u>6,224,009</u>
	<u>\$ 7,791,578</u>

Road Commission Component Unit

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 2015, and amounted to \$1,018,433 at September 30, 2012.

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

Year Ended December 31,	Principal	Interest	Total
2013	\$ 140,000	\$ 8,719	\$ 148,719
2014	215,000	9,079	224,079
2015	175,000	7,945	182,945
2016	180,000	5,936	185,936
2017	143,133	4,157	147,290
2018-2020	<u>165,300</u>	<u>3,065</u>	<u>168,365</u>
	<u>\$ 1,018,433</u>	<u>\$ 38,901</u>	<u>\$ 1,057,334</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Drain Commission Component Unit

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

Bonds	Due	Annual Installments	Interest Rate	Amount
2002 Hollywood Road Detention Drainage				
District Bonds	2022	\$15,000-\$20,000	4.13% - 5.00%	\$ 200,000
2008 Starr & Wellington Drainage District Bonds	2024	\$12,000-\$13,000	5.95%	145,000
2009 Close Drainage District Bonds	2019	\$120,000-\$165,000	2.50% - 4.00%	1,035,000
2010 Barnes and Hamilton Drain Bonds	2020	\$170,000-\$215,000	1.90% - 3.50%	1,540,000
2010 Hollywood Road Consolidated Drain Bonds	2030	\$100,000-\$190,000	2.50% - 4.75%	2,500,000
2010 Schwark Drain Bonds	2030	\$60,000-\$130,000	2.00% - 4.75%	1,640,000
2010 Lake Shore Drain Bonds	2030	\$140,000-\$280,000	0.85% - 4.00%	3,620,000
2012 Smith and Strong Drain Bonds	2032	\$30,000-\$55,000	1.00 - 4.05%	800,000
2012 Lakeside Drain Bonds	2032	\$25,000-\$40,000	0.90 - 4.65%	605,000
2012 Estates Drain Bonds	2032	\$30,000-\$55,000	4.00 - 5.00%	780,000
2012 Oak Hills Springs Drain Bonds	2037	\$30,000-45,000	3.20%	560,000
Total component unit - Drain Commission				<u>\$ 13,425,000</u>

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

Year Ended December 31,	Principal	Interest	Total
2013	\$ 767,000	\$ 464,757	\$ 1,231,757
2014	782,000	446,301	1,228,301
2015	802,000	425,930	1,227,930
2016	822,000	403,132	1,225,132
2017	852,000	377,464	1,229,464
2018-2022	3,740,000	1,464,805	5,204,805
2023-2027	3,230,000	861,565	4,091,565
2028-2032	2,430,000	196,324	2,626,324
	<u>\$ 13,425,000</u>	<u>\$ 4,640,278</u>	<u>\$ 18,065,278</u>

Drain notes. The Drain Commission issues drain notes to finance various drain capital projects. Interest rates vary from 1.63% to 4.99%, 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, 2012, amounted to \$2,662,770.

Brownfield Redevelopment Authority Component Unit

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

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Loan	Due	Annual Installments	Interest Rate	Amount
2007 DEQ Cleanup Revolving Fund Loan	2021	\$19,992	2.00%	\$ 908,650
2007 Michigan Cleanup Initiative Loan	2022	\$17,997	2.00%	<u>899,826</u>
Total component unit- Brownfield Redevelopment Authority				<u>\$ 1,808,476</u>

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

Year Ended December 31,	Principal	Interest	Total
2013	\$ 175,355	\$ 36,170	\$ 211,525
2014	178,863	32,662	211,525
2015	182,439	29,086	211,525
2016	186,088	25,437	211,525
2017	189,810	21,714	211,524
2018-2022	<u>895,921</u>	<u>50,094</u>	<u>946,015</u>
	<u>\$ 1,808,476</u>	<u>\$ 195,163</u>	<u>\$ 2,003,639</u>

Mental Health Authority Component Unit

Notes Payable. The Mental Health Authority has two loans outstanding for the real estate purchased. The Authority has pledged the real property purchased as collateral on these loans.

Note	Due	Annual Installments	Interest Rate	Amount
2005 Real Estate note	2020	\$8,338-\$13,332	3.83%	\$ 89,356
2007 Real Estate note	2022	\$9,481-\$34,320	4.99%	<u>256,311</u>
Total component unit - Mental Health Authority				<u>\$ 345,667</u>

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

Year Ended December 31,	Principal	Interest	Total
2013	\$ 29,450	\$ 15,330	\$ 44,780
2014	33,863	13,789	47,652
2015	35,479	12,173	47,652
2016	37,172	10,480	47,652
2017	38,948	8,704	47,652
2018-2022	<u>170,755</u>	<u>15,869</u>	<u>186,624</u>
	<u>\$ 345,667</u>	<u>\$ 76,345</u>	<u>\$ 422,012</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Changes in long-term debt.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 4,320,000	\$ -	\$ (3,260,000)	\$ 1,060,000	\$ 815,000
Capital lease payable	107,833	156,595	(93,991)	170,437	95,766
Compensated absences	2,170,359	2,092,206	(2,017,696)	2,244,869	2,244,869
	<u>\$ 6,598,192</u>	<u>\$ 2,248,801</u>	<u>\$ (5,371,687)</u>	<u>\$ 3,475,306</u>	<u>\$ 3,155,635</u>
Business-type Activities					
General obligation bonds	\$ 30,326,649	\$ 43,275	\$ (4,430,000)	\$ 25,939,924	\$ 1,085,000
Notes payable	6,979,560	13,000,000	(12,187,982)	7,791,578	1,567,569
Unamortized bond discount	(107,215)	-	5,361	(101,854)	-
	<u>\$ 37,198,994</u>	<u>\$ 13,043,275</u>	<u>\$ (16,612,621)</u>	<u>\$ 33,629,648</u>	<u>\$ 2,652,569</u>
Road Commission Component Unit					
General obligation notes payable	\$ 1,122,933	\$ 235,500	\$ (340,000)	\$ 1,018,433	\$ 140,000
Compensated absences	87,000	-	(27,000)	60,000	60,000
	<u>\$ 1,209,933</u>	<u>\$ 235,500</u>	<u>\$ (367,000)</u>	<u>\$ 1,078,433</u>	<u>\$ 200,000</u>
Drain Commission Component Unit					
Special assessment bonds payable	\$ 11,312,000	\$ 2,745,000	\$ (632,000)	\$ 13,425,000	\$ 767,000
Drain notes payable	2,667,197	990,950	(995,377)	2,662,770	990,000
Unamortized bond discount	(128,135)	-	6,744	(121,391)	-
	<u>\$ 13,851,062</u>	<u>\$ 3,735,950</u>	<u>\$ (1,620,633)</u>	<u>\$ 15,966,379</u>	<u>\$ 1,757,000</u>
Brownfield Redevelopment Authority Component Unit					
Loans payable	\$ 1,999,608	\$ 392	\$ (191,524)	\$ 1,808,476	\$ 175,355
Mental Health Authority Component Unit					
Notes payable	\$ 376,374	\$ -	\$ (30,707)	\$ 345,667	\$ 29,450
Compensated absences	461,106	15,537	-	476,643	-
	<u>\$ 837,480</u>	<u>\$ 15,537</u>	<u>\$ (30,707)</u>	<u>\$ 822,310</u>	<u>\$ 29,450</u>

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

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

11. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2012, the net investment in capital assets was comprised of the following:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 5,737,112	\$ -
Capital assets being depreciated, net	27,270,073	113,370
Less related debt:		
Bonds and capital leases payable	(1,230,437)	-
Unspent bond proceeds	3,266	-
	<hr/>	<hr/>
Total net investment in capital assets	<u>\$ 31,780,014</u>	<u>\$ 113,370</u>

12. FUND BALANCE

GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Nonmajor governmental funds	Total
Nonspendable:			
Advance to other funds	\$ 250,000	\$ -	\$ 250,000
Advance to component unit	1,845,000	-	1,845,000
Long-term notes receivable	-	150,000	150,000
Total nonspendable	<hr/> 2,095,000	<hr/> 150,000	<hr/> 2,245,000
Restricted:			
Judicial	-	147,315	147,315
General government	-	185,578	185,578
Public safety	-	2,128,389	2,128,389
Health and welfare	-	953,897	953,897
Recreation and cultural	-	8,708	8,708
Community development	-	20	20
Other governmental activities	-	1,061,587	1,061,587
Capital projects	-	1,897,046	1,897,046
Debt service	-	664	664
Total restricted	<hr/> -	<hr/> 6,383,204	<hr/> 6,383,204

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

	General Fund	Nonmajor governmental funds	Total
Committed:			
Judicial	\$ -	\$ 476,281	\$ 476,281
General government	-	29,656	29,656
Public safety	-	1,544,751	1,544,751
Health and welfare	-	830,465	830,465
Recreation and cultural	-	312,636	312,636
Other governmental activities	-	1,664,179	1,664,179
Capital projects	-	5,310,414	5,310,414
Total committed	-	10,168,382	10,168,382
Unassigned	14,292,485	-	14,292,485
Total fund balances governmental funds	\$ 16,387,485	\$ 16,701,586	\$ 33,089,071

13. 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, 2012, the balance of the County's member retention fund was \$1,168,882.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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

Type of Risk	Maximum Retention Per Occurrence
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

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:

	2012	2011
Unpaid claims, beginning of year	\$ 1,401,479	\$ 1,734,801
Incurred claims (including change in IBNR provisions)	298,285	(214,024)
Claims payments	(195,822)	(119,298)
Unpaid claims, end of year	<u>\$ 1,503,942</u>	<u>\$ 1,401,479</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.

	2012	2011
Unpaid claims, beginning of year	\$ 2,401,806	\$ 2,249,605
Incurred claims (including IBNR's)	10,321,327	10,181,924
Claims payments	(10,275,643)	(10,029,723)
Unpaid claims, end of year	<u>\$ 2,447,490</u>	<u>\$ 2,401,806</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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:

	2012	2011
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	52,243	56,239
Claims payments	<u>(52,243)</u>	<u>(56,239)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

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:

	2012	2011
Unpaid claims, beginning of year	\$ 185,076	\$ 176,103
Incurred claims	204,696	221,191
Claims payments	<u>(202,483)</u>	<u>(212,218)</u>
Unpaid claims, end of year	<u>\$ 187,289</u>	<u>\$ 185,076</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 was outstanding at December 31, 2012 or 2011, nor were the amount of claims paid or incurred during 2012 or 2011 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.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

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.

14. 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 2012 levy was \$6,917,251,292. The general operating tax rate for this levy was 4.7723 mills with an additional 0.2500 mills, 0.3500 mills, 0.3000 mills, and .1000 mills assessed for 911 emergency services, public safety operations, senior center operations, and parks 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.

15. PENSION PLAN

Plan Description. 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, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	606
Terminated plan members entitled to but not yet receiving benefits	49
Active plan members	<u>834</u>
Total	<u><u>1,489</u></u>

Basis of Accounting. The financial statements of the Plan are included in the County’s financial statements as a pension trust fund and are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. The County’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Methods Used to Value Investments. 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 for which quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably approximates fair value.

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners. Plan members are required to contribute 5.00% to 14.12% 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, 2012, represents 10.88% of the annual covered payroll.

Administrative costs of the Plan are financed through investment earnings.

Annual Pension Cost and Net Pension Obligation. For the current year, the County’s annual pension cost of \$4,338,987 was equal to the County’s required and actual contributions.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 3,233,525	100%	\$ -
2011	3,865,484	100%	-
2012	4,338,987	100%	-

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 65.1 percent funded. The actuarial accrued liability for benefits was \$187,133,635 and the actuarial value of assets was \$121,796,165, resulting in an unfunded actuarial accrued liability (UAAL) of \$65,337,470. The covered payroll (annual payroll of active employees covered by the plan) was \$39,864,228, and the ratio of the UAAL to the covered payroll was 163.9 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. In the December 31, 2012, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included: (a) a rate of return on investments of 8.0%; (b) projected salary increases of 4.0% attributable to inflation; and (c) additional projected salary increases ranging from 4.0% to 6.3%, depending on age, attributable to seniority/merit.

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 Financial Statements

16. 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.

Basis of Accounting. The financial statements of the Plan are included in the County’s financial statements as an other postemployment benefit trust fund and are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. The County’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Methods Used to Value Investments. 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 for which quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably approximates fair value.

Funding Policy. The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. Plan members receiving benefits contributed \$1,286,425 or approximately 50% of total premiums, through their required contribution of \$269 - \$539 per month for retiree-only coverage and \$762 - \$1,524 for retiree and spouse coverage (offered to Sheriff department retirees only), depending on age and bargaining unit.

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.

Annual OPEB Cost and Net OPEB Obligation. The County’s annual other postemployment benefit (OPEB) cost and net OPEB obligation to the Plan for the current year were as follows:

Annual required contribution	\$ 2,671,938
Interest on net OPEB obligation	(177,405)
Adjustment to annual required contribution	<u>125,354</u>
Annual OPEB cost	2,619,887
Contributions made	<u>(2,388,543)</u>
Increase (decrease) in net OPEB (asset)	231,344
Net OPEB (asset), beginning of year	<u>(2,087,114)</u>
Net OPEB (asset), end of year	<u>\$ (1,855,770)</u>

COUNTY OF BERRIEN, MICHIGAN

Notes To Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Three-Year Trend Information			
Years Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)
2010	\$ 3,356,776	155%	\$ (2,840,798)
2011	2,609,300	71%	(2,087,114)
2012	2,619,887	91%	(1,855,770)

Funded status and funding progress. As of December 31, 2011, the date of the most recent actuarial valuation, the Plan was 61 percent funded. The actuarial accrued liability for benefits was \$37,895,718, and the actuarial value of assets was \$22,974,224, resulting in an unfunded actuarial accrued liability (UAAL) of \$14,921,494. The covered payroll (annual payroll of the active employees covered by the Plan) was \$36,537,889 and the ratio of the UAAL to the covered payroll was 40.8 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefit.

