

# **Bay County, Michigan**



## **Comprehensive Annual Financial Report**

**Year Ended December 31, 2006**

**BAY COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended December 31, 2006  
Prepared by Bay County Finance Department  
(With Independent Auditors' Report Thereon)**

**BAY COUNTY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

---

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-7
List of Principal Officers	8
Organizational Charts	9-13
GFOA Certificate of Achievement	14
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	15-16
Management's Discussion and Analysis	17-33
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Assets	34
Statement of Activities	35-36
Fund Financial Statements:	
Balance Sheet – Governmental Funds	37
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	38
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	39
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund	41
Mosquito Control Fund	42
911 Service Fund	43
Division on Aging Fund	44
Revenue Sharing Reserve Fund	45
Statement of Net Assets – Proprietary Funds	46
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	47
Statement of Cash Flows – Proprietary Funds	48-49
Statement of Fiduciary Net Assets – Fiduciary Funds	50
Statement of Changes in Fiduciary Net Assets	51
Combining Statement of Net Assets – Component Units	52
Combining Statement of Activities – Component Units	53-54
Notes to Basic Financial Statements	55-103

**BAY COUNTY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

---

<b>FINANCIAL SECTION, CONTINUED</b>	<u>PAGE</u>
Required Supplementary Information	
Employees' Retirement System Pension Information	104
Other Supplementary Information	
Non-major Governmental Funds	
Combining Balance Sheet	105-106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	107-108
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Funds:	
Friend of the Court	109
Health Department / District Health	110
Gypsy Moth Control	111
Public Improvement	112
Register of Deeds Automation	113
Local C.F.O. Training	114
Drug Law Enforcement	115
Law Library	116
Community Corrections	117
Home Rehabilitation	118
Social Welfare	119
Social Services Protective Services	120
Child Care	121
Child Care / Social Services	122
Soldiers' Relief	123
Veterans' Trust	124
Donald C. Pero Wildlife Restoration	125
Historical Preservation	126
Building Authority Debt Service Fund	127

**BAY COUNTY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
Non-Major Enterprise Funds	
Combining Statement of Net Assets	128
Combined Statement of Revenues, Expenses and Changes in Fund Net Assets	129
Combining Statement of Cash Flows	130-131
Internal Service Funds	
Combining Statement of Net Assets	132
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	133
Combining Statement of Cash Flows	134-135
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds	136
Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds	137
Combining Statement of Plan Net Assets – Employee Pension and Other Benefit Trust Funds	138
Combining Statement of Changes in Plan Net Assets – Employee Pension and Other Benefit Trust Funds	139
Combining Balance Sheet – Agency Funds	140
Combining Statement of Changes in Assets and Liabilities – Agency Funds	141-142
Component Unit	
Statement of Net Assets and Governmental Fund Balance Sheet – Library System	143
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance – Library System	144

**BAY COUNTY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

---

**STATISTICAL SECTION**

	<u>PAGE</u>
Net Assets by Component	145
Changes in Net Assets	146
Governmental Activities Tax Revenue by Source	147
Fund Balances of Governmental Funds	148
Changes in Fund Balances of Governmental Funds and General Governmental Tax Revenues by Source	149
Assessed Value and Estimated Actual Value of Taxable Property	150
Property Tax Rates Direct and Overlapping Governments	151
Principal Property Taxpayers	152
Property Tax Levies and Collections	153
Ratio of Outstanding Debt by Type	154
Ratios of General Bonded Debt Outstanding	155
Direct and Overlapping Governmental Activities Debt	156
Legal Debt Margin Information	157
Pledged-Revenue Coverage	158
Demographic and Economic Statistics	159
Principal Employers	160
Full-time Equivalent Bay County Employees by Function	161
Operating Indicators by Function	162
Capital Asset Statistics by Function	163

## **I. INTRODUCTORY SECTION**

**The Introductory Section contains:**

- **Letter of Transmittal**
- **List of Principal Officers**
- **Organizational Chart**
- **Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting**

**THOMAS L. HICKNER**  
Bay County Executive

**Michael J. Regulski CGFM**  
Finance Officer

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June 21, 2007

Bay County Board of Commissioners and  
Citizens of Bay County, Michigan:

The Comprehensive Annual Financial Report (CAFR) of Bay County, Michigan, for the calendar year ended December 31, 2006, is hereby submitted. In accordance with State Law, re: Public Act 34 of 2001, the revised Municipal Finance Act, Section 141.2303 (1) requires each municipality within the state of Michigan to file an audit report annually with the Michigan Department of Treasury within 6 months from the end of its fiscal year or as otherwise provided in the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. This report was prepared by the Bay County Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the county. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government based upon a comprehensive framework of internal control that has been established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Michigan law requires an annual audit of the county's financial statements. The Bay County Board of Commissioners had engaged Rehman Robson CPAs & Consultants, Independent Auditors, for this purpose. The independent auditors' unqualified ("clean") opinion has been included at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **ORGANIZATIONAL STRUCTURE**

County government is the largest unit of local government in Michigan and is also the oldest political subdivision of the state, having attained stature and importance before any other form of government now in existence. Also, it is the only form of government in the United States which is directly answerable to the people it governs. Unlike other forms of government in the cities and states, all major departments and offices are administered by men and women elected by and responsible to the people for their every action.

Bay County, Michigan, incorporated in 1857, is located approximately 100 miles north of Detroit in the mid-eastern part of the state on the shores of the Saginaw Bay. It occupies 444 square

miles and currently serves a population of 108,390. In terms of population, this ranks Bay County as the 19<sup>th</sup> largest of 83 counties in the state of Michigan. Bay County is empowered to levy a property tax on real, personal and industrial property located within its boundaries.

Pursuant to Act 139 of Public Acts of 1973 (as amended by PA 100 of 1980), the voters of Bay County elected the optional Unified Form of County Government in November of 1978. The form of government established in 1978 is also known as the "county executive" form of government. The Board of Commissioners exercises the legislative power of the county and determines all matters of policy. The Board of Commissioners is composed of nine commissioners who are elected from their respective districts. Each commissioner serves a term of two years. The county executive is the head of the administrative branch of the county government and is elected at large for a four-year term. The judicial branch of government consists of three Circuit Court judges, three District Court judges, and one Probate Court judge. All judges are elected at large for a six-year term. The Circuit and District Court judges are elected on two-year, staggered terms. The offices of prosecuting attorney, sheriff, county clerk, treasurer, register of deeds, and drain commissioner are elected at large and serve for a four-year term.

Bay County provides a wide range of services, including public safety, health and welfare services, community and economic development, and recreational and cultural activities. Certain financing and oversight services on the construction of Bay County public buildings are provided through a component unit, a legally separate building authority, which functions, in essence, as a department of Bay County, and therefore has been included as an integral part of Bay County's financial statements. Bay County is also financially accountable for services provided by other legally separate component units of Bay County. These services include the construction and maintenance of the county's system of roads and bridges by the Bay County Road Commission; the providing of services and materials to satisfy the educational, personal, and professional interest of the community by the Bay County Library System, and water supply and wastewater disposal services are provided by the Bay County Department of Water and Sewer. In addition, the Bay County Drain Commission provides for the construction and maintenance of drainage districts throughout Bay County; the Bay Area Narcotics Enforcement Team combats the proliferation of narcotic trafficking in the eastern mid-Michigan area; and the Bay County Economic Development Corporation provides the means and methods to strengthen and revitalize the economy of Bay County all of which are reported separately within Bay County's financial statements. Additional information on all seven of these legally separate entities can be found in the notes to the financial statements (see note I.A.) The Bay-Arenac Intermediate School District, Bay County Historical Society and Bay County Fair and Youth Exhibition did not meet the basic established criteria for inclusion and are not included in the report.

Bay County prepares, adopts and maintains budgetary controls on an annual basis. Governmental fund types of Bay County are under formal budgetary control. Activities of the General Fund, Special Revenue Funds and Debt Service funds are included in the annual appropriated budget. The level of budgetary control; that is, the level at which expenditures cannot legally exceed the appropriated amount, is established on a categorical basis by function and activity within an individual fund. Capital Project funds are budgeted by project. Enterprise funds and Internal Service funds, which are Proprietary funds, and the Pension Trust Fund, Health Care Trust fund and Private Purpose Trust funds, which are Fiduciary funds, are also subject to budgetary controls and are budgeted on a categorical basis. The County's procedures in establishing its annual budget are as follows:

- In June of each year, budget packages are mailed to all County elected officials and department/division heads, outlining the procedures for requesting appropriations for the subsequent budget year.
- In August of each year, the County Executive and Finance Officer hold budget hearings with all elected officials and department/division heads, to obtain additional information regarding budget requests.
- On the October 1 preceding the beginning of the next fiscal year, in accordance with the provisions of the State of Michigan PA 139 of 1963, as amended by PA 100 of 1980 (the Unified Form of County Government Act), and in conformance with Act 2, PA 1968, as amended by Public Act 621 of 1978, (the Uniform Budgeting and Accounting Act), the Finance Department prepares and the County Executive submits a proposed operating budget to the Board of Commissioners Ways and Means Committee for review and subsequent adoption by the County Board of Commissioners.
- Subsequent to the County Executive submitting the proposed budget to the Board of Commissioners, a public hearing is conducted to obtain taxpayer comments. The Board of Commissioners then makes any amendments to the budget it deems necessary and adopts the same by formal resolution prior to December 31.

The Board of Commissioners is authorized to make adjustments to the various budgets as deemed necessary. Elected officials and department/division heads are authorized to amend budgets under their control subject to the provisions of Paragraph 10 of the County's General Appropriation Budget Act Resolution. Bay County prepares and issues separate from the CAFR a report on budget amounts compared to actual at the legal level of budgetary control.

## **ECONOMIC CONDITION AND OUTLOOK**

The 2000 population census identified the population of Bay County to be 110,157. The decrease in the population during the 1990s has slowed to 19 percent of the decrease during the 1980s. As of July 1, 2006 the population of Bay County has declined to an estimated 108,390 or a 1.6 percent reduction from the 2000 census. It is still hopeful that in the 2000 decade Bay County will be adding to its population. This prediction is based on housing and business development in addition to the diversity of business developments.

As the result of healthy growth in the trade, service, finance, and agricultural industries, the economic condition and outlook of the county is for continued, steady improvement, as it has been for the past several years. Most recently, the county's state equalized values (SEV) of real property have increased 4.54%, 4.16% and 3.91% for 2004, 2005 and 2006 respectively. For 2007 Bay County is projecting an increase of \$88,490,463 or 2.83% in state equalized values which total \$3,212,308,513. The state equalized value of personal property decreased by .48% in 2006 after increasing by 2.64% in 2005 and a slight decrease of .26% in 2004. Bay County, for 2007, is projecting an increase of 3.41% or \$8,700,300 in the SEV of personal property which totals \$263,508,850. In total, the County's SEV for both real and personal property is projected to increase 2.88% or \$97,190,763 to \$3,475,817,363. In addition, Bay County has \$50,176,018 in equivalent SEV on the industrial tax rolls both full and one-half (½) rate.