Actuarial Methods and Assumptions. In the December 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 8.0%; (b) projected salary increases of 4.0% attributable to inflation; (c) additional projected salary increases ranging from 4.0% to 6.3%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.5% to 9.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years on an open basis.

17. RESTATEMENT

Beginning net position of the Mental Health Authority discretely presented component unit was restated by \$20,070 to account for state institution charges that were not billed by the state until May 2012.

18. SUBSEQUENT EVENTS

On May 15, 2013, the County issued general obligation delinquent tax notes with a face value of \$12,500,000 to finance the purchase of delinquent property taxes receivable from each taxing unit in the County, which is part of the normal financing activities of the County.

On January 23, 2013, the County issued bonds with a face value of \$430,000 to finance improvements to the Moore, Klassner, and Hess Drains.

On April 1, 2013, the County issued bonds with a face value of \$800,000 to finance improvements to the Rizzo Drain.

COUNTY OF BERRIEN, MICHIGAN

■ Notes To Financial Statements

On April 25, 2013, the County purchased property in the amount of \$1,877,494. This property is to be used as the new headquarters for the County's Health Department.

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BERRIEN, MICHIGAN

Employees Amended Retirement Plan

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded ALL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	OAAL as a Percent of Covered Payroll
* 12/31/2007	\$ 132,385,511	\$ 139,264,155	\$ (6,878,644)	95.06%	\$ 37,880,390	-18.16%
* 12/31/2008	129,718,059	146,500,504	(16,782,445)	88.54%	38,043,448	-44.11%
12/31/2009	127,414,760	152,122,494	(24,707,734)	83.76%	38,740,752	-63.78%
12/31/2010	126,364,581	158,158,590	(31,794,009)	79.90%	39,356,501	-80.78%
* 12/31/2011	123,832,798	169,686,367	(45,853,569)	72.98%	39,864,657	-115.02%
* 12/31/2012	121,796,165	187,133,635	(65,337,470)	65.09%	39,864,228	-163.90%

Schedule of Employer Contributions		
Year Ended December 31	Annual Required Contributions	Percentage Contributed
2007	\$ 2,229,778	100.00%
2008	2,552,514	100.00%
2009	2,654,772	100.00%
2010	3,233,525	100.00%
2011	3,865,484	100.00%
2012	4,338,987	100.00%

* After changes in benefit provisions

COUNTY OF BERRIEN, MICHIGAN

Employees Amended Retirement Plan

Schedule of Funding Progress - Other Postemployment 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%
12/31/2009	15,414,989	40,224,901	(24,809,912)	38.32%	35,483,698	-69.92%
12/31/2010	21,127,425	38,425,109	(17,297,684)	54.98%	36,158,193	-47.84%
12/31/2011	21,707,340	41,979,208	(20,271,868)	51.71%	36,721,186	-55.20%
12/31/2012	22,974,224	37,895,718	(14,921,494)	60.62%	36,537,889	-40.84%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2007	\$ 1,112,028	100.00%
2008	1,207,372	100.00%
2009	4,305,885	123.00%
2010	3,385,174	153.34%
2011	2,689,427	69.00%
2012	2,671,938	89.39%

* After changes in benefit provisions

** After changes in actuarial assumptions or methods

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Funds	Total Other Governmental Funds
Assets				
Cash and investments	\$ 10,140,905	\$ 664	\$ 7,254,695	\$ 17,396,264
Receivables:				
Accounts	65,661	-	-	65,661
Taxes - current	6,222,120	-	-	6,222,120
Taxes - delinquent	22,118	-	-	22,118
Due from other governments	1,687,609	-	-	1,687,609
Due from component units	195,963	-	-	195,963
Notes	388,812	-	-	388,812
Due from other funds	866,470	-	-	866,470
Total assets	\$ 19,589,658	\$ 664	\$ 7,254,695	\$ 26,845,017
Liabilities				
Accounts payable	\$ 601,266	\$ -	\$ 47,235	\$ 648,501
Accrued expenses	524,169	-	-	524,169
Due to other funds	841,428	-	-	841,428
Due to other governments	145,823	-	-	145,823
Interfund payable	360,803	-	-	360,803
Advances from other governments	89,000	-	-	89,000
Advances from other funds	250,000	-	-	250,000
Unearned revenue	449,107	-	-	449,107
Total liabilities	3,261,596	-	47,235	3,308,831
Deferred inflows of resources				
Taxes levied for a subsequent period	6,834,600	-	-	6,834,600
Fund balances				
Nonspendable	150,000	-	-	150,000
Restricted	4,485,494	664	1,897,046	6,383,204
Committed	4,857,968	-	5,310,414	10,168,382
Total fund balances	9,493,462	664	7,207,460	16,701,586
Total liabilities, deferred inflows of resources and fund balances	\$ 19,589,658	\$ 664	\$ 7,254,695	\$ 26,845,017

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Funds	Total Other Governmental Funds
Revenues				
Taxes	\$ 6,273,167	\$ -	\$ -	\$ 6,273,167
Licenses and permits	272,255	-	-	272,255
Intergovernmental revenue	12,852,513	-	-	12,852,513
Charges for services	4,345,182	596,125	-	4,941,307
Interest revenue	13,581	-	12,576	26,157
Other revenue and reimbursements	2,387,207	-	15,377	2,402,584
Total revenues	26,143,905	596,125	27,953	26,767,983
Expenditures				
Current expenditures:				
Judicial	3,579,753	-	-	3,579,753
General government	167,856	-	-	167,856
Public safety	8,159,354	-	-	8,159,354
Public works	-	-	323,352	323,352
Health and welfare	15,848,844	-	-	15,848,844
Recreation and cultural	3,062,445	-	-	3,062,445
Community development	79,283	-	-	79,283
Other governmental activities	2,096,211	-	774,778	2,870,989
Debt service:				
Principal	-	3,260,000	-	3,260,000
Interest and fiscal charges	-	132,496	-	132,496
Total expenditures	32,993,746	3,392,496	1,098,130	37,484,372
Revenues under expenditures	(6,849,841)	(2,796,371)	(1,070,177)	(10,716,389)
Other financing sources (uses)				
Proceeds from sales of capital assets	51,698	-	-	51,698
Transfers in	9,529,414	5,045,275	9,893,208	24,467,897
Transfers out	(3,982,740)	-	(7,453,957)	(11,436,697)
Total other financing sources	5,598,372	5,045,275	2,439,251	13,082,898
Net change in fund balances	(1,251,469)	2,248,904	1,369,074	2,366,509
Fund balances, beginning of year	10,744,931	(2,248,240)	5,838,386	14,335,077
Fund balances, end of year	\$ 9,493,462	\$ 664	\$ 7,207,460	\$ 16,701,586

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	Public Safety Cigarette Tax 205.00	Public Safety Four Winds Casino 205.01	Parks and Recreation 208.00
Assets			
Cash and investments	\$ 102,019	\$ 1,346	\$ 231,628
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Due from other governments	-	-	-
Due from component units	-	-	-
Notes receivable	-	-	-
Due from other funds	2,440	-	-
Total assets	\$ 104,459	\$ 1,346	\$ 231,628
Liabilities			
Accounts payable	\$ -	\$ -	\$ 2,327
Accrued expenses	-	-	16,038
Due to other funds	-	-	-
Due to other governments	-	-	-
Interfund payable	-	-	-
Advances from other governments	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	18,365
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	104,459	1,346	-
Committed	-	-	213,263
Total fund balances	104,459	1,346	213,263
Total liabilities, deferred inflows of resources and fund balances	\$ 104,459	\$ 1,346	\$ 231,628

Parks Galien River 208.02	Parks Millage 208.50	Historical Association Loan Fund 211.00	Berrien Community Foundation 213.00	Generous Juror Program 214.00	Friend of the Court 215.00
\$ 79,503	\$ 61,248	\$ 2,635	\$ 23,095	\$ 2,395	\$ 144,006
-	-	-	-	-	-
-	613,752	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	364,468
-	-	-	-	-	-
-	-	150,000	-	-	-
-	-	-	-	-	-
<u>\$ 79,503</u>	<u>\$ 675,000</u>	<u>\$ 152,635</u>	<u>\$ 23,095</u>	<u>\$ 2,395</u>	<u>\$ 508,474</u>
\$ -	\$ -	\$ -	\$ 3,225	\$ -	\$ 21,312
-	-	-	-	-	68,925
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,225	-	90,237
-	675,000	-	-	-	-
-	-	150,000	-	-	-
-	-	2,635	-	2,395	-
79,503	-	-	19,870	-	418,237
79,503	-	152,635	19,870	2,395	418,237
<u>\$ 79,503</u>	<u>\$ 675,000</u>	<u>\$ 152,635</u>	<u>\$ 23,095</u>	<u>\$ 2,395</u>	<u>\$ 508,474</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	Family Counseling Services 216.00	Four Winds Casino Sharing 217.00	Health Department 221.00
Assets			
Cash and investments	\$ 152,095	\$ 442,654	\$ 1,054,171
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Due from other governments	-	-	2,015
Due from component units	-	-	-
Notes receivable	-	-	-
Due from other funds	-	-	172,660
Total assets	\$ 152,095	\$ 442,654	\$ 1,228,846
Liabilities			
Accounts payable	\$ 5,827	\$ -	\$ 25,826
Accrued expenses	-	-	62,480
Due to other funds	-	-	650,724
Due to other governments	-	-	-
Interfund payable	-	-	-
Advances from other governments	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	5,827	-	739,030
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	146,268	442,654	-
Committed	-	-	489,816
Total fund balances	146,268	442,654	489,816
Total liabilities, deferred inflows of resources and fund balances	\$ 152,095	\$ 442,654	\$ 1,228,846

Drug Court Drug Treatment 221.01	Health Department Grants 221.xx	Berrien County Landfill Use 227.00	Register of Deeds Automation 256.00	Register of Deeds Tax Foreclosure Search Fund 256.01	Law Enforcement Funds [various #s]
\$ 46,052	\$ 61,219	\$ 1,299,388	\$ 188,621	\$ 30,188	\$ 1,525,068
-	57,842	-	-	-	7,819
-	-	-	-	-	-
-	-	-	-	-	-
-	316,721	-	-	-	145,259
-	-	-	-	-	-
-	-	-	-	-	-
-	650,785	-	-	-	13,758
<u>\$ 46,052</u>	<u>\$ 1,086,567</u>	<u>\$ 1,299,388</u>	<u>\$ 188,621</u>	<u>\$ 30,188</u>	<u>\$ 1,691,904</u>
\$ 2,107	\$ 98,862	\$ 28,953	\$ 3,043	\$ -	\$ 53,165
1,572	72,098	-	-	532	82,032
881	165,924	-	-	-	5,234
-	140,266	-	-	-	5,557
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	310,260	-	-	-	1,165
<u>4,560</u>	<u>787,410</u>	<u>28,953</u>	<u>3,043</u>	<u>532</u>	<u>147,153</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	185,578	-	-
41,492	299,157	1,270,435	-	29,656	1,544,751
<u>41,492</u>	<u>299,157</u>	<u>1,270,435</u>	<u>185,578</u>	<u>29,656</u>	<u>1,544,751</u>
<u>\$ 46,052</u>	<u>\$ 1,086,567</u>	<u>\$ 1,299,388</u>	<u>\$ 188,621</u>	<u>\$ 30,188</u>	<u>\$ 1,691,904</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	Drug Enforcement Public Safety 264.00 & 267.00	Prosecutor's Welfare Fraud Grant 266.02	Prosecutor's Grant Victim Witness 266.04
Assets			
Cash and investments	\$ 1,379,678	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Taxes - current	2,180,632	-	-
Taxes - delinquent	-	-	-
Due from other governments	-	108,632	39,180
Due from component units	-	-	-
Notes receivable	-	-	-
Due from other funds	-	7,270	16,930
Total assets	\$ 3,560,310	\$ 115,902	\$ 56,110
Liabilities			
Accounts payable	\$ -	\$ 237	\$ -
Accrued expenses	3,750	10,487	7,587
Due to other funds	16,930	-	-
Due to other governments	-	-	-
Interfund payable	-	105,178	48,523
Advances from other governments	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	20,680	115,902	56,110
Deferred inflows of resources			
Taxes levied for a subsequent period	2,395,000	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	1,144,630	-	-
Committed	-	-	-
Total fund balances	1,144,630	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 3,560,310	\$ 115,902	\$ 56,110

911 County Operational Fund 266.09	Self-Help Legal Resource Center 268.00	County Law Library 269.00	Senior Citizen 270.00	Hazardous Materials Emergency Preparedness 273.22	National Children's Advocacy Equipment Grant 273.74
\$ 1,070,689	\$ 3,444	\$ 61,121	\$ 171,404	\$ 61,399	\$ 396
-	-	-	-	-	-
1,558,480	-	-	1,869,256	-	-
6,100	-	-	16,018	-	-
6,400	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,641,669</u>	<u>\$ 3,444</u>	<u>\$ 61,121</u>	<u>\$ 2,056,678</u>	<u>\$ 61,399</u>	<u>\$ 396</u>
\$ 353	\$ 13	\$ 3,077	\$ -	\$ -	\$ -
84,550	2,384	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	61,399	396
<u>84,903</u>	<u>2,397</u>	<u>3,077</u>	<u>-</u>	<u>61,399</u>	<u>396</u>
<u>1,711,600</u>	<u>-</u>	<u>-</u>	<u>2,053,000</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
845,166	1,047	-	3,678	-	-
-	-	58,044	-	-	-
<u>845,166</u>	<u>1,047</u>	<u>58,044</u>	<u>3,678</u>	<u>-</u>	<u>-</u>
<u>\$ 2,641,669</u>	<u>\$ 3,444</u>	<u>\$ 61,121</u>	<u>\$ 2,056,678</u>	<u>\$ 61,399</u>	<u>\$ 396</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	MSHDA (PIP) Property Improvement 274.12	MSHDA 2008 Housing CDBG 274.14	DNR Waterways Grant 274.16
Assets			
Cash and investments	\$ 400	\$ 181	\$ -
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Due from other governments	-	-	-
Due from component units	-	174	195,789
Notes receivable	-	-	-
Due from other funds	-	-	-
Total assets	\$ 400	\$ 355	\$ 195,789
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Due to other funds	400	335	-
Due to other governments	-	-	-
Interfund payable	-	-	195,789
Advances from other governments	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	400	335	195,789
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	-	20	-
Committed	-	-	-
Total fund balances	-	20	-
Total liabilities, deferred inflows of resources and fund balances	\$ 400	\$ 355	\$ 195,789



MSHDA CDBG Rehab Grant 2010-2011 274.17	Small Bus Program 281.00	Clean Sweep Pest Control Grant 281.14	Project Zero Transit Grant 281.17	Scrap Tire Cleanup Grant 281.30	Capital Bus Purchase Grant 282.00
\$ -	\$ 652,686	\$ -	\$ 53,458	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
43,596	41,646	1,898	-	3,000	-
-	-	-	-	-	-
-	-	-	-	-	-
335	2,292	-	-	-	-
<u>\$ 43,931</u>	<u>\$ 696,624</u>	<u>\$ 1,898</u>	<u>\$ 53,458</u>	<u>\$ 3,000</u>	<u>\$ -</u>
\$ 37,125	\$ 78,013	\$ 1,898	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,000	-	-	-	-	-
-	-	-	-	-	-
5,806	-	-	-	3,000	-
-	-	-	-	-	-
-	-	-	53,458	-	-
<u>43,931</u>	<u>78,013</u>	<u>1,898</u>	<u>53,458</u>	<u>3,000</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	618,611	-	-	-	-
-	-	-	-	-	-
-	618,611	-	-	-	-
<u>\$ 43,931</u>	<u>\$ 696,624</u>	<u>\$ 1,898</u>	<u>\$ 53,458</u>	<u>\$ 3,000</u>	<u>\$ -</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	Revenue Sharing Reserve 285.00	Three Oaks Land Purchase Purchase 286.00	Social Services 290.00
Assets			
Cash and investments	\$ -	\$ 42,436	\$ 54,315
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Due from other governments	-	-	79,232
Due from component units	-	-	-
Notes receivable	-	238,812	-
Due from other funds	-	-	-
Total assets	\$ -	\$ 281,248	\$ 133,547
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Interfund payable	-	-	-
Advances from other governments	-	-	89,000
Advances from other funds	-	250,000	-
Unearned revenue	-	22,429	-
Total liabilities	-	272,429	89,000
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	44,547
Committed	-	8,819	-
Total fund balances	-	8,819	44,547
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 281,248	\$ 133,547



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	Campaign Finance Administration 297.03
\$ 332,203	\$ 376,603	\$ 4,423	\$ 7,634	\$ 116,269	\$ 789
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
458,523	74,532	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 790,726</u>	<u>\$ 451,135</u>	<u>\$ 4,423</u>	<u>\$ 7,634</u>	<u>\$ 116,269</u>	<u>\$ 789</u>
\$ 235,278	\$ -	\$ -	\$ -	\$ -	\$ -
109,290	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>344,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
446,158	451,135	4,423	7,634	-	-
-	-	-	-	116,269	789
<u>446,158</u>	<u>451,135</u>	<u>4,423</u>	<u>7,634</u>	<u>116,269</u>	<u>789</u>
<u>\$ 790,726</u>	<u>\$ 451,135</u>	<u>\$ 4,423</u>	<u>\$ 7,634</u>	<u>\$ 116,269</u>	<u>\$ 789</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	Farm to School Grant 297.37	Mental Health Court Grant 297.38	Juvenile Accountability Block Grant 297.34 & 397.36
Assets			
Cash and investments	\$ 322	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Due from other governments	-	2,507	-
Due from component units	-	-	-
Notes receivable	-	-	-
Due from other funds	-	-	-
Total assets	\$ 322	\$ 2,507	\$ -
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Interfund payable	-	2,507	-
Advances from other governments	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	2,507	-
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	322	-	-
Committed	-	-	-
Total fund balances	322	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 322	\$ 2,507	\$ -



Animal Control Neuter / Spay Program 298.01	Animal Control Special Fund 298.02	Homestead Audit Administration 620.00	Total
\$ 18,063	\$ 15,350	\$ 270,311	\$ 10,140,905
-	-	-	65,661
-	-	-	6,222,120
-	-	-	22,118
-	-	-	1,687,609
-	-	-	195,963
-	-	-	388,812
-	-	-	866,470
<u>\$ 18,063</u>	<u>\$ 15,350</u>	<u>\$ 270,311</u>	<u>\$ 19,589,658</u>
\$ 625	\$ -	\$ -	\$ 601,266
-	-	2,444	524,169
-	-	-	841,428
-	-	-	145,823
-	-	-	360,803
-	-	-	89,000
-	-	-	250,000
-	-	-	449,107
<u>625</u>	<u>-</u>	<u>2,444</u>	<u>3,261,596</u>
-	-	-	6,834,600
-	-	-	150,000
17,438	15,350	-	4,485,494
-	-	267,867	4,857,968
<u>17,438</u>	<u>15,350</u>	<u>267,867</u>	<u>9,493,462</u>
<u>\$ 18,063</u>	<u>\$ 15,350</u>	<u>\$ 270,311</u>	<u>\$ 19,589,658</u>

concluded.

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Public Safety Cigarette Tax 205.00	Public Safety Four Winds Casino 205.01	Parks and Recreation 208.00
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	10,001	-	-
Charges for services	-	3,638	483,738
Interest	-	-	-
Other revenue	-	-	104,536
Total revenues	10,001	3,638	588,274
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	2,292	-
Health and welfare	-	-	-
Recreation and cultural	-	-	928,215
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	-	2,292	928,215
Revenue over (under) expenditures	10,001	1,346	(339,941)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	2,440	-	237,980
Transfers out	(2,718)	-	-
Total other financing sources (uses)	(278)	-	237,980
Net change in fund balances	9,723	1,346	(101,961)
Fund balances, beginning of year	94,736	-	315,224
Fund balances, end of year	\$ 104,459	\$ 1,346	\$ 213,263



Parks Galien River 208.02	Parks Millage 208.50	Historical Association Loan Fund 211.00	Berrien Community Foundation 213.00	Generous Juror Program 214.00	Friend of the Court 215.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	1,883,711
-	-	-	-	-	232,144
-	-	-	-	-	-
-	-	-	38,235	2,763	4,034
-	-	-	38,235	2,763	2,119,889
-	-	-	-	-	2,828,609
-	-	-	-	-	-
-	-	-	-	-	-
1,164	-	7,233	31,140	2,365	-
-	-	-	-	-	-
-	-	-	-	-	-
1,164	-	7,233	31,140	2,365	2,828,609
(1,164)	-	(7,233)	7,095	398	(708,720)
-	-	-	23,000	-	-
-	-	5,000	-	-	586,490
-	-	-	(23,002)	-	-
-	-	5,000	(2)	-	586,490
(1,164)	-	(2,233)	7,093	398	(122,230)
80,667	-	154,868	12,777	1,997	540,467
\$ 79,503	\$ -	\$ 152,635	\$ 19,870	\$ 2,395	\$ 418,237

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Family Counseling Services 216.00	Four Winds Casino Revenue Sharing 217.00	Health Department 221.00
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	19,320	-	252,935
Intergovernmental revenue	-	-	376,936
Charges for services	-	-	125,029
Interest	-	-	-
Other revenue	-	259,670	348,511
Total revenues	19,320	259,670	1,103,411
Expenditures			
Judicial	16,484	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	1,812,558
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	16,484	-	1,812,558
Revenue over (under) expenditures	2,836	259,670	(709,147)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	1,046,901
Transfers out	-	(78,686)	(456,391)
Total other financing sources (uses)	-	(78,686)	590,510
Net change in fund balances	2,836	180,984	(118,637)
Fund balances, beginning of year	143,432	261,670	608,453
Fund balances, end of year	\$ 146,268	\$ 442,654	\$ 489,816



Drug Court Drug Treatment 221.01	Health Department Grants 221.xx	Berrien County Landfill Use 227.00	Register of Deeds Automation 256.00	Register of Deeds Tax Foreclosure Search Fund 256.01	Law Enforcement Funds [various #s]
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
12,656	3,717,140	-	-	-	878,559
31,686	267,939	648,053	-	-	1,961,373
-	-	1,379	-	-	393
-	258,850	-	-	256,376	139,698
<u>44,342</u>	<u>4,243,929</u>	<u>649,432</u>	<u>-</u>	<u>256,376</u>	<u>2,980,023</u>
-	-	-	-	-	-
-	-	-	132,198	35,658	-
-	-	-	-	-	4,599,055
143,413	4,876,679	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	893,380	-	-	-
<u>143,413</u>	<u>4,876,679</u>	<u>893,380</u>	<u>132,198</u>	<u>35,658</u>	<u>4,599,055</u>
<u>(99,071)</u>	<u>(632,750)</u>	<u>(243,948)</u>	<u>(132,198)</u>	<u>220,718</u>	<u>(1,619,032)</u>
-	-	-	-	-	28,698
133,000	528,352	-	184,641	-	1,648,082
-	-	(199,000)	-	(221,069)	(150,088)
<u>133,000</u>	<u>528,352</u>	<u>(199,000)</u>	<u>184,641</u>	<u>(221,069)</u>	<u>1,526,692</u>
33,929	(104,398)	(442,948)	52,443	(351)	(92,340)
<u>7,563</u>	<u>403,555</u>	<u>1,713,383</u>	<u>133,135</u>	<u>30,007</u>	<u>1,637,091</u>
<u>\$ 41,492</u>	<u>\$ 299,157</u>	<u>\$ 1,270,435</u>	<u>\$ 185,578</u>	<u>\$ 29,656</u>	<u>\$ 1,544,751</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Drug Enforcement Public Safety 264.00 & 267.00	Prosecutor's Welfare Fraud Grant 266.02	Prosecutor's Grant Victim Witness 266.04
Revenues			
Taxes	\$ 2,439,661	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	4,265	255,482	161,424
Charges for services	1,993	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	2,445,919	255,482	161,424
Expenditures			
Judicial	199,152	387,456	-
General government	-	-	-
Public safety	-	-	261,229
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	199,152	387,456	261,229
Revenue over (under) expenditures	2,246,767	(131,974)	(99,805)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	266,853	131,974	99,805
Transfers out	(2,286,782)	-	-
Total other financing sources (uses)	(2,019,929)	131,974	99,805
Net change in fund balances	226,838	-	-
Fund balances, beginning of year	917,792	-	-
Fund balances, end of year	\$ 1,144,630	\$ -	\$ -



911 County Operational Fund 266.09	Self-Help Legal Resource Center 268.00	County Law Library 269.00	Senior Citizen 270.00	Hazardous Materials Emergency Preparedness 273.22	National Children's Advocacy Equipment Grant 273.74
\$ 1,742,580	\$ -	\$ -	\$ 2,090,926	\$ -	\$ -
-	-	-	-	-	-
492,760	10,000	-	-	109	-
400	5,863	-	-	-	-
1,097	-	-	-	-	-
710,358	-	61,670	-	-	-
<u>2,947,195</u>	<u>15,863</u>	<u>61,670</u>	<u>2,090,926</u>	<u>109</u>	<u>-</u>
-	88,347	56,969	-	-	-
-	-	-	-	-	-
3,274,577	-	-	-	109	-
-	-	-	-	-	-
-	-	-	2,092,328	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,274,577</u>	<u>88,347</u>	<u>56,969</u>	<u>2,092,328</u>	<u>109</u>	<u>-</u>
<u>(327,382)</u>	<u>(72,484)</u>	<u>4,701</u>	<u>(1,402)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
70,000	50,000	-	-	-	-
-	-	-	-	-	-
<u>70,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(257,382)	(22,484)	4,701	(1,402)	-	-
<u>1,102,548</u>	<u>23,531</u>	<u>53,343</u>	<u>5,080</u>	<u>-</u>	<u>-</u>
<u>\$ 845,166</u>	<u>\$ 1,047</u>	<u>\$ 58,044</u>	<u>\$ 3,678</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	MSHDA (PIP) Property Improvement 274.12	MSHDA 2008 Housing CDBG 274.14	DNR Waterways Grant 274.16
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	181	-
Charges for services	-	-	-
Interest	-	-	-
Other revenue	5,700	-	-
Total revenues	5,700	181	-
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	5,300	335	-
Other governmental activities	-	-	-
Total expenditures	5,300	335	-
Revenue over (under) expenditures	400	(154)	-
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	174	-
Transfers out	(400)	-	-
Total other financing sources (uses)	(400)	174	-
Net change in fund balances	-	20	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 20	\$ -



MSHDA CDBG Rehab Grant 2010-2011 274.17	Small Bus Program 281.00	Clean Sweep Pest Control Grant 281.14	Project Zero Transit Grant 281.17	Scrap Tire Cleanup Grant 281.30	Capital Bus Purchase Grant 282.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
77,648	622,533	13,692	-	3,000	79,231
-	510,170	-	-	-	-
-	591	-	-	-	-
-	23,654	-	-	-	-
<u>77,648</u>	<u>1,156,948</u>	<u>13,692</u>	<u>-</u>	<u>3,000</u>	<u>79,231</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
73,648	-	-	-	-	-
-	1,041,183	13,692	-	3,000	79,231
<u>73,648</u>	<u>1,041,183</u>	<u>13,692</u>	<u>-</u>	<u>3,000</u>	<u>79,231</u>
4,000	115,765	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(4,000)	(82,247)	-	-	-	-
<u>(4,000)</u>	<u>(82,247)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	33,518	-	-	-	-
-	585,093	-	-	-	-
<u>\$ -</u>	<u>\$ 618,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Revenue Sharing Reserve\ 285.00	Three Oaks Land Purchase 286.00	Social Services 290.00
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	634,389
Charges for services	-	-	-
Interest	407	8,819	-
Other revenue	-	-	-
Total revenues	407	8,819	634,389
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	648,943
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	-	-	648,943
Revenue over (under) expenditures	407	8,819	(14,554)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	15,000
Transfers out	(478,357)	-	-
Total other financing sources (uses)	(478,357)	-	15,000
Net change in fund balances	(477,950)	8,819	446
Fund balances, beginning of year	477,950	-	44,101
Fund balances, end of year	\$ -	\$ 8,819	\$ 44,547