The average unemployment rate for Bay County for the year ended December 31, 2006, was 6.9%. This compares favorably with Bay County's rate as of December 31, 2005, of 7.0%,

unfavorably with the December 31, 2006, average nationwide rate of 4.6%, and favorably with the 2006 statewide rate of 7.2%.

Total listings of commercial and residential property sold in 2006 by Bay County real estate agents was 1,378 with a total sales value of \$134,724,762, with the average price of these transactions being \$97,768. These figures represent a decrease of 17.76% and 5.77%, respectively, compared to 2005 sales valued at \$163,823,966, with an average price of transactions of \$103,572. Bay County's average residential sales price in 2006 decreased 3.8% under 2005 to \$102,789 from \$106,850.

Since the manufacturing and farming sectors of Bay County's economy face increased competition, the county must look to its natural resources to maintain a strong and vigorous economy. The Saginaw River, which flows the entire length of Bay County, is one of Michigan's most important commercial ports. There are 28 commercial ports located along the river between the city of Saginaw and Saginaw Bay. The state's only direct export grain terminals are also located on the river. The hinterland served by the Saginaw River port is the largest of Michigan's 38 cargo ports. While most waterborne commerce on the river consists of United States domestic and Canadian trades, direct overseas shipments also occur each year.

Boating is also big business on the Saginaw Bay and Saginaw River. In 2006 there were 825,585 boats registered in Michigan, with more than 50 percent of them being within 100 miles of the Saginaw Bay. Bay County has 9,755 registered boats, which equates to 1.18% of all registered boats in the state. The Saginaw River was the host for a very large national boat race in 2006, namely the Bay City River Roar, an outboard grand prix. This race, which attracts between 25,000 and 40,000 people annually, has been held for the past 19 years and all signs point to a continuation of this race in future years. Over the years, to accommodate the large number of fishermen and pleasure boaters, Bay County constructed and operates a 56-campsite campground inclusive of six camping cabins and a boat launch. In addition, a 98 slip marina was developed cooperatively by Bay County and Bay City and the county developed 3 additional boat launches with a total of 15 ramps.

## **MAJOR INITIATIVES**

Over the past 29 years Bay County has been a leader in developing a productive fishery in the Saginaw Bay area. It is through a cooperative effort with the Michigan Department of Natural Resources, that over 20 million walleye fingerlings have been planted. In 2006, no fingerlings were planted in the Saginaw Bay due to the wild class levels being reached. Instead, inland locations were stocked with walleye fingerlings.

This effort has produced a nationally recognized trophy walleye population and has attracted the following major fishing tournaments which generated great media exposure:

- Infisherman Professional Walleye Trail Champion Boats Mideast Pro-Am Tournament
- RCL Operation National Walleye Tournament
- Michigan Walleye Tour championship

Another fishery which is being recognized is the Saginaw Bay bass population. This fish is also a tournament draw, specifically the Michigan Bass Federation State Tournament, in addition to several regional events held in Bay County annually. The Saginaw Bay is a very fertile body of water. The fishery for bass and walleye will continue to expand, along with the perch, catfish, white bass, northern pike, carp, suckers, etc. Sport fishing has a seemingly unlimited future.

On August 8, 2000, the voters of Bay County approved a new 1 mill property tax for 20 years to fund \$26.8 million of construction costs, inclusive of furniture and equipment, for a new central library in downtown Bay City, a new branch library in downtown Pinconning, and to expand and renovate the Southside, Sage, and Auburn area branch libraries as follows:

	<u>Cost</u>	<u>Start Date</u>	<u>Completion Date</u>
Auburn Area Branch	\$ 2,877,565	November 2002	January 2004
Sage Branch	4,255,418	May 2002	November 2004
Pinconning Branch	2,855,260	November 2003	October 2004
Central Library	15,653,547	Summer 2004	February 2006
Southside Branch	1,400,000(est)	Summer 2008(est)	Spring 2009(est)

In addition, part of the 1 mill will be used to fund increased operating cost and expanded materials and services. The Bay County Building Authority, who is overseeing the construction, issued \$17.4 million in General Obligations-Limited Tax bonds in July, 2002 to help pay for the construction. In addition, the Library System leaders raised in excess of \$2.8 million of the planned \$3 million in private donations to support the construction costs.

The County has applied for a \$1 million federal grant seeking watershed restoration funds from the U.S. Environmental Protection Agency to support a massive cleanup of the Kawkawlin River. There would be a local match requirement of \$250,000. The grant could be used for:

- Removal of septic tanks affecting E. coli levels.
- Comprehensive identification of pollution sources.
- Removal of abandoned oil lines.
- Channel restoration and erosion control.
- Stream crossing improvements.
- Livestock fencing.
- Conservation easement acquisition.
- Program to reduce pollution and keep stormwater out of the Kawkawlin River.

## **FINANCIAL INFORMATION**

### ***General Fund Fund Balance***

The unreserved, undesignated fund balance of the General Fund represents the excess of assets over liabilities, less reserves and designations. The 2005 unreserved, undesignated General Fund fund balance of \$1,614,445 increased by \$683,103 to \$2,296,325 in 2006, which represents 6.89 percent of the adopted 2007 general fund operating budget.

### ***Relevant Financial Policies***

In accordance with the County's General Financial Policy which mandates the General Fund to establish and maintain a reserve for a long-term advance to the Budget Stabilization Fund at a minimum of 5 percent to a maximum of 10 percent of the General Fund's current year adopted operating budget, the Board of Commissioners have funded the Budget Stabilization Fund by authorizing advances of \$600,000 in 1993; \$482,581 in 1995; \$176,624 in 1997; \$71,562 in 1999; \$75,829 in 2000; \$374,175 in 2001; and \$18,819 in 2002 bringing the total General Fund advance to the Budget Stabilization Fund to \$1,799,590, which is equal to 5.47 percent of the adopted 2006 *General Fund Operating Budget*. If funds are available, additional advances will

be provided in the future. The Budget Stabilization Fund can be used to cover a General Fund fund deficit, to prevent a reduction in the level of public services or in the number of employees where revenues are not sufficient to cover expenditures, or to cover expenditures arising because of a natural disaster to the extent that such expenditures are not covered by federal or state funds.

The 100% Tax Payment Fund Policy, which governs transfers from the 100% Tax Payment Fund to the General Fund, mandates that a reserve in an amount equal to 10% of the total amount of the most recent delinquent tax settlement with the local taxing units be established within the 100% Tax Payment Fund and that the funds in the reserve shall only be used if necessary to meet the last annual delinquent tax settlement obligations to the local taxing units.

Cash balances are invested according to the Statement of Investment Policy adopted by the Board of Commissioners. The Board of Commissioners has authorized the Bay County Treasurer to invest surplus funds of the county in accordance with those investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, M.C.L. 129.91. The Act generally allows the county to deposit funds in banks, savings and loan associations, and credit unions in the state of Michigan. The act also provides for investments in U.S. government obligations; certificates of deposit, savings accounts and deposit accounts of banks, savings and loans, and credit unions who are members of the FDIC, FSLIC, and NACU, respectively; commercial paper; U. S. government or federal agency obligation repurchase agreements; bankers' acceptances of United States banks; and, with some restrictions, mutual funds.

#### ***Employees' Retirement System Fund***

In 2006 the Bay County Employees' Retirement System experienced a 5.27% increase in its net assets held in trust for pension benefits. The net assets increased from \$231,398,347 as of December 31, 2005 to \$243,583,712, or a \$12,185,365 increase. The system's funded ratio was 127.0% as of December 31, 2005.

#### ***Public Employees' Health Care Fund***

In 2001, Bay County established and initiated funding the Bay County Voluntary Employees' Beneficiary Association (VEBA), a tax-exempt trust under section 501(c) (9) of the Internal Revenue Code of 1986, as amended and pursuant to the state of Michigan, Public Employee Healthcare Fund Investment Act, Public Act 149 of 1999. The purpose of the VEBA is to provide for medical or other benefits for retired employees of the employer, their spouses and dependents. In 2006 the Public Employees' Health Care Fund experienced a 36.34% increase in its net assets held in trust for medical or other benefits for retired employees. The net assets increased from \$14,712,200 as of December 31, 2005 to \$19,939,626 or a \$5,227,426 increase. As of December 31, 2006 the Public Employees Health Care Fund has not begun paying benefits because its funding status is below the minimum required to enable the fund to begin paying benefits.

### **OTHER INFORMATION**

#### ***Risk Management***

Bay County, through the Michigan Municipal Risk Management Authority (MMRMA) is self-insured for property, general, inland marine, crime, auto liability, and bonds. In addition, the county is self-insured in the areas of workers' compensation, sickness and accident, unemployment compensation and employee/retiree health care.

*Awards and Acknowledgments*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bay County, Michigan, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR whose contents conform to program standards. This CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Bay County, Michigan, has received a Certificate of Achievement for the last seventeen consecutive years ended 1989 through 2005. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and other county departments, and the various elected and appointed officials. We would like to express our appreciation to everyone who assisted in and contributed to the preparation of this report. We would also like to thank the Board of Commissioners for their interest and support in planning and conducting the financial operations of the county in a responsible and progressive manner.