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	Campaign Finance Administration 297.03
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,150,616	429,300	-	33,412	-	-
-	-	-	-	70	-
-	-	-	-	-	-
140,135	-	5,521	-	-	-
<u>3,290,751</u>	<u>429,300</u>	<u>5,521</u>	<u>33,412</u>	<u>70</u>	<u>-</u>
2,736	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,538,240	797,418	4,485	27,108	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,540,976</u>	<u>797,418</u>	<u>4,485</u>	<u>27,108</u>	<u>-</u>	<u>-</u>
<u>(4,250,225)</u>	<u>(368,118)</u>	<u>1,036</u>	<u>6,304</u>	<u>70</u>	<u>-</u>
-	-	-	-	-	-
4,206,704	315,800	-	-	-	-
-	-	-	-	-	-
<u>4,206,704</u>	<u>315,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(43,521)	(52,318)	1,036	6,304	70	-
<u>489,679</u>	<u>503,453</u>	<u>3,387</u>	<u>1,330</u>	<u>116,199</u>	<u>789</u>
<u>\$ 446,158</u>	<u>\$ 451,135</u>	<u>\$ 4,423</u>	<u>\$ 7,634</u>	<u>\$ 116,269</u>	<u>\$ 789</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Farm to School Grant 297.37	Mental Health Court Grant 297.38	Juvenile Accountability Block Grant 297.34 & 397.36
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	1,000	2,507	1,961
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	<u>1,000</u>	<u>2,507</u>	<u>1,961</u>
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	2,179
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	678	2,507	-
Total expenditures	<u>678</u>	<u>2,507</u>	<u>2,179</u>
Revenue over (under) expenditures	<u>322</u>	<u>-</u>	<u>(218)</u>
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	218
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>218</u>
Net change in fund balances	322	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 322</u>	<u>\$ -</u>	<u>\$ -</u>



Animal Control Neuter / Spay Program 298.01	Animal Control Special Fund 298.02	Homestead Audit Administration 620.00	Total
\$ -	\$ -	\$ -	\$ 6,273,167
-	-	-	272,255
-	-	-	12,852,513
-	-	73,086	4,345,182
-	-	895	13,581
12,275	15,221	-	2,387,207
<u>12,275</u>	<u>15,221</u>	<u>73,981</u>	<u>26,143,905</u>
-	-	-	3,579,753
-	-	-	167,856
9,933	9,980	-	8,159,354
-	-	-	15,848,844
-	-	-	3,062,445
-	-	-	79,283
-	-	62,540	2,096,211
<u>9,933</u>	<u>9,980</u>	<u>62,540</u>	<u>32,993,746</u>
<u>2,342</u>	<u>5,241</u>	<u>11,441</u>	<u>(6,849,841)</u>
-	-	-	51,698
-	-	-	9,529,414
-	-	-	(3,982,740)
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,598,372</u>
2,342	5,241	11,441	(1,251,469)
<u>15,096</u>	<u>10,109</u>	<u>256,426</u>	<u>10,744,931</u>
<u>\$ 17,438</u>	<u>\$ 15,350</u>	<u>\$ 267,867</u>	<u>\$ 9,493,462</u>

concluded.

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Public Safety Cigarette Tax - 205.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	10,001	10,001
Charges for services	-	-	-
Interest	-	-	-
Other revenue	7,500	-	(7,500)
Total revenues	7,500	10,001	2,501
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	4,782	-	(4,782)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	4,782	-	(4,782)
Revenues over (under) expenditures	2,718	10,001	7,283
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	-	2,440	2,440
Transfers out	(2,718)	(2,718)	-
Total other financing sources (uses)	(2,718)	(278)	2,440
Net change in fund balances	-	9,723	9,723
Fund balances, beginning of year	94,736	94,736	-
Fund balances, end of year	\$ 94,736	\$ 104,459	\$ 9,723



Public Safety Four Winds Casino - 205.01			Parks and Recreation - 208.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,292	3,638	1,346	422,900	483,738	60,838
-	-	-	-	-	-
-	-	-	379,080	104,536	(274,544)
<u>2,292</u>	<u>3,638</u>	<u>1,346</u>	<u>801,980</u>	<u>588,274</u>	<u>(213,706)</u>
-	-	-	-	-	-
-	-	-	-	-	-
2,292	2,292	-	-	-	-
-	-	-	-	-	-
-	-	-	1,039,960	928,215	(111,745)
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,292</u>	<u>2,292</u>	<u>-</u>	<u>1,039,960</u>	<u>928,215</u>	<u>(111,745)</u>
-	1,346	1,346	(237,980)	(339,941)	(101,961)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	237,980	237,980	-
-	-	-	-	-	-
-	-	-	237,980	237,980	-
-	1,346	1,346	-	(101,961)	(101,961)
-	-	-	-	-	-
-	-	-	315,224	315,224	-
<u>\$ -</u>	<u>\$ 1,346</u>	<u>\$ 1,346</u>	<u>\$ 315,224</u>	<u>\$ 213,263</u>	<u>\$ (101,961)</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Parks Galien River 208.02		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	500,000	-	(500,000)
Charges for services	-	-	-
Interest	-	-	-
Other revenue	355,667	-	(355,667)
Total revenues	855,667	-	(855,667)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	855,667	1,164	(854,503)
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	855,667	1,164	(854,503)
Revenues over (under) expenditures	-	(1,164)	(1,164)
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(1,164)	(1,164)
Fund balances, beginning of year	80,667	80,667	-
Fund balances, end of year	\$ 80,667	\$ 79,503	\$ (1,164)



Historical Association Loan Fund - 211.00			Berrien Community Foundation - 213.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,400	-	(4,400)	43,991	38,235	(5,756)
<u>4,400</u>	<u>-</u>	<u>(4,400)</u>	<u>43,991</u>	<u>38,235</u>	<u>(5,756)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,400	7,233	(2,167)	41,934	31,140	(10,794)
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,400</u>	<u>7,233</u>	<u>(2,167)</u>	<u>41,934</u>	<u>31,140</u>	<u>(10,794)</u>
(5,000)	(7,233)	(2,233)	2,057	7,095	5,038
-	-	-	-	23,000	23,000
5,000	5,000	-	-	-	-
-	-	-	(2,057)	(23,002)	(20,945)
<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(2,057)</u>	<u>(2)</u>	<u>2,055</u>
-	(2,233)	(2,233)	-	7,093	7,093
154,868	154,868	-	12,777	12,777	-
<u>\$ 154,868</u>	<u>\$ 152,635</u>	<u>\$ (2,233)</u>	<u>\$ 12,777</u>	<u>\$ 19,870</u>	<u>\$ 7,093</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Generous Juror Program - 214.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Other revenue	3,000	2,763	(237)
Total revenues	3,000	2,763	(237)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	3,000	2,365	(635)
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	3,000	2,365	(635)
Revenues over (under) expenditures	-	398	398
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	398	398
Fund balances, beginning of year	1,997	1,997	-
Fund balances, end of year	\$ 1,997	\$ 2,395	\$ 398



Friend of the Court - 215.00			Family Counseling Services - 216.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	20,000	19,320	(680)
1,924,546	1,883,711	(40,835)	-	-	-
215,656	232,144	16,488	-	-	-
-	-	-	-	-	-
188,600	4,034	(184,566)	25,000	-	(25,000)
<u>2,328,802</u>	<u>2,119,889</u>	<u>(208,913)</u>	<u>45,000</u>	<u>19,320</u>	<u>(25,680)</u>
2,915,292	2,828,609	(86,683)	45,000	16,484	(28,516)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,915,292</u>	<u>2,828,609</u>	<u>(86,683)</u>	<u>45,000</u>	<u>16,484</u>	<u>(28,516)</u>
<u>(586,490)</u>	<u>(708,720)</u>	<u>(122,230)</u>	<u>-</u>	<u>2,836</u>	<u>2,836</u>
-	-	-	-	-	-
586,490	586,490	-	-	-	-
-	-	-	-	-	-
<u>586,490</u>	<u>586,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(122,230)	(122,230)	-	2,836	2,836
540,467	540,467	-	143,432	143,432	-
<u>\$ 540,467</u>	<u>\$ 418,237</u>	<u>\$ (122,230)</u>	<u>\$ 143,432</u>	<u>\$ 146,268</u>	<u>\$ 2,836</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Four Winds Casino Revenue Sharing - 217.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Other revenue	126,810	259,670	132,860
Total revenues	<u>126,810</u>	<u>259,670</u>	<u>132,860</u>
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>126,810</u>	<u>259,670</u>	<u>132,860</u>
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	-	-	-
Transfers out	(126,810)	(78,686)	48,124
Total other financing sources (uses)	<u>(126,810)</u>	<u>(78,686)</u>	<u>48,124</u>
Net change in fund balances	-	180,984	180,984
Fund balances, beginning of year	<u>261,670</u>	<u>261,670</u>	<u>-</u>
Fund balances, end of year	<u>\$ 261,670</u>	<u>\$ 442,654</u>	<u>\$ 180,984</u>



Health Department - 221.00			Drug Court-Drug Treatment - 221.01		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
271,000	252,935	(18,065)	-	-	-
360,799	376,936	16,137	57,109	12,656	(44,453)
97,831	125,029	27,198	65,214	31,686	(33,528)
-	-	-	-	-	-
607,342	348,511	(258,831)	2,695	-	(2,695)
<u>1,336,972</u>	<u>1,103,411</u>	<u>(233,561)</u>	<u>125,018</u>	<u>44,342</u>	<u>(80,676)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,206,757	1,812,558	(394,199)	258,018	143,413	(114,605)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,206,757</u>	<u>1,812,558</u>	<u>(394,199)</u>	<u>258,018</u>	<u>143,413</u>	<u>(114,605)</u>
<u>(869,785)</u>	<u>(709,147)</u>	<u>160,638</u>	<u>(133,000)</u>	<u>(99,071)</u>	<u>33,929</u>
-	-	-	-	-	-
1,074,377	1,046,901	(27,476)	133,000	133,000	-
(204,592)	(456,391)	(251,799)	-	-	-
<u>869,785</u>	<u>590,510</u>	<u>(279,275)</u>	<u>133,000</u>	<u>133,000</u>	<u>-</u>
-	(118,637)	(118,637)	-	33,929	33,929
<u>608,453</u>	<u>608,453</u>	<u>-</u>	<u>7,563</u>	<u>7,563</u>	<u>-</u>
<u>\$ 608,453</u>	<u>\$ 489,816</u>	<u>\$ (118,637)</u>	<u>\$ 7,563</u>	<u>\$ 41,492</u>	<u>\$ 33,929</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Health Department Grants - 221.xx		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	4,469,828	3,717,140	(752,688)
Charges for services	310,140	267,939	(42,201)
Interest	-	-	-
Other revenue	408,321	258,850	(149,471)
Total revenues	5,188,289	4,243,929	(944,360)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	5,511,081	4,876,679	(634,402)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	5,511,081	4,876,679	(634,402)
Revenues over (under) expenditures	(322,792)	(632,750)	(309,958)
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	322,792	528,352	205,560
Transfers out	-	-	-
Total other financing sources (uses)	322,792	528,352	205,560
Net change in fund balances	-	(104,398)	(104,398)
Fund balances, beginning of year	403,555	403,555	-
Fund balances, end of year	\$ 403,555	\$ 299,157	\$ (104,398)

Berrien County Landfill Use - 227.00			Register of Deeds Automation- 256.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
527,095	648,053	120,958	-	-	-
10,500	1,379	(9,121)	-	-	-
1,240,775	-	(1,240,775)	23,450	-	(23,450)
<u>1,778,370</u>	<u>649,432</u>	<u>(1,128,938)</u>	<u>23,450</u>	<u>-</u>	<u>(23,450)</u>
-	-	-	-	-	-
-	-	-	163,450	132,198	(31,252)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,579,370	893,380	(685,990)	-	-	-
<u>1,579,370</u>	<u>893,380</u>	<u>(685,990)</u>	<u>163,450</u>	<u>132,198</u>	<u>(31,252)</u>
199,000	(243,948)	(442,948)	(140,000)	(132,198)	7,802
-	-	-	-	-	-
-	-	-	140,000	184,641	44,641
(199,000)	(199,000)	-	-	-	-
<u>(199,000)</u>	<u>(199,000)</u>	<u>-</u>	<u>140,000</u>	<u>184,641</u>	<u>44,641</u>
-	(442,948)	(442,948)	-	52,443	52,443
1,713,383	1,713,383	-	133,135	133,135	-
<u>\$ 1,713,383</u>	<u>\$ 1,270,435</u>	<u>\$ (442,948)</u>	<u>\$ 133,135</u>	<u>\$ 185,578</u>	<u>\$ 52,443</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Register of Deeds Tax Foreclosure Search- 256.01		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Other revenue	261,617	256,376	(5,241)
Total revenues	<u>261,617</u>	<u>256,376</u>	<u>(5,241)</u>
Expenditures			
Judicial	-	-	-
General government	40,548	35,658	(4,890)
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	<u>40,548</u>	<u>35,658</u>	<u>(4,890)</u>
Revenues over (under) expenditures	<u>221,069</u>	<u>220,718</u>	<u>(351)</u>
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	-	-	-
Transfers out	(221,069)	(221,069)	-
Total other financing sources (uses)	<u>(221,069)</u>	<u>(221,069)</u>	<u>-</u>
Net change in fund balances	-	(351)	(351)
Fund balances, beginning of year	<u>30,007</u>	<u>30,007</u>	<u>-</u>
Fund balances, end of year	<u>\$ 30,007</u>	<u>\$ 29,656</u>	<u>\$ (351)</u>