Sincerely,



Bay County Executive Office  
Thomas L. Hickner  
County Executive



Bay County Finance Department  
Michael J. Regulski CGFM  
Finance Officer

## **THE BOARD OF COMMISSIONERS**

BRIAN K. ELDER  
*CHAIRMAN*

EUGENE F. GWIZDALA  
*VICE CHAIRMAN*

PATRICK H. BESON  
*SERGEANT AT ARMS*

VAUGHN J. BEGICK  
ERNIE KRYGIER  
DAWN A. KLIDA

DONALD J. TILLEY  
KIM COONAN  
RICHARD L. BYRNE

### **ADMINISTRATION**

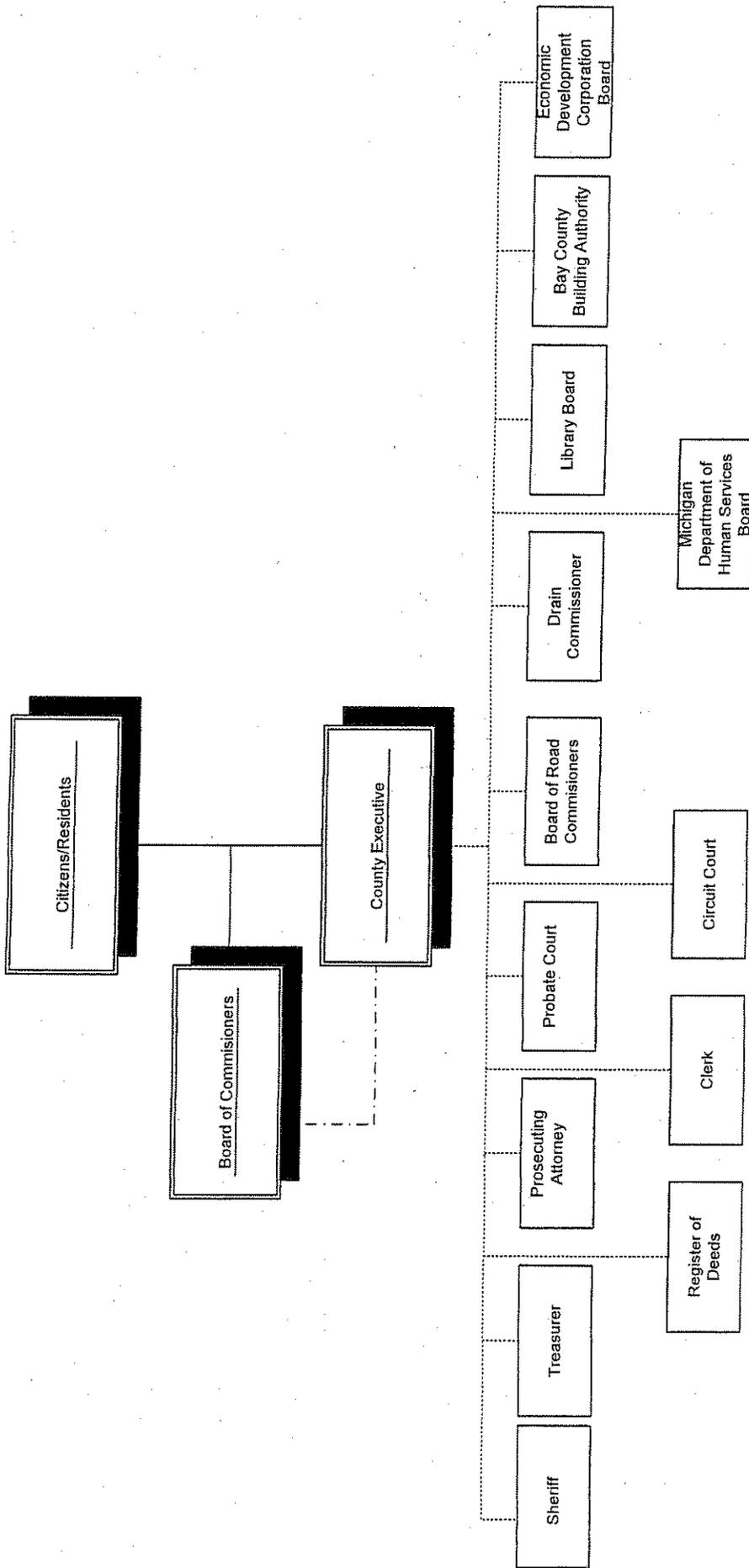
THOMAS L. HICKNER  
*COUNTY EXECUTIVE*

MICHAEL J. REGULSKI CGFM  
*FINANCE OFFICER*

### **INDEPENDENT AUDITORS**

REHMANN ROBSON

# Bay County Organizational Chart



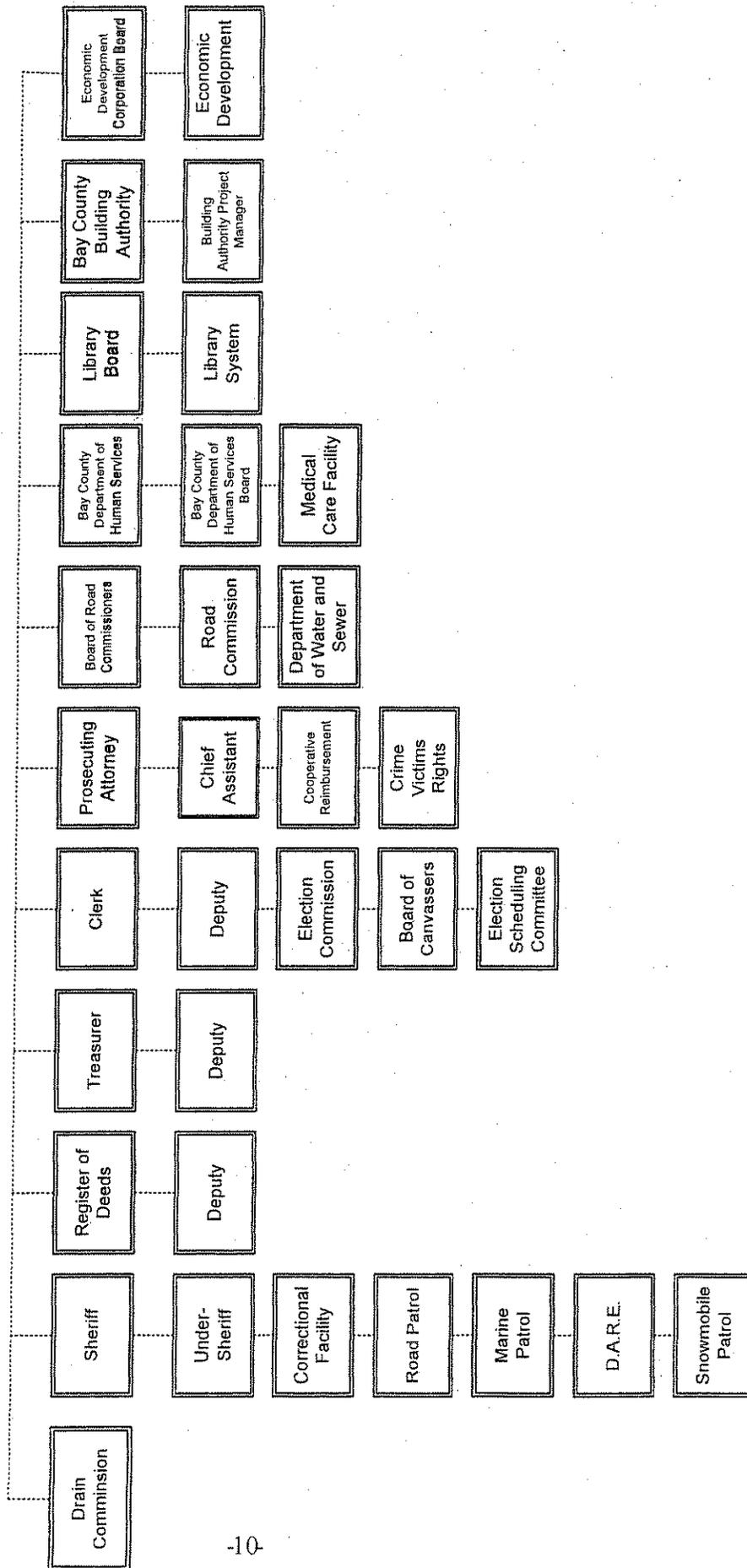
Legend:

Direct Control of County Executive

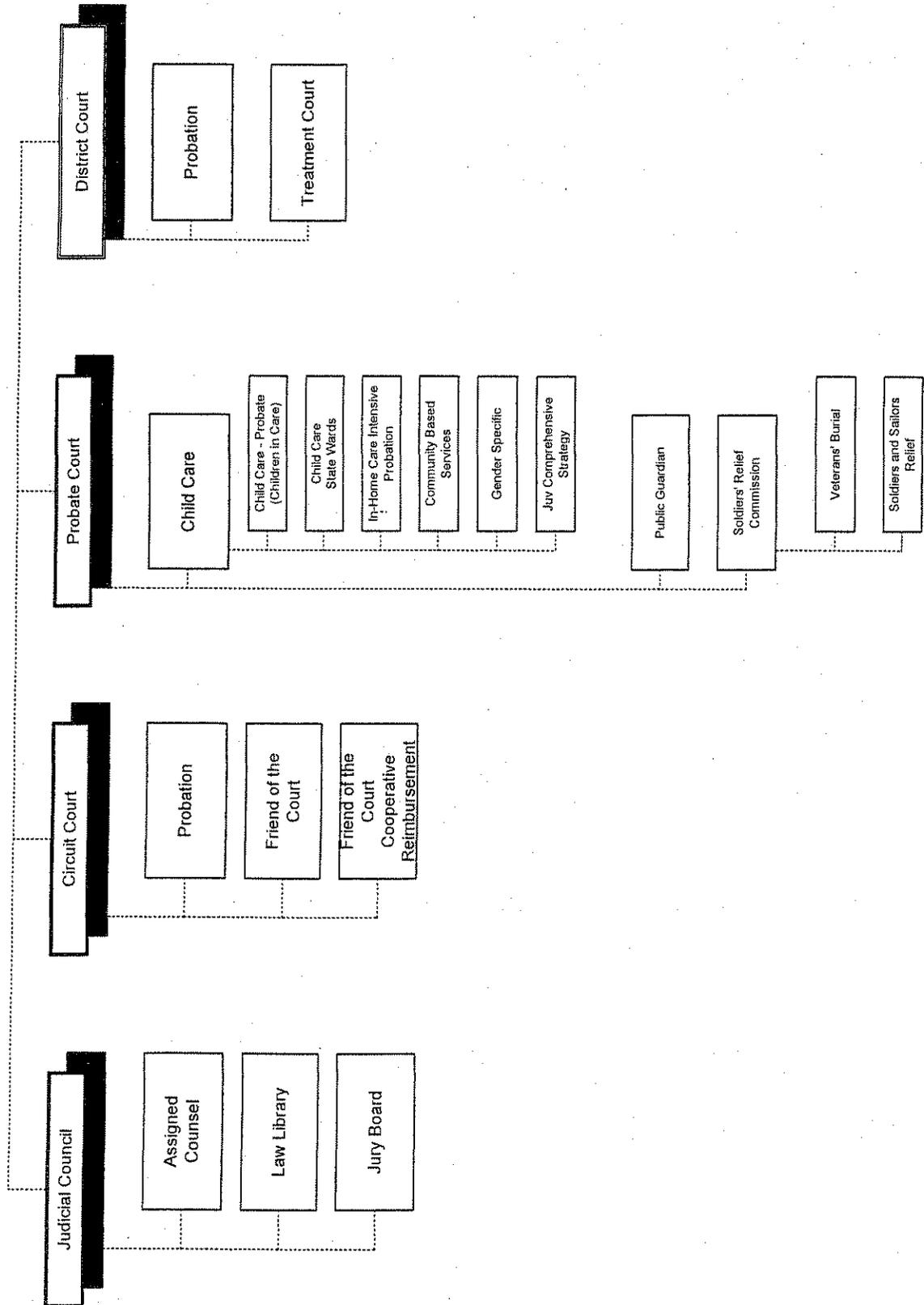
Coordinate Budget/Personnel, etc.