Law Enforcement Funds - [various #s]			Drug Enforcement Public Safety - 264.00 & 267.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 2,419,033	\$ 2,439,661	\$ 20,628
-	-	-	-	-	-
1,412,504	878,559	(533,945)	4,400	4,265	(135)
2,169,686	1,961,373	(208,313)	13,000	1,993	(11,007)
-	393	393	-	-	-
557,716	139,698	(418,018)	-	-	-
<u>4,139,906</u>	<u>2,980,023</u>	<u>(1,159,883)</u>	<u>2,436,433</u>	<u>2,445,919</u>	<u>9,486</u>
-	-	-	284,253	199,152	(85,101)
-	-	-	-	-	-
5,632,651	4,599,055	(1,033,596)	120,595	-	(120,595)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,632,651</u>	<u>4,599,055</u>	<u>(1,033,596)</u>	<u>404,848</u>	<u>199,152</u>	<u>(205,696)</u>
<u>(1,492,745)</u>	<u>(1,619,032)</u>	<u>(126,287)</u>	<u>2,031,585</u>	<u>2,246,767</u>	<u>215,182</u>
-	28,698	28,698	-	-	-
1,644,323	1,648,082	3,759	266,853	266,853	-
(151,578)	(150,088)	1,490	(2,298,438)	(2,286,782)	11,656
<u>1,492,745</u>	<u>1,526,692</u>	<u>33,947</u>	<u>(2,031,585)</u>	<u>(2,019,929)</u>	<u>11,656</u>
-	(92,340)	(92,340)	-	226,838	226,838
<u>1,637,091</u>	<u>1,637,091</u>	<u>-</u>	<u>917,792</u>	<u>917,792</u>	<u>-</u>
<u>\$ 1,637,091</u>	<u>\$ 1,544,751</u>	<u>\$ (92,340)</u>	<u>\$ 917,792</u>	<u>\$ 1,144,630</u>	<u>\$ 226,838</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Prosecutor's Welfare Fraud Grant - 266.02		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	281,502	255,482	(26,020)
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	281,502	255,482	(26,020)
Expenditures			
Judicial	420,152	387,456	(32,696)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	420,152	387,456	(32,696)
Revenues over (under) expenditures	(138,650)	(131,974)	6,676
Other financing sources (uses)			
Sale of fixed assets	-	-	-
Transfers in	138,650	131,974	(6,676)
Transfers out	-	-	-
Total other financing sources (uses)	138,650	131,974	(6,676)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -

Prosecutor's Grant Victim-Witness - 266.04			911 County Operational Fund - 266.09		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 1,742,872	\$ 1,742,580	\$ (292)
-	-	-	-	-	-
170,100	161,424	(8,676)	392,126	492,760	100,634
-	-	-	100	400	300
-	-	-	-	1,097	1,097
-	-	-	1,240,844	710,358	(530,486)
<u>170,100</u>	<u>161,424</u>	<u>(8,676)</u>	<u>3,375,942</u>	<u>2,947,195</u>	<u>(428,747)</u>
-	-	-	-	-	-
-	-	-	-	-	-
261,231	261,229	(2)	3,421,442	3,274,577	(146,865)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>261,231</u>	<u>261,229</u>	<u>(2)</u>	<u>3,421,442</u>	<u>3,274,577</u>	<u>(146,865)</u>
<u>(91,131)</u>	<u>(99,805)</u>	<u>(8,674)</u>	<u>(45,500)</u>	<u>(327,382)</u>	<u>(281,882)</u>
-	-	-	-	-	-
91,131	99,805	8,674	185,487	70,000	(115,487)
-	-	-	(139,987)	-	139,987
<u>91,131</u>	<u>99,805</u>	<u>8,674</u>	<u>45,500</u>	<u>70,000</u>	<u>24,500</u>
-	-	-	-	(257,382)	(257,382)
-	-	-	1,102,548	1,102,548	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,102,548</u>	<u>\$ 845,166</u>	<u>\$ (257,382)</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Self-Help Resource Center - 268.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	10,000	10,000	-
Charges for services	5,045	5,863	818
Interest	-	-	-
Other revenue	80,386	-	(80,386)
Total revenues	95,431	15,863	(79,568)
Expenditures			
Judicial	95,431	88,347	(7,084)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	95,431	88,347	(7,084)
Revenues over (under) expenditures	-	(72,484)	(72,484)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	50,000	50,000
Transfers out	-	-	-
Total other financing sources (uses)	-	50,000	50,000
Net change in fund balances	-	(22,484)	(22,484)
Fund balances, beginning of year	23,531	23,531	-
Fund balances, end of year	\$ 23,531	\$ 1,047	\$ (22,484)



County Law Library - 269.00			Senior Citizen - 270.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 2,108,353	\$ 2,090,926	\$ (17,427)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83,570	61,670	(21,900)	-	-	-
<u>83,570</u>	<u>61,670</u>	<u>(21,900)</u>	<u>2,108,353</u>	<u>2,090,926</u>	<u>(17,427)</u>
83,570	56,969	(26,601)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,108,353	2,092,328	(16,025)
-	-	-	-	-	-
-	-	-	-	-	-
<u>83,570</u>	<u>56,969</u>	<u>(26,601)</u>	<u>2,108,353</u>	<u>2,092,328</u>	<u>(16,025)</u>
-	4,701	4,701	-	(1,402)	(1,402)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,701	4,701	-	(1,402)	(1,402)
53,343	53,343	-	5,080	5,080	-
<u>\$ 53,343</u>	<u>\$ 58,044</u>	<u>\$ 4,701</u>	<u>\$ 5,080</u>	<u>\$ 3,678</u>	<u>\$ (1,402)</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Hazardous Materials Emergency Preparedness - 273.22		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	43,615	109	(43,506)
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	43,615	109	(43,506)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	43,615	109	(43,506)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	43,615	109	(43,506)
Revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
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 (PIP) Property Improvement 274.12			MSHDA 2008 Housing CDBG - 274.14		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	181	181
-	-	-	-	-	-
-	-	-	-	-	-
5,300	5,700	400	-	-	-
<u>5,300</u>	<u>5,700</u>	<u>400</u>	<u>-</u>	<u>181</u>	<u>181</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,300	5,300	-	-	335	335
-	-	-	-	-	-
<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>-</u>	<u>335</u>	<u>335</u>
-	400	400	-	(154)	(154)
-	-	-	-	-	-
-	-	-	-	174	174
-	(400)	(400)	-	-	-
-	(400)	(400)	-	174	174
-	-	-	-	20	20
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	DNR Waterways Grant - 274.16		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	-	-	-
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
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 CDBG Rehab Grant 2010-2011 - 274.17			Small Bus Program - 281.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
221,169	77,648	(143,521)	625,600	622,533	(3,067)
-	-	-	478,000	510,170	32,170
-	-	-	2,000	591	(1,409)
-	-	-	78,800	23,654	(55,146)
<u>221,169</u>	<u>77,648</u>	<u>(143,521)</u>	<u>1,184,400</u>	<u>1,156,948</u>	<u>(27,452)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
211,419	73,648	(137,771)	-	-	-
-	-	-	1,094,400	1,041,183	(53,217)
<u>211,419</u>	<u>73,648</u>	<u>(137,771)</u>	<u>1,094,400</u>	<u>1,041,183</u>	<u>(53,217)</u>
<u>9,750</u>	<u>4,000</u>	<u>(5,750)</u>	<u>90,000</u>	<u>115,765</u>	<u>25,765</u>
-	-	-	-	-	-
-	-	-	-	-	-
(9,750)	(4,000)	5,750	(90,000)	(82,247)	7,753
<u>(9,750)</u>	<u>(4,000)</u>	<u>5,750</u>	<u>(90,000)</u>	<u>(82,247)</u>	<u>7,753</u>
-	-	-	-	33,518	33,518
-	-	-	585,093	585,093	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,093</u>	<u>\$ 618,611</u>	<u>\$ 33,518</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Clean Sweep Pest Control Grant - 281.14		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	24,500	13,692	(10,808)
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	<u>24,500</u>	<u>13,692</u>	<u>(10,808)</u>
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	24,500	13,692	(10,808)
Total expenditures	<u>24,500</u>	<u>13,692</u>	<u>(10,808)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Scrap Tire Cleanup Grant - 281.30			Capital Bus Purchase Grant - 282.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,000	3,000	-	206,500	79,231	(127,269)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,000	3,000	-	206,500	79,231	(127,269)
3,000	3,000	-	206,500	79,231	(127,269)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Revenue Sharing Reserve - 285.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ 2,254,830	\$ -	\$ (2,254,830)
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Interest	-	407	407
Other revenue	491,000	-	(491,000)
Total revenues	2,745,830	407	(2,745,423)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	2,745,830	407	(2,745,423)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(2,745,830)	(478,357)	2,267,473
Total other financing sources (uses)	(2,745,830)	(478,357)	2,267,473
Net change in fund balances	-	(477,950)	(477,950)
Fund balances, beginning of year	477,950	477,950	-
Fund balances, end of year	\$ 477,950	\$ -	\$ (477,950)



Three Oaks Land Purchase - 286.00			Social Services - 290.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	676,727	634,389	(42,338)
-	-	-	-	-	-
-	8,819	8,819	-	-	-
-	-	-	-	-	-
-	8,819	8,819	676,727	634,389	(42,338)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	691,727	648,943	(42,784)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	691,727	648,943	(42,784)
-	8,819	8,819	(15,000)	(14,554)	446
-	-	-	-	-	-
-	-	-	15,000	15,000	-
-	-	-	-	-	-
-	-	-	15,000	15,000	-
-	8,819	8,819	-	446	446
-	-	-	44,101	44,101	-
\$ -	\$ 8,819	\$ 8,819	\$ 44,101	\$ 44,547	\$ 446

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Child Care Probate - 292.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	3,351,493	3,150,616	(200,877)
Charges for services	-	-	-
Interest	-	-	-
Other revenue	467,091	140,135	(326,956)
Total revenues	3,818,584	3,290,751	(527,833)
Expenditures			
Judicial	3,039	2,736	(303)
General government	-	-	-
Public safety	-	-	-
Health and welfare	7,935,356	7,538,240	(397,116)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	7,938,395	7,540,976	(397,419)
Revenues over (under) expenditures	(4,119,812)	(4,250,225)	(130,414)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	4,119,812	4,206,704	86,893
Transfers out	-	-	-
Total other financing sources (uses)	4,119,812	4,206,704	86,893
Net change in fund balances	-	(43,521)	(43,521)
Fund balances, beginning of year	489,679	489,679	-
Fund balances, end of year	\$ 489,679	\$ 446,158	\$ (43,521)

Child Care Social Services - 292.01			Soldiers and Sailors Relief - 293.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
693,180	429,300	(263,880)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100,000	-	(100,000)	4,486	5,521	1,035
<u>793,180</u>	<u>429,300</u>	<u>(363,880)</u>	<u>4,486</u>	<u>5,521</u>	<u>1,035</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,108,980	797,418	(311,562)	4,486	4,485	(1)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,108,980</u>	<u>797,418</u>	<u>(311,562)</u>	<u>4,486</u>	<u>4,485</u>	<u>(1)</u>
<u>(315,800)</u>	<u>(368,118)</u>	<u>(52,318)</u>	<u>-</u>	<u>1,036</u>	<u>1,036</u>
-	-	-	-	-	-
315,800	315,800	-	-	-	-
-	-	-	-	-	-
<u>315,800</u>	<u>315,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(52,318)	(52,318)	-	1,036	1,036
503,453	503,453	-	3,387	3,387	-
<u>\$ 503,453</u>	<u>\$ 451,135</u>	<u>\$ (52,318)</u>	<u>\$ 3,387</u>	<u>\$ 4,423</u>	<u>\$ 1,036</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Veteran's Trust - 294.00		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	30,000	33,412	3,412
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	30,000	33,412	3,412
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	30,000	27,108	(2,892)
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	30,000	27,108	(2,892)
Revenues over (under) expenditures	-	6,304	6,304
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	6,304	6,304
Fund balances, beginning of year	1,330	1,330	-
Fund balances, end of year	\$ 1,330	\$ 7,634	\$ 6,304



Board of Public Works - 296.00			Campaign Finance Administration - 297.03		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	70	70	-	-	-
-	-	-	-	-	-
-	-	-	100	-	(100)
-	70	70	100	-	(100)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	100	-	(100)
-	-	-	100	-	(100)
-	70	70	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	70	70	-	-	-
116,199	116,199	-	789	789	-
\$ 116,199	\$ 116,269	\$ 70	\$ 789	\$ 789	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Farm to School Grant - 297.37		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	2,000	1,000	(1,000)
Charges for services	-	-	-
Interest	-	-	-
Other revenue	-	-	-
Total revenues	2,000	1,000	(1,000)
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	2,000	678	(1,322)
Total expenditures	2,000	678	(1,322)
Revenues over (under) expenditures	-	322	322
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	322	322
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 322	\$ 322



Mental Health Court Grant - 297.38			Juvenile Accountability Block Grant - 297.34 & 297.36		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	-	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
42,289	2,507	(39,782)	1,969	1,961	(8)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,289</u>	<u>2,507</u>	<u>(39,782)</u>	<u>1,969</u>	<u>1,961</u>	<u>(8)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,188	2,179	(9)
-	-	-	-	-	-
-	-	-	-	-	-
42,289	2,507	(39,782)	-	-	-
<u>42,289</u>	<u>2,507</u>	<u>(39,782)</u>	<u>2,188</u>	<u>2,179</u>	<u>(9)</u>
-	-	-	(219)	(218)	1
-	-	-	-	-	-
-	-	-	219	218	(1)
-	-	-	-	-	-
-	-	-	219	218	(1)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2012