Legislative Coordination

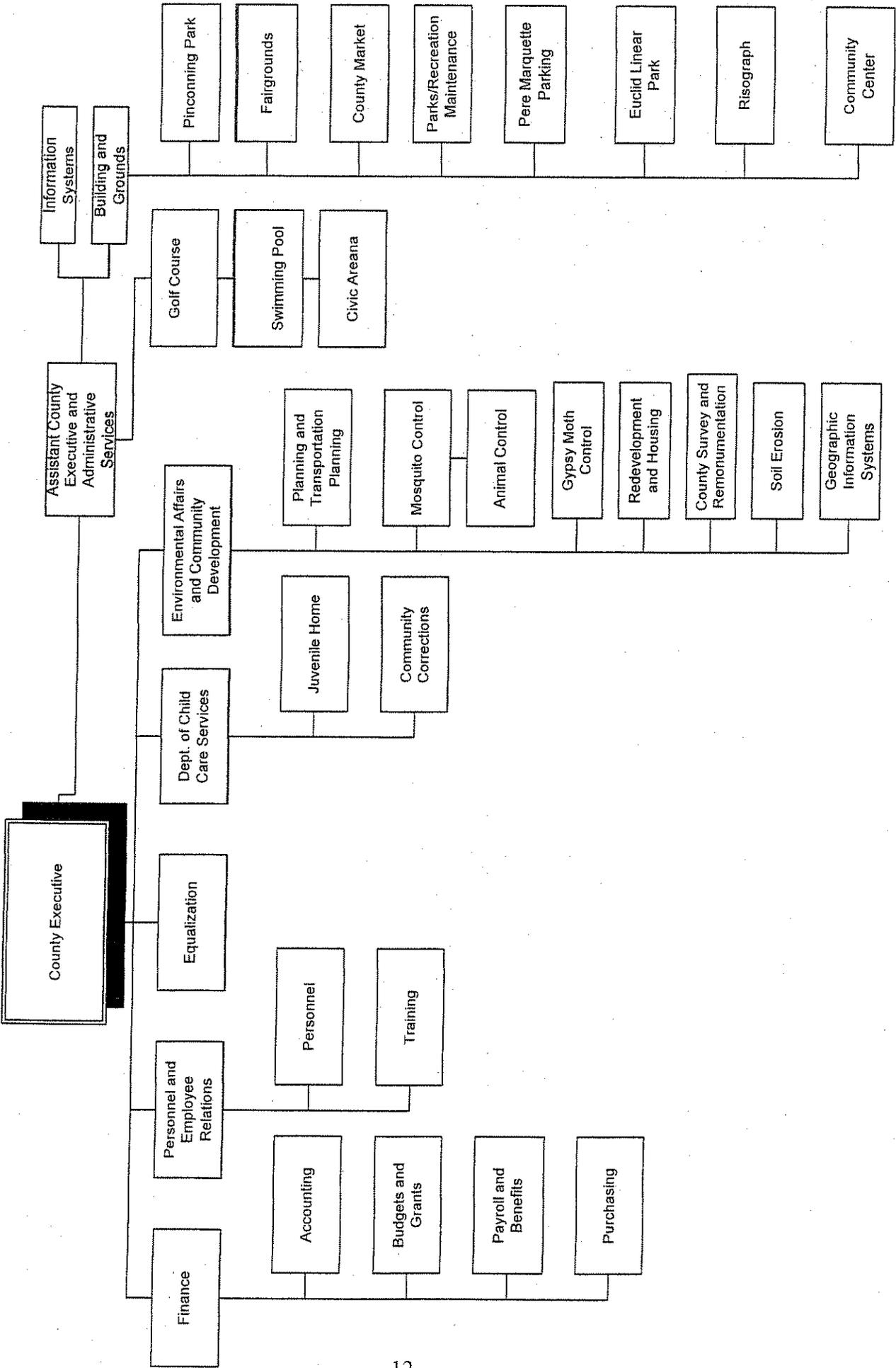
# Bay County Organizational Chart Elected/Appointed Officials



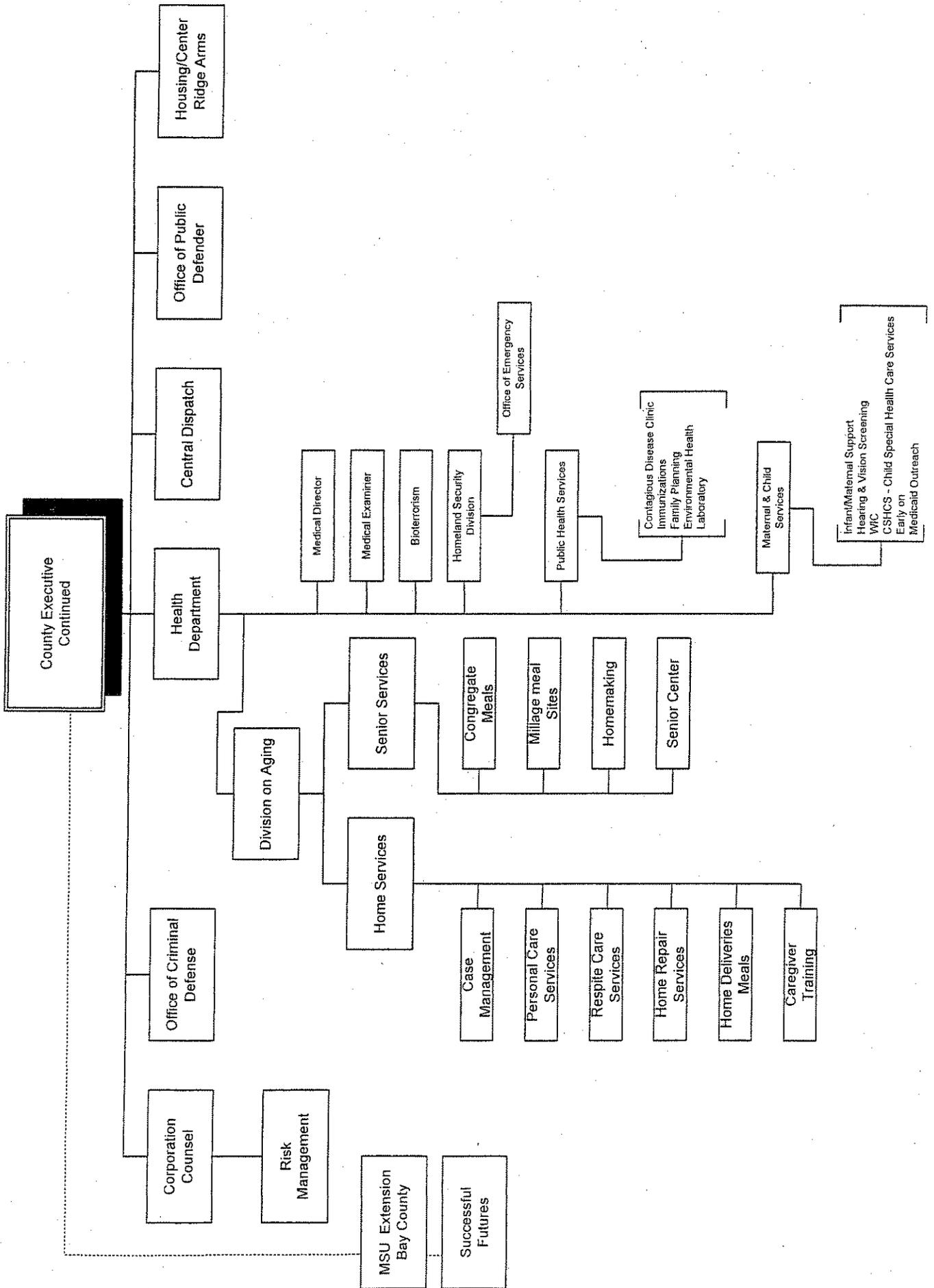
# Bay County Organizational Chart Courts



# Bay County Organizational Chart County Executive



# Bay County Organizational Chart County Executive(Continued)



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bay County  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

## **II. FINANCIAL SECTION**

**The Financial Section contains:**

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to Basic Financial Statements**
- **Supplementary Financial Information**



## INDEPENDENT AUDITORS' REPORT

June 28, 2007

Board of Commissioners  
County of Bay  
Bay City, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Bay, Michigan**, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the **County of Bay** management's. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bay County Housing Commission, which represents 100% of the assets and revenues of the Housing major fund opinion unit; the financial statements of the Bay County Road Commission Component Unit, which represents 62.85% of the assets and 50.92% of the revenues of the aggregate discretely presented component units; and the financial statements of the Bay County Department of Water and Sewer, which represents 24.09% of the assets and 16.10% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing fund, Road Commission and Department of Water and Sewer, is based 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Bay, Michigan**, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons of the General Fund and major special revenue funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also separately issued our report dated June 28, 2007, on our consideration of the **County of Bay, Michigan's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the historical pension supplementary information for the Employees Retirement System listed in the table of contents, are not required parts of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **County of Bay, Michigan's** basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables 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 have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

## Management's Discussion and Analysis

As management of **Bay County, Michigan**, 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, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the accompanying basic financial statements.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$70,217,969 (*net assets*). Of this amount, \$20,046,026 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$7,282,698.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$21,568,620, an increase of \$4,616,248 in comparison with the prior year. Approximately 28.47% of this total amount, or \$6,141,086, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.
- At the end of the current fiscal year, the general fund's unreserved – undesignated fund balance was \$2,296,325 or 8.49% of total general fund expenditures. Total fund balance for the general fund was \$5,457,369.
- The County's total debt decreased by \$5,320,455 or 10.34% during the current fiscal year.

### 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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, community and economic development, and recreation and culture. The business-type activities of the County include the 100% Tax Payment Fund, Delinquent Property Tax Foreclosure, Medical Care Facility, Public Golf Course, Housing, and Commissary Operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Road Commission, a legally separate Economic Development Corporation, a legally separate Department of Water and Sewer, a legally separate Drain Commission, a legally separate Library System, and a legally separate Bay Area Narcotics Enforcement Team 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. Financial statements for the Road Commission, Department of Water and Sewer, and the Drain Commission were issued separately from the County and other component units. The Bay County Building Authority, although legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 33-35 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Mosquito Control Fund, Division on Aging Fund, 911 Service Fund, Budget Stabilization Fund and Revenue Sharing Reserve Fund, each of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 36-42 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds: enterprise funds and internal service 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 100% Tax Payment Fund, Delinquent Property Tax Foreclosure Fund, Medical Care Facility, Public Golf Course, Housing, and Commissary operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Bay County uses internal service funds to account for its Workers' Compensation/Unemployment Compensation/Sick and Accident Self Insurance Fund and its Health Care Self Insurance Fund. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *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 Medical Care Facility Fund and the 100% Tax Payment Fund, each of which are considered to be major funds. Data from the other proprietary funds are combined and presented in two separate columns distinguishing between *business-type activities* and *governmental activities*. Individual fund data for each of these nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 46-49 of this report.

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

The basic fiduciary fund financial statements can be found on pages 50-51 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 55-103 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 105-127 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bay County, as the following table demonstrates, assets exceeded liabilities by \$70,217,969 at the close of the most recent fiscal year.