	Animal Control Neuter / Spay Program - 298.01		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Other revenue	11,000	12,275	1,275
Total revenues	11,000	12,275	1,275
Expenditures			
Judicial	-	-	-
General government	-	-	-
Public safety	11,000	9,933	(1,067)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Other governmental activities	-	-	-
Total expenditures	11,000	9,933	(1,067)
Revenues over (under) expenditures	-	2,342	2,342
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	2,342	2,342
Fund balances, beginning of year	15,096	15,096	-
Fund balances, end of year	\$ 15,096	\$ 17,438	\$ 2,342



Animal Control Special Fund - 298.02			Homestead Audit Administration - 620.00		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	94,973	73,086	(21,887)
-	-	-	350	895	545
12,000	15,221	3,221	5,839	-	(5,839)
<u>12,000</u>	<u>15,221</u>	<u>3,221</u>	<u>101,162</u>	<u>73,981</u>	<u>(27,181)</u>
-	-	-	-	-	-
-	-	-	-	-	-
12,000	9,980	(2,020)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	101,162	62,540	(38,622)
<u>12,000</u>	<u>9,980</u>	<u>(2,020)</u>	<u>101,162</u>	<u>62,540</u>	<u>(38,622)</u>
-	5,241	5,241	-	11,441	11,441
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,241	5,241	-	11,441	11,441
10,109	10,109	-	256,426	256,426	-
<u>\$ 10,109</u>	<u>\$ 15,350</u>	<u>\$ 5,241</u>	<u>\$ 256,426</u>	<u>\$ 267,867</u>	<u>\$ 11,441</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

	Total Special Revenue Funds		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ 8,525,088	\$ 6,273,167	\$ (2,251,921)
Licenses and permits	291,000	272,255	(18,745)
Intergovernmental revenue	15,504,956	12,852,513	(2,652,443)
Charges for services	4,401,932	4,345,182	(56,750)
Interest	12,850	13,581	731
Other revenue	6,816,380	2,387,207	(4,429,173)
Total revenues	35,552,206	26,143,905	(9,408,301)
Expenditures			
Judicial	3,846,737	3,579,753	(266,984)
General government	203,998	167,856	(36,142)
Public safety	9,511,796	8,159,354	(1,352,442)
Health and welfare	17,746,405	15,848,844	(1,897,561)
Recreation and cultural	4,058,314	3,062,445	(995,869)
Community development	216,719	79,283	(137,436)
Other governmental activities	3,053,321	2,096,211	(957,110)
Total expenditures	38,637,290	32,993,746	(5,643,544)
Revenues over (under) expenditures	(3,085,085)	(6,849,841)	(3,764,757)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	51,698	51,698
Transfers in	9,276,914	9,529,414	252,501
Transfers out	(6,191,829)	(3,982,740)	2,209,089
Total other financing sources (uses)	3,085,085	5,598,372	2,513,288
Net change in fund balances	-	(1,251,469)	(1,251,469)
Fund balances, beginning of year	10,744,931	10,744,931	-
Fund balances, end of year	\$ 10,744,931	\$ 9,493,462	\$ (1,251,469)

concluded.

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2012

	Bridge Bond 301.00	Building Authority 450.00	Total
Assets			
Cash and investments	\$ 260	\$ 404	\$ 664
Fund balances			
Restricted	\$ 260	\$ 404	\$ 664

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COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2012

	Bridge Bond 301.00	Building Authority 450.00	Total
Revenues			
Charges for services	\$ -	\$ 596,125	\$ 596,125
Expenditures			
Debt service:			
Principal	-	3,260,000	3,260,000
Interest and fiscal charges	-	132,496	132,496
Total expenditures	-	3,392,496	3,392,496
Revenues under expenditures	-	(2,796,371)	(2,796,371)
Other financing sources			
Transfers in	-	5,045,275	5,045,275
Net change in fund balances	-	2,248,904	2,248,904
Fund balances, beginning of year	260	(2,248,500)	(2,248,240)
Fund balances, end of year	\$ 260	\$ 404	\$ 664

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Capital Project Funds December 31, 2012

	Capital Improvement 245.00 & 401.00	Vehicle / Equipment Replacement 402.00	Capital Reserve 403.00
Assets			
Cash and investments	\$ 5,038,336	\$ 319,313	\$ 1,476,701
Liabilities			
Accounts payable	\$ 47,235	\$ -	\$ -
Fund balances			
Restricted	-	-	1,476,701
Committed	4,991,101	319,313	-
Total fund balances	4,991,101	319,313	1,476,701
Total liabilities and fund balances	\$ 5,038,336	\$ 319,313	\$ 1,476,701



Animal Shelter 413.00	Building Authority 450.00	Total
<u>\$ 417,079</u>	<u>\$ 3,266</u>	<u>\$ 7,254,695</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,235</u>
417,079	3,266	1,897,046
<u>-</u>	<u>-</u>	<u>5,310,414</u>
<u>417,079</u>	<u>3,266</u>	<u>7,207,460</u>
<u>\$ 417,079</u>	<u>\$ 3,266</u>	<u>\$ 7,254,695</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

For the Year Ended December 31, 2012

	Capital Improvement 245.00 & 401.00	Vehicle / Equipment Replacement 402.00	Capital Reserve 403.00
Revenues			
Interest revenue	\$ 2,066	\$ -	\$ 9,123
Other	-	-	-
Total revenues	<u>2,066</u>	<u>-</u>	<u>9,123</u>
Expenditures			
Current expenditures:			
Public works	-	323,352	-
Other governmental activities	774,778	-	-
Total expenditures	<u>774,778</u>	<u>323,352</u>	<u>-</u>
Revenues over (under) expenditures	<u>(772,712)</u>	<u>(323,352)</u>	<u>9,123</u>
Other financing sources (uses)			
Transfers in	4,153,961	324,747	5,414,500
Transfers out	(2,408,682)	-	(5,045,275)
Total other financing sources (uses)	<u>1,745,279</u>	<u>324,747</u>	<u>369,225</u>
Net change in fund balances	972,567	1,395	378,348
Fund balances, beginning of year	4,018,534	317,918	1,098,353
Fund balances, end of year	<u>\$ 4,991,101</u>	<u>\$ 319,313</u>	<u>\$ 1,476,701</u>



Animal Shelter 413.00	Building Authority 450.00	Total
\$ 1,349	\$ 38	\$ 12,576
15,377	-	15,377
<u>16,726</u>	<u>38</u>	<u>27,953</u>
-	-	323,352
-	-	774,778
<u>-</u>	<u>-</u>	<u>1,098,130</u>
<u>16,726</u>	<u>38</u>	<u>(1,070,177)</u>
-	-	9,893,208
-	-	(7,453,957)
<u>-</u>	<u>-</u>	<u>2,439,251</u>
16,726	38	1,369,074
<u>400,353</u>	<u>3,228</u>	<u>5,838,386</u>
<u>\$ 417,079</u>	<u>\$ 3,266</u>	<u>\$ 7,207,460</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2012

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00
Assets			
Current assets:			
Cash and investments	\$ 827,298	\$ 474,388	\$ 325,649
Current portion of leases receivable	-	-	-
Taxes receivable - delinquent	-	374,382	-
Due from other governments	-	31,207	-
Due from other funds	511,910	-	115
Inventories	-	-	37,520
Total current assets	1,339,208	879,977	363,284
Noncurrent assets:			
Leases receivable, net of current portion	-	-	-
Capital assets being depreciated, net	-	-	113,370
Total noncurrent assets	-	-	113,370
Total assets	1,339,208	879,977	476,654
Liabilities			
Current liabilities:			
Accounts payable	43	-	2,680
Accrued expenses	2,862	625	-
Due to other funds	390,222	14,664	-
Due to other governments	-	688,642	-
Current portion of long-term debt	-	-	-
Total current liabilities	393,127	703,931	2,680
Long-term liabilities:			
Due in more than one year	-	-	-
Total liabilities	393,127	703,931	2,680
Net position			
Net investment in capital assets	-	-	113,370
Unrestricted	946,081	176,046	360,604
Total net position	\$ 946,081	\$ 176,046	\$ 473,974

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	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 851.82
\$ -	\$ 158	\$ 7,441	\$ 766	\$ -	\$ 8,754
-	-	35,000	-	100,000	25,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	158	42,441	766	100,000	33,754
-	-	78,719	-	702,423	193,304
-	-	-	-	-	-
-	-	78,719	-	702,423	193,304
-	158	121,160	766	802,423	227,058
-	-	-	-	-	-
-	-	1,160	-	7,423	2,058
-	-	-	-	-	-
-	158	-	766	-	-
-	-	35,000	-	100,000	25,000
-	158	36,160	766	107,423	27,058
-	-	85,000	-	695,000	200,000
-	158	121,160	766	802,423	227,058
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2012

	Royalton Township Water System No. 25 851.84	Royalton Township Water System No. 26 851.86	New Buffalo City Water System No. 28 851.87
Assets			
Current assets:			
Cash and investments	\$ 47	\$ 446	\$ 1,531
Current portion of leases receivable	-	-	65,000
Taxes receivable - delinquent	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Inventories	-	-	-
Total current assets	47	446	66,531
Noncurrent assets:			
Leases receivable, net of current portion	-	-	1,382,257
Capital assets being depreciated, net	-	-	-
Total noncurrent assets	-	-	1,382,257
Total assets	47	446	1,448,788
Liabilities			
Current liabilities:			
Accounts payable	-	-	-
Accrued expenses	-	-	8,864
Due to other funds	-	-	-
Due to other governments	47	446	-
Current portion of long-term debt	-	-	65,000
Total current liabilities	47	446	73,864
Long-term liabilities:			
Due in more than one year	-	-	1,374,924
Total liabilities	47	446	1,448,788
Net position			
Net investment in capital assets	-	-	-
Unrestricted	-	-	-
Total net position	\$ -	\$ -	\$ -



Village of Berrien Springs Water / Sewer System No. 29 851.89	Total
---	-------

\$ -	\$ 1,646,478
105,000	330,000
-	374,382
-	31,207
-	512,025
-	37,520
<u>105,000</u>	<u>2,931,612</u>

2,990,658	5,347,361
-	113,370
<u>2,990,658</u>	<u>5,460,731</u>

<u>3,095,658</u>	<u>8,392,343</u>
------------------	------------------

-	2,723
24,721	47,713
-	404,886
-	690,059
105,000	330,000
<u>129,721</u>	<u>1,475,381</u>

<u>2,965,937</u>	<u>5,320,861</u>
------------------	------------------

<u>3,095,658</u>	<u>6,796,242</u>
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-	113,370
-	<u>1,482,731</u>

<u>\$ -</u>	<u>\$ 1,596,101</u>
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concluded.

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00
Operating revenues			
Charges for services	\$ 1,079,744	\$ 41,230	\$ 93,733
Operating expense			
Operations	780,511	37,045	66,134
Depreciation	-	-	51,218
Total operating expense	780,511	37,045	117,352
Operating income (loss)	299,233	4,185	(23,619)
Nonoperating revenues (expenses)			
Interest revenue	-	685	-
Interest and fiscal charges	-	-	-
Other revenue			
Total nonoperating revenue (expenses)	-	685	-
Income (loss) before transfers	299,233	4,870	(23,619)
Transfers in	2,510	-	-
Transfers out	(2,855)	(10,000)	-
Change in net position	298,888	(5,130)	(23,619)
Net position, beginning of year	647,193	181,176	497,593
Net position, end of year	\$ 946,081	\$ 176,046	\$ 473,974



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	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 851.82
\$ 103	\$ 3,720	\$ 8,157	\$ -	\$ 46,165	\$ 12,973
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
103	3,720	8,157	-	46,165	12,973
-	-	-	-	-	-
(103)	(3,720)	(8,157)	-	(46,165)	(12,973)
(103)	(3,720)	(8,157)	-	(46,165)	(12,973)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Royalton Township Water System No. 25 851.84	Royalton Township Water System No. 26 851.86	New Buffalo City Water System No. 28 851.87
Operating revenues			
Charges for services	\$ 10,626	\$ 2,573	\$ 36,827
Operating expense			
Operations	-	-	-
Depreciation	-	-	-
Total operating expense	-	-	-
Operating income (loss)	10,626	2,573	36,827
Nonoperating revenues (expenses)			
Interest revenue	-	-	-
Interest and fiscal charges	(10,626)	(2,573)	(36,827)
Total nonoperating revenue (expenses)	(10,626)	(2,573)	(36,827)
Income (loss) before transfers	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	\$ -	\$ -	\$ -



Village of Berrien Springs Water / Sewer System No. 29 851.89	Total
<u>\$ 171,419</u>	<u>\$ 1,507,270</u>
477	884,167
<u>-</u>	<u>51,218</u>
477	935,385
<u>170,942</u>	<u>571,885</u>
-	685
<u>(170,942)</u>	<u>(292,086)</u>
<u>(170,942)</u>	<u>(291,401)</u>
-	280,484
-	2,510
<u>-</u>	<u>(12,855)</u>
-	270,139
<u>-</u>	<u>1,325,962</u>
<u>\$ -</u>	<u>\$ 1,596,101</u>

concluded.

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00
Cash flows from operating activities			
Cash received from customers	\$ 1,079,744	\$ 41,230	\$ 93,733
Cash payments to suppliers for goods and services	(801,007)	31,351	(69,629)
Cash payments to employees for services	(86,966)	(2,637)	-
Net cash provided by (used in) operating activities	<u>191,771</u>	<u>69,944</u>	<u>24,104</u>
Cash flows from noncapital financing activities			
Proceeds from issuance of long-term debt	-	-	-
Principal payments	-	-	-
Interest payments	-	-	-
Transfers in	2,510	-	-
Transfers out	(2,855)	(10,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(345)</u>	<u>(10,000)</u>	<u>-</u>
Cash flows from investing activities			
Interest received	-	685	-
Amounts collected on leases receivable	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>685</u>	<u>-</u>
Net change in cash and cash equivalents	191,426	60,629	24,104
Cash and cash equivalents, beginning of year	635,872	413,759	301,545
Cash and cash equivalents, end of year	<u>\$ 827,298</u>	<u>\$ 474,388</u>	<u>\$ 325,649</u>

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	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 851.82
\$ 103 (2,450) -	\$ 3,720 (6,077) -	\$ 8,157 (338) -	\$ - - -	\$ 46,165 (675) -	\$ 12,973 (175) -
<u>(2,347)</u>	<u>(2,357)</u>	<u>7,819</u>	<u>-</u>	<u>45,490</u>	<u>12,798</u>
- (245,000) (103) - -	- (795,000) (3,720) - -	- (35,000) (8,157) - -	- - - -	- (75,000) (46,165) - -	- (20,000) (12,973) - -
<u>(245,103)</u>	<u>(798,720)</u>	<u>(43,157)</u>	<u>-</u>	<u>(121,165)</u>	<u>(32,973)</u>
- 247,450	- 801,077	- 35,347	- -	- 75,675	- 20,184
<u>247,450</u>	<u>801,077</u>	<u>35,347</u>	<u>-</u>	<u>75,675</u>	<u>20,184</u>
-	-	9	-	-	9
-	158	7,432	766	-	8,745
<u>\$ -</u>	<u>\$ 158</u>	<u>\$ 7,441</u>	<u>\$ 766</u>	<u>\$ -</u>	<u>\$ 8,754</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Royalton Township Water System No. 25 851.84	Royalton Township Water System No. 26 851.86	New Buffalo City Water System No. 28 851.87
Cash flows from operating activities			
Cash received from customers	\$ 10,626	\$ 2,573	\$ 36,827
Cash payments to suppliers for goods and services	(12,753)	(2,792)	(257)
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	(2,127)	(219)	36,570
Cash flows from noncapital financing activities			
Proceeds from issuance of long-term debt	-	-	43,275
Principal payments	(1,925,000)	(440,000)	(65,000)
Interest payments	(10,626)	(2,573)	(36,827)
Transfers in	-	-	-
Transfers out	-	-	-
Net cash provided by (used in) noncapital financing activities	(1,935,626)	(442,573)	(58,552)
Cash flows from investing activities			
Interest received	-	-	-
Amounts collected on leases receivable	1,937,754	442,792	23,508
Net cash provided by investing activities	1,937,754	442,792	23,508
Net change in cash and cash equivalents	1	-	1,526
Cash and cash equivalents, beginning of year	46	446	5
Cash and cash equivalents, end of year	\$ 47	\$ 446	\$ 1,531



Village of Berrien Springs Water / Sewer System No. 29 851.89	Total
\$ 171,419	\$ 1,507,270
(242)	(865,044)
-	(89,603)
<u>171,177</u>	<u>552,623</u>
-	43,275
(100,000)	(3,700,000)
(170,942)	(292,086)
-	2,510
-	(12,855)
<u>(270,942)</u>	<u>(3,959,156)</u>
-	685
<u>83,815</u>	<u>3,667,602</u>
<u>83,815</u>	<u>3,668,287</u>
(15,950)	261,754
<u>15,950</u>	<u>1,384,724</u>
<u>\$ -</u>	<u>\$ 1,646,478</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Delinquent Tax Foreclosure 617.xx	Delinquent Personal Property Tax 618.00	Drain Working Capital 639.00
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 299,233	\$ 4,185	\$ (23,619)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	-	-	51,218
Amortization	-	-	-
Changes in assets and liabilities:			
Taxes receivable - delinquent	-	124,015	-
Due from other governments	-	(31,207)	-
Due from other funds	(482,658)	-	(115)
Inventories	-	-	(1,242)
Accounts payable	(15,504)	-	(2,138)
Accrued expenses	478	(222)	-
Due to other governments	-	(41,491)	-
Due to other funds	390,222	14,664	-
Net cash provided by (used in) operating activities	<u>\$ 191,771</u>	<u>\$ 69,944</u>	<u>\$ 24,104</u>

Royalton Township Water System No. 20 851.15	Royalton Township Water System No. 23851.17	Buchanan Township Sewer System No. 23 / Water System No. 21 851.41	Royalton Township Sewer System No. 20 851.70 & .79	Coloma Township Sewer System No. 24 851.81	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 851.82
\$ 103	\$ 3,720	\$ 8,157	\$ -	\$ 46,165	\$ 12,973
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(766)	-	-
(2,450)	(6,235)	(338)	-	(675)	(175)
-	158	-	766	-	-
-	-	-	-	-	-
<u>\$ (2,347)</u>	<u>\$ (2,357)</u>	<u>\$ 7,819</u>	<u>\$ -</u>	<u>\$ 45,490</u>	<u>\$ 12,798</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2012

	Royalton Township Water System No. 25 851.84	Royalton Township Water System No. 26 851.86	New Buffalo City Water System No. 28 851.87
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 10,626	\$ 2,573	\$ 36,827
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	-	-	-
Amortization	-	-	-
Changes in assets and liabilities:			
Taxes receivable - delinquent	-	-	-
Due from other governments	-	-	87,533
Due from other funds	-	-	-
Inventories	-	-	-
Accounts payable	-	-	(87,532)
Accrued expenses	(12,800)	(3,238)	(258)
Due to other governments	47	446	-
Due to other funds	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (2,127)</u>	<u>\$ (219)</u>	<u>\$ 36,570</u>



Village of Berrien Springs Water / Sewer System No. 29 851.89	Total
---	-------

\$ 170,942 \$ 571,885

- 51,218
477 477

- 124,015
- 56,326
- (482,773)
- (1,242)
- (105,940)
(242) (26,155)
- (40,074)
- 404,886

\$ 171,177 \$ 552,623

concluded.

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2012

	Property / Liability Insurance 677.00	Workers' Compensation Insurance 677.01	Healthcare Insurance 677.02	Unemployment Insurance 677.03	Total
Assets					
Current assets -					
Cash and investments	\$ 2,459,489	\$ 1,444,168	\$ 7,967,954	\$ 71,476	\$ 11,943,087
Noncurrent assets -					
Restricted cash	1,168,882	-	-	-	1,168,882
Total assets	3,628,371	1,444,168	7,967,954	71,476	13,111,969
Liabilities					
Current liabilities -					
Accrued expenses	1,503,942	187,289	2,447,490	-	4,138,721
Net position					
Restricted for self-insurance claims	1,168,882	-	-	-	1,168,882
Unrestricted	955,547	1,256,879	5,520,464	71,476	7,804,366
Total net position	\$ 2,124,429	\$ 1,256,879	\$ 5,520,464	\$ 71,476	\$ 8,973,248

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended December 31, 2012

	Property / Liability Insurance 677.00	Workers' Compensation Insurance 677.01	Healthcare Insurance 677.02	Unemployment Insurance 677.03	Total
Operating revenues					
Charges for services	\$ 707,250	\$ 23,301	\$ 10,700,449	\$ 12,755	\$ 11,443,755
Operating expenses					
Operation and maintenance	-	-	1,502,056	1,600	1,503,656
Benefits and claims	499,213	204,696	10,321,327	52,243	11,077,479
Total operating expenses	499,213	204,696	11,823,383	53,843	12,581,135
Operating income (loss)	208,037	(181,395)	(1,122,934)	(41,088)	(1,137,380)
Nonoperating revenues					
Interest income	20,766	1,480	6,721	-	28,967
Income (loss) before transfers	228,803	(179,915)	(1,116,213)	(41,088)	(1,108,413)
Transfers out	-	-	-	-	-
Change in net position	228,803	(179,915)	(1,116,213)	(41,088)	(1,108,413)
Net position, beginning of year	1,895,626	1,436,794	6,636,677	112,564	10,081,661
Net position, end of year	\$ 2,124,429	\$ 1,256,879	\$ 5,520,464	\$ 71,476	\$ 8,973,248

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2012

	Property / Liability Insurance 677.00	Workers' Compensation Insurance 677.01	Healthcare Insurance 677.02	Unemployment Insurance 677.03	Total
Cash flows from operating activities					
Cash received from interfund services provided	\$ 707,250	\$ 23,301	\$ 10,700,449	\$ 12,755	\$ 11,443,755
Cash payments to suppliers for services	(396,750)	(202,483)	(11,777,699)	(53,843)	(12,430,775)
Net cash provided by (used in) operating activities	310,500	(179,182)	(1,077,250)	(41,088)	(987,020)
Cash flows from investing activities					
Interest received	20,766	1,480	6,721	-	28,967
Net change in cash and investments	331,266	(177,702)	(1,070,529)	(41,088)	(958,053)
Cash and investments, beginning of year	3,297,105	1,621,870	9,038,483	112,564	14,070,022
Cash and investments, end of year	\$ 3,628,371	\$ 1,444,168	\$ 7,967,954	\$ 71,476	\$ 13,111,969
Statement of net position classification of cash and investments					
Cash and investments	\$ 2,459,489	\$ 1,444,168	\$ 7,967,954	\$ 71,476	\$ 11,943,087
Restricted cash	1,168,882	-	-	-	1,168,882
	\$ 3,628,371	\$ 1,444,168	\$ 7,967,954	\$ 71,476	\$ 13,111,969
Reconciliation of operating income (loss) to net cash used in operating activities:					
Operating income (loss)	\$ 208,037	\$ (181,395)	\$ (1,122,934)	\$ (41,088)	\$ (1,137,380)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -					
Accrued expenses	102,463	2,213	45,684	-	150,360
Net cash provided by (used in) operating activities	\$ 310,500	\$ (179,182)	\$ (1,077,250)	\$ (41,088)	\$ (987,020)

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COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

All Agency Funds
December 31, 2012

	Trust and Agency 701.00	Court Orders Payable 702.00	Library Trust 721.00	District Court Trust 760.00
Assets				
Cash and investments	\$ 177,960	\$ 64,676	\$ 687,412	\$ 601,793
Accounts receivable	1,251,117	-	-	-
Total assets	<u>\$ 1,429,077</u>	<u>\$ 64,676</u>	<u>\$ 687,412</u>	<u>\$ 601,793</u>
Liabilities				
Undistributed receipts	<u>\$ 1,429,077</u>	<u>\$ 64,676</u>	<u>\$ 687,412</u>	<u>\$ 601,793</u>



Jail Inmate Trust 764.00	Total
\$ 13,885	\$ 1,545,726
-	1,251,117
<u>\$ 13,885</u>	<u>\$ 2,796,843</u>
<u>\$ 13,885</u>	<u>\$ 2,796,843</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
Trust and Agency Fund				
Assets				
Cash and cash equivalents	\$ 1,068,003	\$ 100,357,802	\$ 101,247,845	\$ 177,960
Accounts receivable	178,322	844,033	(228,762)	1,251,117
Total assets	\$ 1,246,325	\$ 101,201,835	\$ 101,019,083	\$ 1,429,077
Liabilities				
Undistributed receipts	\$ 1,246,325	\$ 101,201,835	\$ 101,019,083	\$ 1,429,077
Court Orders Payable Fund				
Assets				
Cash and cash equivalents	\$ 42,319	\$ 494,061	\$ 471,704	\$ 64,676
Liabilities				
Undistributed receipts	\$ 42,319	\$ 494,061	\$ 471,704	\$ 64,676
Library Trust Fund				
Assets				
Cash and cash equivalents	\$ 634,452	\$ 5,279,686	\$ 5,226,726	\$ 687,412
Liabilities				
Undistributed receipts	\$ 634,452	\$ 5,279,686	\$ 5,226,726	\$ 687,412
District Court Trust Fund				
Assets				
Cash and cash equivalents	\$ 503,423	\$ 98,370	\$ -	\$ 601,793
Liabilities				
Undistributed receipts	\$ 503,423	\$ 98,370	\$ -	\$ 601,793

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
Jail Inmate Trust Fund				
Assets				
Cash and cash equivalents	\$ 13,498	\$ 13,862	\$ 13,475	\$ 13,885
Liabilities				
Undistributed receipts	\$ 13,498	\$ 13,862	\$ 13,475	\$ 13,885
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,261,695	\$ 106,243,781	\$ 106,959,750	\$ 1,545,726
Accounts receivable	178,322	844,033	(228,762)	1,251,117
Total assets	\$ 2,440,017	\$ 107,087,814	\$ 106,730,988	\$ 2,796,843
Liabilities				
Undistributed receipts	\$ 2,440,017	\$ 107,087,814	\$ 106,730,988	\$ 2,796,843

concluded.