**Bay County's  
Net Assets**

Fiscal Year Ending December 31,	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 32,985,436	\$ 32,336,205	\$ 14,405,229	\$ 12,781,807	\$ 47,390,665	\$ 45,118,012
Capital assets, net of accumulated depreciation	54,242,048	55,873,948	10,247,886	10,782,134	64,489,934	66,656,082
Total assets	87,227,484	88,210,153	24,653,115	23,563,941	111,880,599	111,774,094
Long-term liabilities outstanding	29,376,914	32,337,704	1,066,552	798,942	30,443,466	33,136,646
Other liabilities	8,667,905	13,562,515	2,551,259	2,124,701	11,219,164	15,687,216
Total liabilities	38,044,819	45,900,219	3,617,811	2,923,643	41,662,630	48,823,862
Net assets:						
Invested in capital assets, net of related debt	27,330,257	26,079,748	10,247,886	10,753,433	37,578,143	36,833,181
Restricted	12,593,800	8,760,979	-	524,660	12,593,800	9,285,639
Unrestricted	9,258,608	7,469,207	10,787,418	9,362,205	20,046,026	16,831,412
Total net assets	<b>\$ 49,182,665</b>	<b>\$ 42,309,934</b>	<b>\$ 21,035,304</b>	<b>\$ 20,640,298</b>	<b>\$ 70,217,969</b>	<b>\$ 62,950,232</b>

One of the largest portions of the County's net assets, \$37,578,143 (53.52%) 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 assets, \$12,593,800 (17.94%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$20,046,026 (28.55%) may be used to meet the government's 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Bay County's  
Changes in Net Assets**

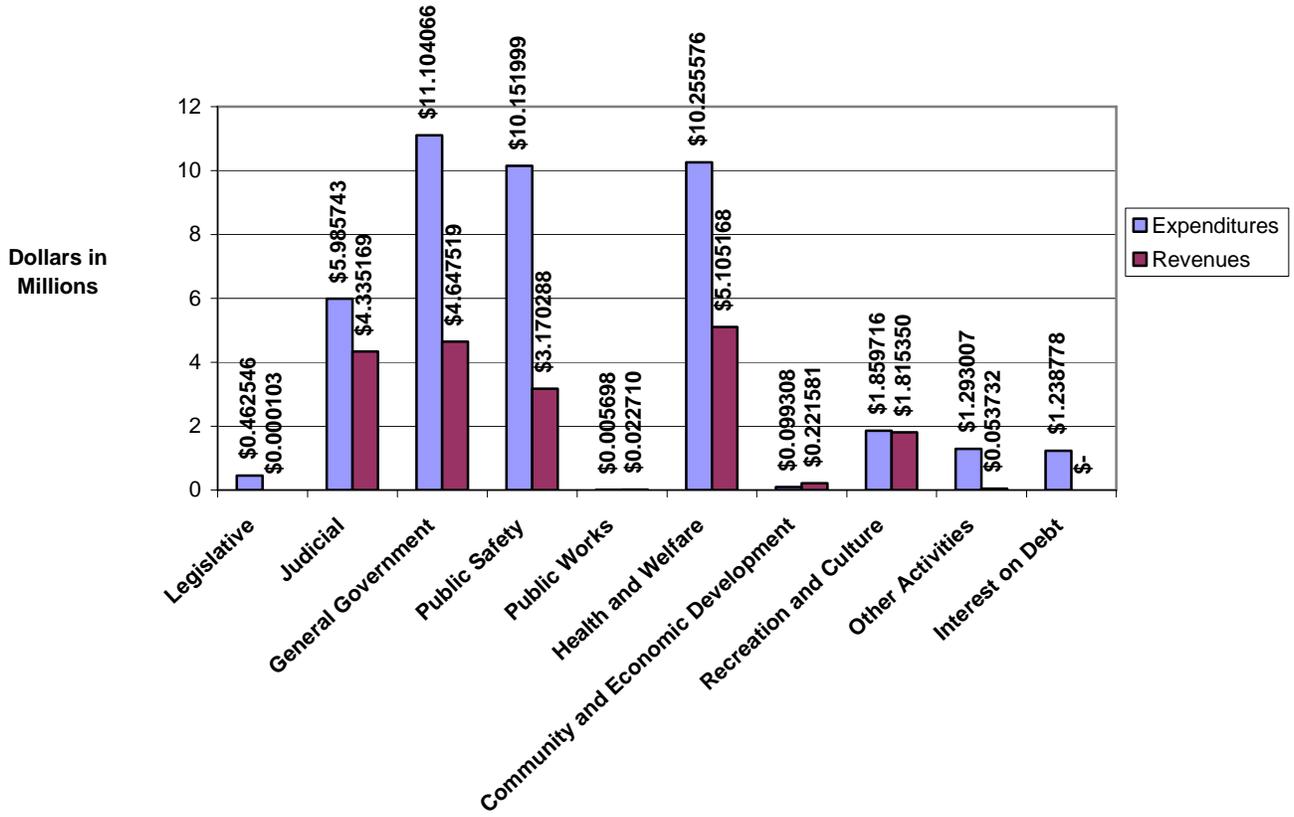
<b>Fiscal Year Ending December 31, Revenues</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2006	2005	2006	2005	2006	2005
Program revenue:						
Charges for services	\$ 11,047,848	\$ 10,478,531	\$ 18,950,180	\$ 15,602,996	\$ 29,998,028	\$ 26,081,527
Operating grants and contributions	8,128,705	7,751,052	170,067	193,467	8,298,772	7,944,519
Capital grants and contributions	195,067	194,734	43,942	110,868	239,009	305,602
General revenue:						
Property taxes	26,709,969	24,905,105	1,323,483	1,317,417	28,033,452	26,222,522
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	2,538,061	3,625,681	782,829	668,860	3,320,890	4,294,541
Total revenue	48,619,650	46,955,103	21,270,501	17,893,608	69,890,151	64,848,711
<b>Expenses</b>						
Legislative	462,546	451,423	-	-	462,546	451,423
Judicial	5,985,743	5,690,772	-	-	5,985,743	5,690,772
General government	11,104,066	8,835,146	-	-	11,104,066	8,835,146
Public safety	10,151,999	9,327,847	-	-	10,151,999	9,327,847
Public works	5,698	5,973	-	-	5,698	5,973
Health and welfare	10,255,576	10,292,445	-	-	10,255,576	10,292,445
Community and economic development	99,308	146,286	-	-	99,308	146,286
Recreation and culture	1,859,716	1,864,624	-	-	1,859,716	1,864,624
Other activities	1,293,007	1,157,939	-	-	1,293,007	1,157,939
Interest on debt	1,238,778	1,381,862	-	-	1,238,778	1,381,862
100% tax payment	-	-	122,594	121,694	122,594	121,694
Medical care facility	-	-	18,627,337	15,935,275	18,627,337	15,935,275
Delinquent Property Tax Foreclosure	-	-	69,181	65,090	69,181	65,090
Golf course	-	-	636,359	544,769	636,359	544,769
Housing	-	-	577,292	574,724	577,292	574,724
Commissary	-	-	118,253	115,280	118,253	115,280
Total expenses	42,456,437	39,154,317	20,151,016	17,356,832	62,607,453	56,511,149
Increase in net assets before transfers	6,163,213	7,800,786	1,119,485	536,776	7,282,698	8,337,562
Transfers	724,487	1,008,832	(724,487)	(1,008,832)	-	-
Increase in net assets	6,887,700	8,809,618	394,998	(472,056)	7,282,698	8,337,562
Net assets - beginning of year, as restated	42,294,965	33,500,316	20,640,306	21,112,354	62,935,271	54,612,670
<b>Net assets - end of year</b>	<b>\$ 49,182,665</b>	<b>\$ 42,309,934</b>	<b>\$ 21,035,304</b>	<b>\$ 20,640,298</b>	<b>\$ 70,217,969</b>	<b>\$ 62,950,232</b>

The County's net assets increased by \$7,282,698 during the current fiscal year. This increase is mainly attributable to actual expenditures incurred being under budget and increased property tax revenue.

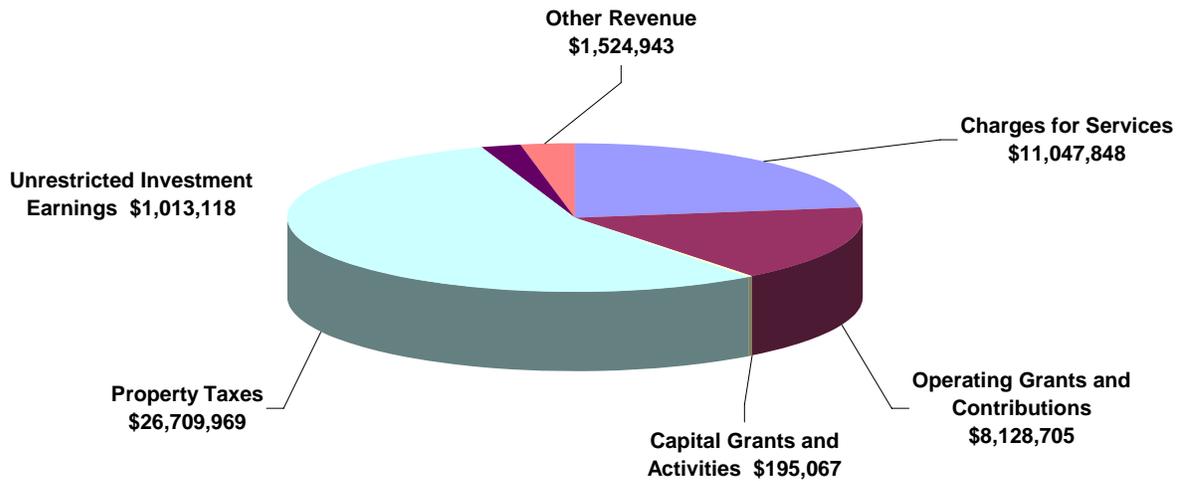
**Governmental activities.** Governmental activities increased the County's net assets by \$6,887,700 thereby accounting for the majority of growth in the net assets of the County. Key elements of this increase are as follows:

- Actual expenditures were under budget by approximately \$3,347,634.
- Property taxes increased approximately \$1,804,864 during the year. This increase is the product of increased taxable values and residential growth.
- Charges for services increased \$569,317 from 2005. This increase was mainly attributable to Bangor Township Downtown Development Authority remitting \$504,375 to the County relating to the Bay County Civic Arena Debt.
- Unrestricted investment earnings increased \$336,560 from 2005 during the year due to higher interest rates and more dollars to invest.
- Grants and Contributions had a net increase of \$377,980 from 2005 which was mainly attributable from grants in the Public Safety activities.
- The \$2,268,920 increase in General Government expenditures is primarily due to an increase in loss on the disposal of assets of \$1,137,177 and an increase of depreciation and depletion amounting to \$469,264.