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet Drain Commission Component Unit December 31, 2012

	Capital Projects Funds		
	Drain 801.00	Drain Revolving 802.00	Hollywood Road Detention Bonds 803.03
Assets			
Cash and investments	\$ 1,925,930	\$ 282,714	\$ 139,643
Special assessments receivable	2,662,770	-	200,000
Due from other funds	-	413,802	-
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
Total assets	<u>\$ 4,588,700</u>	<u>\$ 696,516</u>	<u>\$ 339,643</u>
Liabilities			
Accounts payable	\$ 40,104	\$ 31,569	\$ -
Accrued expenses	-	-	-
Due to other funds	413,802	-	-
Advances from primary government	-	650,000	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u>453,906</u>	<u>681,569</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	<u>2,662,770</u>	<u>-</u>	<u>200,000</u>
Fund balances			
Restricted	-	-	139,643
Committed	<u>1,472,024</u>	<u>14,947</u>	<u>-</u>
Total fund balances	<u>1,472,024</u>	<u>14,947</u>	<u>139,643</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,588,700</u>	<u>\$ 696,516</u>	<u>\$ 339,643</u>
Net position			
Net investment in capital assets			
Restricted			
Unrestricted			
Total net position			

Starr & Wellington Drain 803.04	Close Drain 803.05	Schwark Drain Drainage District 803.06	Hollywood Road Consolidated Drain 803.07	Barnes & Hamilton Drain Drainage District 803.08	Lakeshore Drain Drainage District 803.09
\$ 39,970	\$ 181,232	\$ 484,166	\$ 80,005	\$ 422,792	\$ 680,032
145,000	1,035,000	1,640,000	2,500,000	1,540,000	3,620,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 184,970</u>	<u>\$ 1,216,232</u>	<u>\$ 2,124,166</u>	<u>\$ 2,580,005</u>	<u>\$ 1,962,792</u>	<u>\$ 4,300,032</u>
\$ -	\$ 362	\$ -	\$ -	\$ 70	\$ 1,161
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	362	-	-	70	1,161
<u>145,000</u>	<u>1,035,000</u>	<u>1,640,000</u>	<u>2,500,000</u>	<u>1,540,000</u>	<u>3,620,000</u>
39,970	180,870	484,166	80,005	422,722	678,871
-	-	-	-	-	-
<u>39,970</u>	<u>180,870</u>	<u>484,166</u>	<u>80,005</u>	<u>422,722</u>	<u>678,871</u>
<u>\$ 184,970</u>	<u>\$ 1,216,232</u>	<u>\$ 2,124,166</u>	<u>\$ 2,580,005</u>	<u>\$ 1,962,792</u>	<u>\$ 4,300,032</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2012

	Smith & Strong Drain Drainage District 803.10	Lakeside Drain Drainage District 803.11	Estates Drain Drainage District 803.12
Assets			
Cash and investments	\$ 64,537	\$ 188,128	\$ 268,619
Special assessments receivable	800,000	605,000	780,000
Due from other funds	-	-	-
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
Total assets	\$ 864,537	\$ 793,128	\$ 1,048,619
Liabilities			
Accounts payable	\$ 6,535	\$ 4,716	\$ 2,926
Accrued expenses	-	-	-
Due to other funds	-	-	-
Advances from primary government	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	6,535	4,716	2,926
Deferred inflows of resources			
Unavailable revenue - special assessments	800,000	605,000	780,000
Fund balances			
Restricted	-	-	-
Committed	58,002	183,412	265,693
Total fund balances	58,002	183,412	265,693
Total liabilities, deferred inflows of resources and fund balances	\$ 864,537	\$ 793,128	\$ 1,048,619
Net position			
Net investment in capital assets			
Restricted			
Unrestricted			
Total net position			

Oak Hill Springs Drain Drainage District 803.13	Total Capital Projects Funds	Adjustments	Statement of Net Position
\$ 124,524	\$ 4,882,292	\$ -	\$ 4,882,292
560,000	16,087,770	-	16,087,770
-	413,802	(413,802)	-
-	-	215,747	215,747
-	-	14,299,338	14,299,338
<u>\$ 684,524</u>	<u>\$ 21,383,864</u>	<u>14,101,283</u>	<u>35,485,147</u>
\$ -	\$ 87,443	-	87,443
-	-	100,432	100,432
-	413,802	(413,802)	-
-	650,000	-	650,000
-	-	1,757,000	1,757,000
-	-	14,209,379	14,209,379
-	<u>1,151,245</u>	<u>15,653,009</u>	<u>16,804,254</u>
<u>560,000</u>	<u>16,087,770</u>	<u>(16,087,770)</u>	<u>-</u>
-	2,026,247	(2,026,247)	-
<u>124,524</u>	<u>2,118,602</u>	<u>(2,118,602)</u>	<u>-</u>
<u>124,524</u>	<u>4,144,849</u>	<u>(4,144,849)</u>	<u>-</u>
<u>\$ 684,524</u>	<u>\$ 21,383,864</u>		
		1,843,107	1,843,107
		2,026,247	2,026,247
		<u>14,811,539</u>	<u>14,811,539</u>
		<u>\$ 18,680,893</u>	<u>\$ 18,680,893</u>

concluded.

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances Drain Commission Component Unit For the Year Ended December 31, 2012

	Capital Projects Funds		
	Drain 801.00	Drain Revolving 802.00	Hollywood Road Detention Bonds 803.03
Expenditures / expenses			
Public works	\$ 937,671	\$ -	\$ -
Debt Service:			
Principal	995,377	-	20,000
Interest	94,514	-	9,975
Total expenditures / expenses	<u>2,027,562</u>	<u>-</u>	<u>29,975</u>
Program revenues			
Operating grants and contributions	2,413,239	-	193
Special assessments / capital grants and contributions	-	-	-
Total program revenues	<u>2,413,239</u>	<u>-</u>	<u>193</u>
Net (expense) revenue	<u>385,677</u>	<u>-</u>	<u>(29,782)</u>
Other financing sources			
Issuance of long-term debt	990,950	-	-
Transfers in	154,090	-	23,310
Transfers out	(1,041,429)	-	-
Total other financing sources (uses)	<u>103,611</u>	<u>-</u>	<u>23,310</u>
Change in fund balance / change in net position	489,288	-	(6,472)
Fund balances / net position, beginning of year	<u>982,736</u>	<u>14,947</u>	<u>146,115</u>
Fund balances / net position, end of year	<u>\$ 1,472,024</u>	<u>\$ 14,947</u>	<u>\$ 139,643</u>

Starr & Wellington Drain 803.04	Close Drain 803.05	Schwark Drain Drainage District 803.06	Hollywood Road Consolidated Drain 803.07	Barnes & Hamilton Drain Drainage District 803.08	Lakeshore Drain Drainage District 803.09
\$ 785	\$ 7,074	\$ 15,988	\$ 16,634	\$ 2,871	\$ 107,849
12,000	130,000	60,000	100,000	170,000	140,000
9,356	37,863	63,871	100,138	48,758	112,995
<u>22,141</u>	<u>174,937</u>	<u>139,859</u>	<u>216,772</u>	<u>221,629</u>	<u>360,844</u>
7	550	656	1,887	573	4,849
-	-	-	-	-	-
<u>7</u>	<u>550</u>	<u>656</u>	<u>1,887</u>	<u>573</u>	<u>4,849</u>
<u>(22,134)</u>	<u>(174,387)</u>	<u>(139,203)</u>	<u>(214,885)</u>	<u>(221,056)</u>	<u>(355,995)</u>
-	-	-	-	-	-
20,735	167,046	113,755	198,275	200,875	246,760
-	-	-	-	-	-
<u>20,735</u>	<u>167,046</u>	<u>113,755</u>	<u>198,275</u>	<u>200,875</u>	<u>246,760</u>
(1,399)	(7,341)	(25,448)	(16,610)	(20,181)	(109,235)
<u>41,369</u>	<u>188,211</u>	<u>509,614</u>	<u>96,615</u>	<u>442,903</u>	<u>788,106</u>
<u>\$ 39,970</u>	<u>\$ 180,870</u>	<u>\$ 484,166</u>	<u>\$ 80,005</u>	<u>\$ 422,722</u>	<u>\$ 678,871</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances Drain Commission Component Unit For the Year Ended December 31, 2012

	Smith & Strong Drain Drainage District 803.10	Lakeside Drain Drainage District 803.11	Estates Drain Drainage District 803.12
Expenditures / expenses			
Public works	\$ 735,600	\$ 508,185	\$ 388,684
Debt Service:			
Principal	-	-	-
Interest	11,374	8,843	12,375
	<u>746,974</u>	<u>517,028</u>	<u>401,059</u>
Total expenditures / expenses			
Program revenues			
Operating grants and contributions	4,976	24,767	-
Special assessments / capital grants and contributions	-	-	-
	<u>4,976</u>	<u>24,767</u>	<u>-</u>
Total program revenues			
Net (expense) revenue	<u>(741,998)</u>	<u>(492,261)</u>	<u>(401,059)</u>
Other financing sources			
Issuance of long-term debt	800,000	605,000	780,000
Transfers in	-	70,673	-
Transfers out	-	-	(113,248)
	<u>800,000</u>	<u>675,673</u>	<u>666,752</u>
Total other financing sources (uses)			
Change in fund balance / change in net position	58,002	183,412	265,693
Fund balances / net position, beginning of year	-	-	-
Fund balances / net position, end of year	<u>\$ 58,002</u>	<u>\$ 183,412</u>	<u>\$ 265,693</u>



Oak Hill Springs Drain Drainage District 803.13	Total Capital Funds	Adjustments	Statement of Activities
\$ 388,411	\$ 3,109,752	\$ (1,529,632)	\$ 1,580,120
-	1,627,377	(1,627,377)	-
6,223	516,285	-	516,285
<u>394,634</u>	<u>5,253,414</u>	<u>(3,157,009)</u>	<u>2,096,405</u>
-	2,451,697	-	2,451,697
-	-	2,108,573	2,108,573
<u>-</u>	<u>2,451,697</u>	<u>2,108,573</u>	<u>4,560,270</u>
<u>(394,634)</u>	<u>(2,801,717)</u>	<u>-</u>	<u>2,463,865</u>
560,000	3,735,950	(3,735,950)	-
-	1,195,519	(1,195,519)	-
(40,842)	(1,195,519)	1,195,519	-
<u>519,158</u>	<u>3,735,950</u>	<u>(3,735,950)</u>	<u>-</u>
124,524	934,233	1,529,632	2,463,865
-	3,210,616	13,006,412	16,217,028
<u>\$ 124,524</u>	<u>\$ 4,144,849</u>	<u>\$ 14,536,044</u>	<u>\$ 18,680,893</u>

concluded.

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position

Economic Development Corporation Component Unit

December 31, 2012

	Governmental Activities	Business-type Activities	
	Supplemental Services Special Revenue Fund 287.00	Enterprise Funds	Total
Assets			
Current assets -			
Cash and investments	\$ 260,711	\$ 700,417	\$ 961,128
Advance to other component unit	145,346	-	145,346
Total current assets	<u>406,057</u>	<u>700,417</u>	<u>1,106,474</u>
Noncurrent assets:			
Notes receivable	-	537,835	537,835
Advance to primary government	-	1,150,000	1,150,000
Total noncurrent assets	<u>-</u>	<u>1,687,835</u>	<u>1,687,835</u>
Total assets	<u>406,057</u>	<u>2,388,252</u>	<u>2,794,309</u>
Liabilities			
Current liabilities -			
Accrued liabilities	658	-	658
Due to primary government	195,963	-	195,963
Total current liabilities	<u>196,621</u>	<u>-</u>	<u>196,621</u>
Long-term liabilities -			
Advances from primary government	-	1,150,000	1,150,000
Total liabilities	<u>196,621</u>	<u>1,150,000</u>	<u>1,346,621</u>
Net position			
Unrestricted	<u>\$ 209,436</u>	<u>\$ 1,238,252</u>	<u>\$ 1,447,688</u>

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities

Economic Development Corporation Component Unit

For the Year Ended December 31, 2012

	Governmental Activities	Business-type Activities	
	Supplemental Services Special Revenue Fund 287.00	Enterprise Funds	Total
Expenses			
Community development	\$ 216,984	\$ -	\$ 216,984
Program revenues			
Charges for services	300,955	-	300,955
Interest revenue	11	26,525	26,536
Total program revenues	<u>300,966</u>	<u>26,525</u>	<u>327,491</u>
Change in net position	83,982	26,525	110,507
Net position, beginning of year	<u>125,454</u>	<u>1,211,727</u>	<u>1,337,181</u>
Net position, end of year	<u>\$ 209,436</u>	<u>\$ 1,238,252</u>	<u>\$ 1,447,688</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Economic Development Corporation Component Unit

Enterprise Funds

December 31, 2012

	Small Cities Block Grant 289.00	Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
Assets				
Current assets -				
Cash and investments	\$ 661,346	\$ -	\$ 39,071	\$ 700,417
Noncurrent assets:				
Notes receivable	537,835	-	-	537,835
Advance to other component unit	-	1,150,000	-	1,150,000
Total noncurrent assets	537,835	1,150,000	-	1,687,835
Total assets	1,199,181	1,150,000	39,071	2,388,252
Liabilities				
Advances from primary government	-	1,150,000	-	1,150,000
Net position, unrestricted	\$ 1,199,181	\$ -	\$ 39,071	\$ 1,238,252

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Economic Development Corporation Component Unit

Enterprise Funds

For the Year Ended December 31, 2012

	Small Cities Block Grant 289.00	Brownfield Redevelopment Authority Loan Fund 289.03	Revolving Loan Fund 691.00	Total
Nonoperating revenues				
Interest revenue	\$ 26,525	\$ -	\$ -	\$ 26,525
Net position, beginning of year	<u>1,172,656</u>	<u>-</u>	<u>39,071</u>	<u>1,211,727</u>
Net position, end of year	<u>\$ 1,199,181</u>	<u>\$ -</u>	<u>\$ 39,071</u>	<u>\$ 1,238,252</u>

COUNTY OF BERRIEN, MICHIGAN

Economic Development Corporation Component Unit

Combining Statement of Cash Flows
 Enterprise Funds
 For the Year Ended December 31, 2012

	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 on long-term leases receivable	\$ 302,526	\$ -	\$ -	\$ 302,526
Cash payments on advances	(90,348)	-	-	(90,348)
Net cash provided by operating activities	<u>212,178</u>	<u>-</u>	<u>-</u>	<u>212,178</u>
Cash flows from investing activities				
Interest received	26,525	-	-	26,525
Net change in cash and investments	238,703	-	-	238,703
Cash and investments, beginning of year	422,643	-	39,071	461,714
Cash and investments, end of year	<u>\$ 661,346</u>	<u>\$ -</u>	<u>\$ 39,071</u>	<u>\$ 700,417</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:				
Decrease in notes receivable	212,178	-	-	212,178
Net cash provided by operating activities	<u>\$ 212,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,178</u>