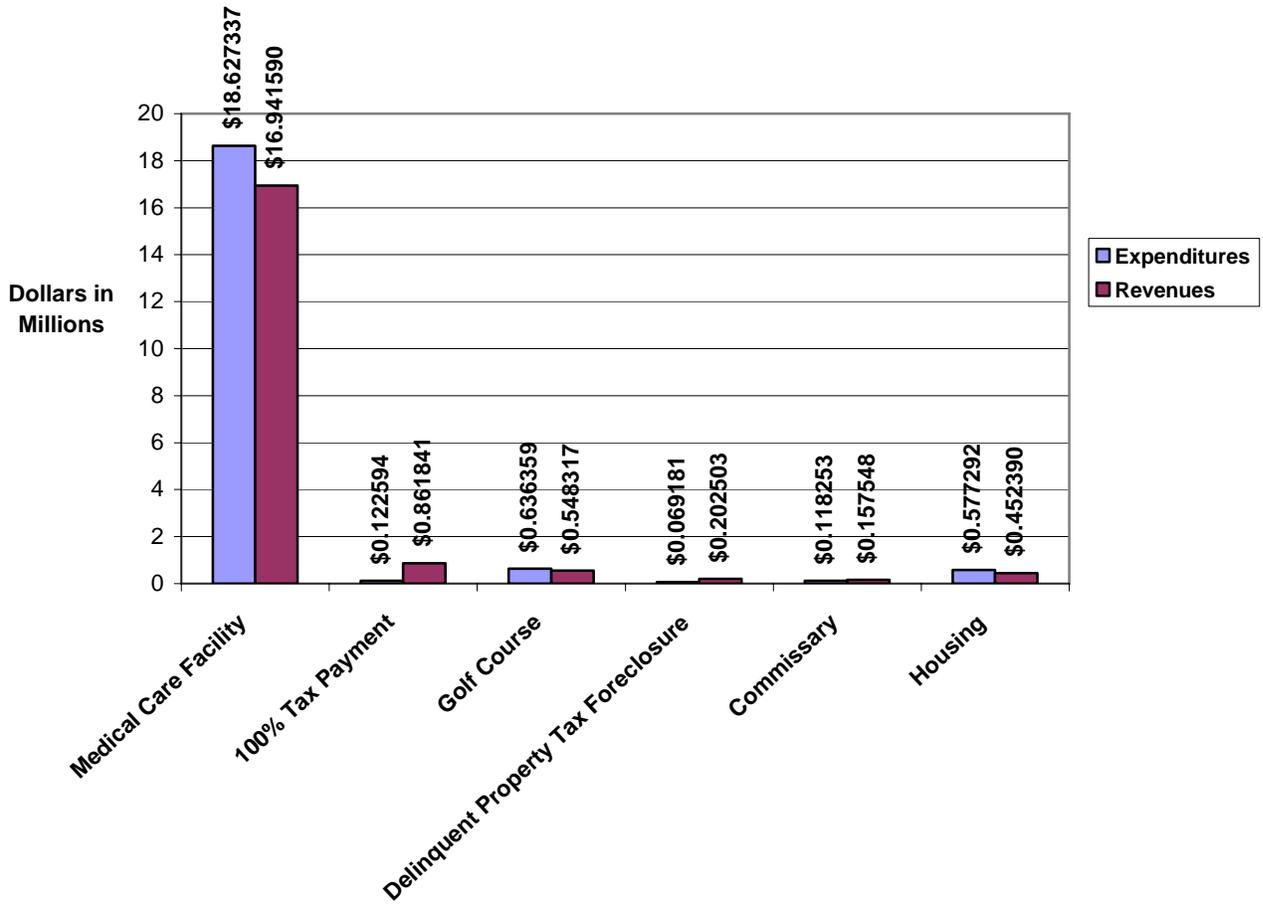
### Governmental Activities - 2006 Expenditures and Program Revenues



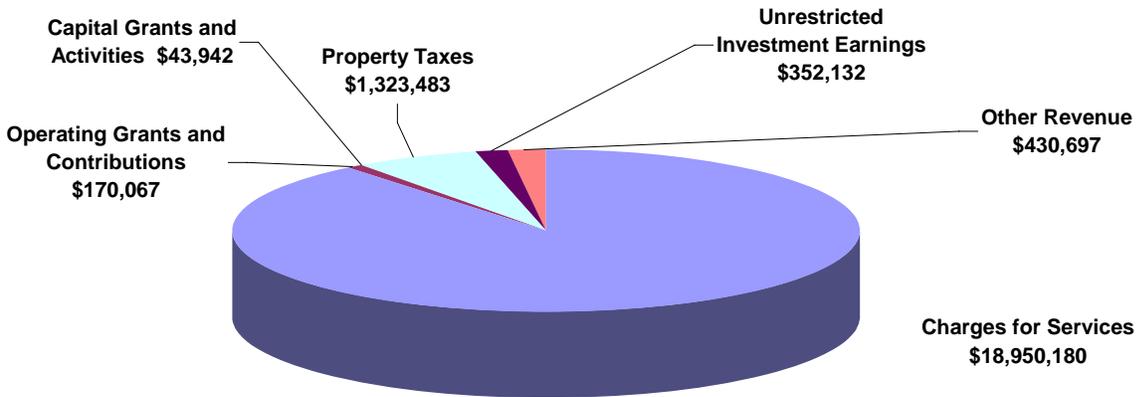
### Revenues by Source Governmental-Type Activities



**Business-Type Activities - 2006  
Expenditures and Program Revenues**



**Revenues by Source  
Business-Type Activities**



**Business-type activities.** Business-type activities increased the County's net assets by \$394,998. The key element of this increase was the 100% Tax Payment Fund's revenues exceeding expenses in 2006 by \$739,247.

Medical Care Facility had increased operating expenses in the amount of \$2,694,095. The increase is primarily attributable to payments to suppliers increasing \$5,942,099 while payments to employees and related taxes and insurance decreased \$3,679,949. Medical Care Facility charges for services increased by \$3,195,963. Both expense and revenue increases are mostly attributable to a new program, Quality Assurance Supplement (QAS), that was approved by the federal government during 2006 and became effective retroactive to October 31, 2005.

## **Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measurement 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 \$21,568,620, an increase of \$4,616,248 compared to the prior year. Approximately 28.47% of this total amount (\$6,141,086) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. However, the *unreserved fund balance* amount is further separated into *unreserved – designated fund balance* (\$182,922) and *unreserved – undesignated fund balance* (\$5,958,164). The underlying distinction between the two is that *unreserved – designated fund balance* has been designated based upon a specific purpose. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for: 1) long-term advances (\$2,299,590), 2) restricted assets (\$10,073,235), 3) prepaid expenditures (\$37,652), 4) non-current assets (\$1,376,487), 5) debt service (\$625,309), 6) encumbrances (\$464,040), 7) restricted contributions (\$518,769), and 8) inventory (\$32,452). Of the \$4,616,248 increase in governmental fund balances, there were increases in the Revenue Sharing Reserve Fund of \$3,753,066, the General Fund of \$416,747, the 911 Service Fund of \$264,162 and there was a decrease in the Division on Aging Fund of \$88,348.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved – undesignated fund balance of the general fund was \$2,296,325 while total fund balance amounted to \$5,457,369. As a measure of the general fund's liquidity, it may be useful to compare both unreserved – undesignated fund balance and total fund balance to total fund expenditures. Unreserved – undesignated fund balance represents 8.49% of total general fund expenditures, while total fund balance represents 20.18% of that same amount.

Fund balance of the County's general fund increased by \$416,747 during the current fiscal year. The key factors in this increase are as follows:

- Property taxes and other taxes increased by \$877,674 (5.83%).
- Reimbursements, refunds and other revenue increased by \$470,990 (18.36%).
- Judicial Expenditures increased \$360,823 (6.7%).

- Public Safety expenditures increased \$517,757 (6.88%).

The \$3,753,066 increase in the Revenue Sharing Reserve Fund was the result of property taxes and interest earnings exceeding the amount of transfers out to the general fund to support its operations.

**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 assets of the 100% Tax Payment Fund at the end of the year amounted to \$7,445,382, while those for the Medical Care Facility amounted to \$2,559,295. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$782,741 and \$0 respectively, at the end of the year. The 100% Tax Payment Fund and the Medical Care Facility had an increase in net assets for the year of \$273,227 and \$99,567 respectively. The 100% Tax Payment Funds net assets increased as a result of a decrease in the transfers out to the general fund of \$294,817 (29.96%). The combined increase in net assets of the nonmajor enterprise funds was \$22,204 and the combined increase in net assets for the internal service funds was \$914,378 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

**General Fund Budgetary Highlights.** The differences between the original budget and final amended budget for expenditures resulted in a 3.59% increase (\$994,908 increase in expenditures); whereas the difference between the original budget and final amended budget for revenues resulted in a 3.34% increase (\$926,908 increase in revenues); finally, the original budget for total other financing sources/uses was amended resulting in a 216.59% increase (\$835,973 increase in other financing uses). The original budget for the addition to Fund Balance (\$366,014) was affected by budgetary adjustments. These adjustments (\$903,973) resulted in a use of Fund Balance (\$1,269,987), including the budgeted use of reserved fund balance of \$763,060. The budgetary differences are briefly summarized as follows:

- A \$169,195 increase in the General Fund transfer to the Health Fund for the potential repayment to the state of Michigan of the 2004-2006 medicaid full cost reimbursements.
- A \$450,931 increase for 2005 open purchase orders filled in 2006.
- A \$113,000 reduction in revenue projections.
- A \$93,034 increase in retiree health insurance.
- A \$48,750 increase in the General Fund transfer to the Child Care Fund.
- A \$50,000 increase in computer hardware purchases.

Material actual to budget variances are as follows:

- Property taxes and other taxes exceeded the budget by \$710,060 primarily as a result of property taxes being collected based on June 2006 taxable values while the budget was developed based on June 2005 taxable values.
- The primary reason for the \$429,038 negative variance in federal grant revenues is that expenditures were not incurred in order to seek grant reimbursement.
- A negative variance of \$320,099 in projected reimbursements, refunds, and other revenues is primarily due to the reduction in the housing of federal and state prisoners in the county jail.

- The \$354,588 positive actual to budget variance in the Legislative function results from a county wide 2% wage increase of \$340,000 being budgeted in the Board of Commissioners activity while the actual increases were charged to the individual budgets where employees worked.
- Actual Public Safety expenditures were under budget as a result of underspending in the State Homeland Security First Responders grant and the COPS Technology grant of \$287,018 and \$197,446 respectively.
- Other Functions actual expenditures were under budget by \$237,522 primarily as a result of the county's self-funded insurance program in the Risk Management function incurring \$224,782 less expenditures than budgeted.
- The remaining actual to budget positive variances are due to the County exercising fiscal responsibility.

**General Fund Balance.** The following schedule presents a comparative summary of changes in the Fund Balance of the General Fund for the fiscal years ended December 31, 2006, and December 31, 2005, along with the amount and percentage of increases and decreases in relation to the 2005 Fund Balance:

	2006	2005	Variance From 2005	Percent Increase/ (Decrease)
Revenues	\$ 28,622,010	\$ 26,773,120	\$ 1,848,890	6.91%
Expenditures	(27,039,933)	(25,983,102)	(1,056,831)	4.07%
Revenue Over (Under) Expenditures	1,582,077	790,018	792,059	
Other Financing Sources (Uses):				
Insurance Recoveries & Proceeds	15,161	-	15,161	100.00%
Transfers In	4,104,965	5,022,290	(917,325)	-18.27%
Transfers Out	(5,285,456)	(5,069,942)	(215,514)	4.25%
Revenues & other financing sources over (under) expenditures & other financing uses	416,747	742,366	(325,619)	
Fund balance, beginning of year	5,040,622	4,298,271	742,351	
Fund balance, end of year	\$ 5,457,369	\$ 5,040,637	\$ 416,732	8.27%

The following schedule enumerates the particular changes in the classifications of fund balance.

**GENERAL FUND BALANCE ANALYSIS**

	Reserve for Advances to Other Funds	Reserve for Future Use	Unreserved	Total Fund Balance
Fund balance beginning of year	\$ 2,299,590	\$ 1,076,602	\$ 1,664,430	\$ 5,040,622
2006 Transactions				
Revenues over (under) expenditures	-	(215,148)	1,797,225	1,582,077
Total other financing sources (uses)	-	-	(1,165,330)	(1,165,330)
2006 net increase (decrease)	-	(215,148)	631,895	416,747
Fund balance, end of year	\$ 2,299,590	\$ 861,454	\$ 2,296,325	\$ 5,457,369

The Board of Commissioners approved the Specific Fund Balance Policy within the Bay County General Financial Policy. This policy establishes a Reserve for a Long Term Advance to the Budget Stabilization Fund. The policy authorizes earmarking a minimum of five percent (5%) to a maximum of ten percent (10%) of the General Fund's current year adopted budget for this Reserve.

The current long-term advance reserve consists of a reserve for budget stabilization of \$1,799,590 or 5.47% of the 2006 adopted General Fund operating budget, and a \$500,000 cash flow advance to the Health Fund.

The reserve for restricted contributions (\$464,876) consists of Health Care Self Insurance (\$352,000), prepaid animal neutering fees (\$12,462), remonumentation recording fees (\$47,719), family counseling fees of (\$17,379), and various revenues received for specific programs (\$35,316). The reserve for encumbrances (\$320,350) equaled the amount of the open 2006 purchase orders. The reserve for prepaid items (\$33,341) consists of items like prepaid insurance, maintenance contracts, and postage. The reserve for restricted assets (\$10,435) relates to a cash flow advance to the Flexible Spending Plan Fund and the reserve for inventories (\$32,452) relates to resalable merchandise.

**Enterprise Operations.** The enterprise operations of the County include the use of six (6) enterprise funds: the 100% Tax Payment Fund, the Medical Care Facility Fund, the Public Golf Course Fund, the Delinquent Property Tax Foreclosure Fund, the Commissary Fund, and the Housing Fund.

The 100% Tax Payment Fund is used to account for advances by the County to other local operating units and County funds for delinquent property taxes. Advances are prepaid from delinquent tax collections, interest earnings from investments, and interest and collection fees from delinquent taxes.

The Bay Medical Care Facility Fund was established to account for the operations of the County-owned facility which is a licensed skilled nursing home that provides long-term, highly skilled care to the residents of Bay County. Revenues are primarily received from patients, third-party payors, and property taxes.

The Public Golf Course Fund accounts for the operation of the County golf course. Revenues are primarily generated from user fees.

The Delinquent Property Tax Foreclosure Fund was established to account for various fees and costs relating to the new Delinquent Tax Reversion process.

The Commissary Fund was established to record the operations of commissary sales to inmates at the Bay County Law Enforcement Center. Costs are recovered through charges of items sold.

The Housing Fund accounts for the operations of the Hampton Township Housing Project – Center Ridge Arms, which provides low income housing to eligible County residents. Revenues are primarily received through rental charges and an operating subsidy received from the Federal Government (HUD).

**Fiduciary Operations.** The fiduciary operations of the County include the use of eight (8) trust and/or agency funds: a General Trust and Agency Fund, the Probate Court Trust Fund, the Inmate Trust Fund, the Library Penal Fine Fund, the Current Tax Collection Fund, the Flexible Spending Plan Fund, the Employees' Retirement System Fund and the Public Employees' Health Care Fund.

The General Trust and Agency Fund is used to account for resources held by the County in a trustee or agency capacity which was received from various sources and their subsequent disbursement to other parties.

The Probate Court Trust Fund is used to account for individual donations made to the court and their subsequent disbursement to assist youths.

The Inmate Trust Fund is used to account for deposits from inmates at the Bay County Law Enforcement Center and related expenses to maintain the fund.

The Library Penal Fine Fund is used to account for penal fines received by the District and Circuit courts and distributed to public libraries, as directed by the State Library Board and the County's Law Library Fund per state of Michigan, Public Act 286 of 1961.

The Current Tax Collection Fund is used to account for the collection of current property taxes and special assessments held by the County in a trustee capacity and the subsequent distributions to the appropriate local governmental units and County funds.

The Flexible Spending Plan Fund is used to account for a portion of employee wages voluntarily set aside on a pre-tax basis to cover unreimbursed medical expenses and/or dependent day care expenses. The County holds these funds in a trustee capacity and reimburses the participating employees for eligible expenses.

The Employees Retirement System Fund is used to account for the financial transactions of the Bay County Employees' Retirement System. The System is administered by the Retirement Board of Trustees while the County acts as custodian for the System.

The Public Employee Health Care Fund is used to accumulate financial resources in order to provide medical benefits for retirees' and their spouses and dependents.

### **Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2006 amounted to \$64,489,934 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, machinery and equipment, office equipment and furniture, computer software, computer hardware, vehicles and leased assets. The total decrease in the County's investment in capital assets for the current fiscal year was 3.25% (a 2.92% decrease for governmental activities and a 4.95% decrease for business-type activities).

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

- Construction was completed on the new Alice and Jack Wirt Public Library at a cost of \$14,038,744 for the building, \$155,594 for the parking lot and \$65,180 for landscaping for a total project cost of \$14,259,518.
- Construction was completed on Bark Park located at the Bay County Fairgrounds funded with \$14,679 of materials donated by the Bay County Humane Society and labor provided by the Bay County Buildings and Grounds Department for a total project value of \$25,558.
- Construction was completed on the Purple Heart Memorial funded with \$11,015 of donations including \$1,000 donated by the Bay County Board of Commissioners as well as labor provided by the Bay County Buildings and Grounds Department for a total project value of \$13,757.
- The Bay County Golf Course completed a \$78,000 upgrade to its irrigation system.

**Bay County's  
Capital Assets (net of depreciation)**

<b>Fiscal Year Ending December 31,</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2006	2005	2006	2005	2006	2005
Land	\$ 2,144,448	\$ 2,305,048	\$ 257,604	\$ 257,604	\$ 2,402,052	\$ 2,562,652
Land improvement	1,424,801	2,358,516	452,162	408,216	1,876,963	2,766,732
Buildings and buildings additions and improvements	48,736,112	35,959,075	8,833,607	3,851,959	57,569,719	39,811,034
Machinery and equipment	580,877	550,144	139,489	126,334	720,366	676,478
Office equipment and furniture	497,793	507,309	565,024	673,102	1,062,817	1,180,411
Computer software	146,617	178,314	-	-	146,617	178,314
Computer hardware	252,272	238,575	-	-	252,272	238,575
Vehicles	444,101	445,480	-	-	444,101	445,480
Leased assets	15,027	32,211	-	-	15,027	32,211
Construction work in progress	-	13,299,276	-	5,464,919	-	18,764,195
<b>Total</b>	<b>\$ 54,242,048</b>	<b>\$ 55,873,948</b>	<b>\$ 10,247,886</b>	<b>\$ 10,782,134</b>	<b>\$ 64,489,934</b>	<b>\$ 66,656,082</b>

Additional information on the County's capital assets can be found in note III C on pages 71-79 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total outstanding debt of \$46,151,573. Of this amount, \$40,493,091 is general obligation bonds. The remainder of the County debt is comprised of installment purchase contracts, notes payable, compensated absences, claims, capital leases payable, and long term advances.

**Bay County's  
Outstanding Debt**

Fiscal Year Ending December 31,	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Primary Government</b>						
General obligation bonds	\$ 26,815,000	\$ 29,385,000	-	-	\$ 26,815,000	\$ 29,385,000
Installment purchase contracts	82,390	376,568	-	-	82,390	376,568
Capital leases payable	14,401	32,632	-	3,986	14,401	36,618
Long term advances	29,000	50,000	-	-	29,000	50,000
Internal service fund claims	578,261	674,945	-	-	578,261	674,945
Compensated absences	1,857,862	1,818,559	420,026	426,926	2,277,888	2,245,485
Claims	-	-	646,526	339,329	646,526	339,329
<b>Component Units</b>						
General obligation bonds	13,678,091	16,259,362	-	-	13,678,091	16,259,362
Notes payable	509,226	754,473	-	-	509,226	754,473
Revenue bonds	-	-	-	-	-	-
Compensated absences	1,266,541	1,290,248	-	-	1,266,541	1,290,248
Claims	254,249	60,000	-	-	254,249	60,000
<b>Total</b>	<b>\$ 45,085,021</b>	<b>\$ 50,701,787</b>	<b>\$ 1,066,552</b>	<b>\$ 770,241</b>	<b>\$ 46,151,573</b>	<b>\$ 51,472,028</b>

The County's total gross long-term debt of \$46,151,573 is equivalent to \$426 per capita or 1.6% of the County's taxable value of property.

The County's total debt decreased by \$5,320,455 (10.34%) during the fiscal year.

The County's current bond ratings are as follows:

	<u>Moody's</u>	<u>Standard and Poors</u>
Unlimited tax obligations	A2	A
Limited tax obligations	A3	A
Insured limited tax obligations	Aaa	AAA
Revenue bonds	unrated	unrated
Special assessment bonds	unrated	unrated

Current state statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The County's current debt limit and margin (amounts expressed in thousands) is as follows:

Debt limit	\$337,863
Debt margin	\$297,248
Percent of limit	87.98%

Additional information on the County's long-term debt can be found in note III F on pages 82-86 of this report.

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

The following factors were considered in preparing the County's budget for the 2007 fiscal year:

- Rising taxable property values.
- Rising interest rates.
- Increased fees.
- 2% wage increase.
- Increasing general liability insurance costs.
- Increasing health insurance costs for employees and retirees.
- Higher utility costs.
- Reduction in some federal and state grants and local government reimbursements.
- Transfers from other funds.
- Limiting capital expenditures.

During the current fiscal year, unreserved–undesignated fund balance in the General Fund increased to \$2,296,325. The County has not appropriated any of this amount for spending in the 2007 fiscal year budget.

### **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 Bay County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Bay County Building, 515 Center Avenue, Suite 701, Bay City, Michigan 48708-5128.

## **BASIC FINANCIAL STATEMENTS**

**BAY COUNTY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<b>PRIMARY GOVERNMENT</b>			<b>COMPONENT UNITS</b>
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,573,892	\$ 2,976,430	\$ 9,550,322	\$ 10,921,717
Investments	8,405,799	4,717,165	13,122,964	102,539
Receivables	17,225,095	6,094,102	23,319,197	19,618,478
Internal balances	22,823	(22,823)	-	-
Prepaid items and other assets	725,375	627,011	1,352,386	554,697
Inventories	32,452	13,344	45,796	984,459
Capital assets, net:				
Assets not being depreciated	2,144,448	257,604	2,402,052	43,945,935
Assets being depreciated	52,097,600	9,990,282	62,087,882	64,771,441
<b>TOTAL ASSETS</b>	<b>87,227,484</b>	<b>24,653,115</b>	<b>111,880,599</b>	<b>140,899,266</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	2,812,328	1,136,488	3,948,816	3,177,183
Unearned revenue	5,571,787	1,414,771	6,986,558	2,833,889
Unamortized bond premium	283,790	-	283,790	-
Noncurrent liabilities:				
Due within one year	2,822,973	1,031,019	3,853,992	3,336,952
Due in more than one year	26,553,941	35,533	26,589,474	12,371,155
<b>TOTAL LIABILITIES</b>	<b>38,044,819</b>	<b>3,617,811</b>	<b>41,662,630</b>	<b>21,719,179</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	27,330,257	10,247,886	37,578,143	106,345,059
Restricted for:				
Debt service	625,309	-	625,309	665,829
Non-current assets	1,376,487	-	1,376,487	-
Restricted contributions	518,769	-	518,769	-
Restricted assets	10,073,235	-	10,073,235	-
System replacement	-	-	-	353,995
Unrestricted	9,258,608	10,787,418	20,046,026	11,815,204
<b>TOTAL NET ASSETS</b>	<b>\$ 49,182,665</b>	<b>\$ 21,035,304</b>	<b>\$ 70,217,969</b>	<b>\$ 119,180,087</b>

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

**BAY COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>FUNCTIONS / PROGRAMS</b>	<b>EXPENSES</b>	<b>INDIRECT EXPENSES ALLOCATION</b>	<b>PROGRAM REVENUES</b>		<b>NET (EXPENSE) REVENUE</b>	
			<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>		<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>
<b>PRIMARY GOVERNMENT</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
Public safety	\$ 10,065,656	\$ 86,343	\$ 1,569,181	\$ 1,467,551	\$ 133,556	\$ (6,981,711)
Community and economic development	124,356	(25,048)	6,229	215,352	-	122,273
Health and welfare	10,255,576	-	2,193,446	2,899,483	12,239	(5,150,408)
Public works	5,698	-	22,710	-	-	17,012
General government	11,463,318	(359,252)	3,071,286	1,545,490	30,743	(6,456,547)
Judicial	5,724,921	260,822	2,392,261	1,942,908	-	(1,650,574)
Legislative	462,546	-	103	-	-	(462,443)
Recreation and culture	1,930,296	(70,580)	1,738,900	57,921	18,529	(44,366)
Other functions	1,293,007	-	53,732	-	-	(1,239,275)
Interest on long-term debt	1,238,778	-	-	-	-	(1,238,778)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>42,564,152</b>	<b>(107,715)</b>	<b>11,047,848</b>	<b>8,128,705</b>	<b>195,067</b>	<b>(23,084,817)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Medical Care Facility	18,616,398	10,939	16,941,590	-	-	(1,685,747)
100% Tax Payment	122,594	-	861,841	-	-	739,247
Golf Course	577,448	58,911	548,317	-	-	(88,042)
Delinquent Property Tax Foreclosure	69,181	-	202,503	-	-	133,322
Commissary	118,253	-	157,548	-	-	39,295
Housing	552,244	25,048	238,381	170,067	43,942	(124,902)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>20,056,118</b>	<b>94,898</b>	<b>18,950,180</b>	<b>170,067</b>	<b>43,942</b>	<b>(986,827)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 62,620,270</b>	<b>\$ (12,817)</b>	<b>\$ 29,998,028</b>	<b>\$ 8,298,772</b>	<b>\$ 239,009</b>	<b>\$ (24,071,644)</b>
<b>COMPONENT UNITS</b>						
Road Commission	\$ 11,189,878	\$ -	\$ 1,398,655	\$ 4,010,666	\$ 7,194,355	\$ 1,413,798
Library System	7,489,602	11,669	530,367	90,763	814,901	(6,065,240)
Department of Water and Sewer	4,500,829	-	3,987,970	-	-	(512,859)
Drain Commission	654,372	-	30,382	-	(55,233)	(679,223)
Bay Area Narcotics Enforcement Team	779,184	1,148	310,030	362,278	-	(108,024)
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 24,613,865</b>	<b>\$ 12,817</b>	<b>\$ 6,257,404</b>	<b>\$ 4,463,707</b>	<b>\$ 7,954,023</b>	<b>\$ (5,951,548)</b>

**BAY COUNTY  
STATEMENT OF ACTIVITIES (CONCLUDED)  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>PRIMARY GOVERNMENT</b>			<b>COMPONENT UNITS</b>
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	
<b>CHANGES IN NET ASSETS</b>				
Net (expense) revenue	\$ (23,084,817)	\$ (986,827)	\$ (24,071,644)	\$ (5,951,548)
<b>GENERAL REVENUES:</b>				
Property taxes	26,709,969	1,323,483	28,033,452	6,018,076
Unrestricted investment earnings	1,013,118	352,132	1,365,250	629,591
Other revenue	1,524,943	430,697	1,955,640	149,092
Transfers - internal activities	724,487	(724,487)	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>	<u>29,972,517</u>	<u>1,381,825</u>	<u>31,354,342</u>	<u>6,796,759</u>
<b>CHANGE IN NET ASSETS</b>	6,887,700	394,998	7,282,698	845,211
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	<u>42,294,965</u>	<u>20,640,306</u>	<u>62,935,271</u>	<u>118,334,876</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 49,182,665</u>	<u>\$ 21,035,304</u>	<u>\$ 70,217,969</u>	<u>\$ 119,180,087</u>

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

**BAY COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	<b>GENERAL</b>	<b>MOSQUITO CONTROL</b>	<b>BUDGET STABILIZATION</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 144,007	\$ 750,376
Investments	1,549,788	113,362	1,049,214
Accounts receivable	561,648	185	-
Property taxes receivable	1,530,691	1,227,996	-
Accrued interest receivable	64,955	3,520	-
Inventories	32,452	-	-
Due from other funds	256,922	-	-
Due from component units	44,263	-	-
Due from other governmental units	1,859,284	-	-
Prepaid items and other current assets	167,397	-	-
Interfund advances	2,299,590	-	-
	<b>\$ 8,366,990</b>	<b>\$ 1,489,070</b>	<b>\$ 1,799,590</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 558,598	\$ 14,424	\$ -
Accrued items and other liabilities	690,991	12,341	-
Accrued vacation and sick pay, current	57,948	-	-
Due to other funds	400,779	355	-
Due to component units	81,736	-	-
Due to other governmental units	162,745	3,284	-
Deposits	9,685	-	-
Interfund advances	14,292	-	1,799,590
Long term advances	-	-	-
Deferred revenue	932,847	1,269,124	-
	<b>2,909,621</b>	<b>1,299,528</b>	<b>1,799,590</b>
<b>FUND BALANCES:</b>			
Reserved:			
Encumbrances	320,350	-	-
Debt service	-	-	-
Non-current assets	-	-	-
Restricted contributions	464,876	-	-
Prepaid items	33,341	-	-
Inventories	32,452	-	-
Restricted assets	10,435	-	-
Advances	2,299,590	-	-
Total reserves	3,161,044	-	-
Unreserved:			
Designated for other projects and activities			
Special revenue funds	-	-	-
Undesignated:			
General fund	2,296,325	-	-
Special revenue fund	-	189,542	-
	<b>5,457,369</b>	<b>189,542</b>	<b>-</b>
	<b>\$ 8,366,990</b>	<b>\$ 1,489,070</b>	<b>\$ 1,799,590</b>

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

<u>911 SERVICE</u>	<u>DIVISION ON AGING</u>	<u>REVENUE SHARING RESERVE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 867,220	\$ 374,279	\$ 1,289,416	\$ 1,775,377	\$ 5,200,675
1,093,354	377,441	2,711,343	804,713	7,699,215
613	25,305	541,255	1,488,326	2,617,332
1,919,597	1,371,127	5,028,041	261,902	11,339,354
23,763	9,553	49,520	14,640	165,951
-	-	-	-	32,452
-	-	443,225	-	700,147
-	200	-	176,136	220,599
50,893	61,967	-	854,600	2,826,744
143	756	-	3,412	171,708
-	-	-	-	2,299,590
<u>\$ 3,955,583</u>	<u>\$ 2,220,628</u>	<u>\$ 10,062,800</u>	<u>\$ 5,379,106</u>	<u>\$ 33,273,767</u>
\$ 15,138	\$ 36,916	\$ -	\$ 379,020	\$ 1,004,096
51,313	56,255	-	355,084	1,165,984
1,978	-	-	2,875	62,801
1,523	1,412	-	283,940	688,009
-	-	-	-	81,736
8,801	12,860	-	73,916	261,606
-	-	-	-	9,685
-	-	-	500,000	2,313,882
-	-	-	29,000	29,000
1,983,889	1,417,050	-	485,438	6,088,348
<u>2,062,642</u>	<u>1,524,493</u>	<u>-</u>	<u>2,109,273</u>	<u>11,705,147</u>
114,981	-	-	28,709	464,040
-	-	-	625,309	625,309
-	-	-	1,376,487	1,376,487
-	-	-	53,893	518,769
143	756	-	3,412	37,652
-	-	-	-	32,452
-	-	10,062,800	-	10,073,235
-	-	-	-	2,299,590
<u>115,124</u>	<u>756</u>	<u>10,062,800</u>	<u>2,087,810</u>	<u>15,427,534</u>
-	-	-	182,922	182,922
-	-	-	-	2,296,325
<u>1,777,817</u>	<u>695,379</u>	<u>-</u>	<u>999,101</u>	<u>3,661,839</u>
<u>1,892,941</u>	<u>696,135</u>	<u>10,062,800</u>	<u>3,269,833</u>	<u>21,568,620</u>
<u>\$ 3,955,583</u>	<u>\$ 2,220,628</u>	<u>\$ 10,062,800</u>	<u>\$ 5,379,106</u>	<u>\$ 33,273,767</u>

**BAY COUNTY**  
**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET**  
**FOR GOVERNMENTAL FUNDS TO NET ASSETS OF**  
**GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**

Fund balances - total governmental funds	\$ 21,568,620
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	75,279,968
Deduct - accumulated depreciation	(21,037,920)
Other long-term assets are not available to pay for current period expenditures and, therefore, either deferred or otherwise not recorded in the funds	
Add - deferred revenue for delinquent taxes receivable	516,561
Bond premiums in the governmental activities are reported in the funds, but amortized over the life of the bonds on the statement of net assets	
Deduct - unamortized bond premium	(283,790)
Internal service funds are used by management to charge the costs of self insurance to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
Add - net assets of governmental activities accounted for in the internal service funds	2,042,308
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - long-term debt	(26,911,791)
Deduct - accrued interest on long-term debt	(196,366)
Deduct - accrued liability to Historical Preservation	(987)
Deduct - long-term portion of compensated absences	<u>(1,793,938)</u>
Net assets of governmental activities:	<u>\$ 49,182,665</u>

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

**BAY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>GENERAL</u>	<u>MOSQUITO CONTROL</u>	<u>BUDGET STABILIZATION</u>
<b>REVENUES</b>			
Property taxes and other taxes	\$ 15,906,633	\$ 1,229,814	\$ -
Licenses and permits	203,052	-	-
Federal grants	2,238,861	-	-
State grants	1,941,179	-	-
Interest, rents and royalties	1,294,433	18,153	-
Charges for services	3,063,320	21	-
Fines and forfeits	937,901	-	-
Reimbursements, refunds, and other revenues	3,036,631	159	-
<b>TOTAL REVENUES</b>	<u>28,622,010</u>	<u>1,248,147</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
Legislative	478,046	-	-
Judicial	5,750,028	-	-
General government	8,810,160	-	-
Public safety	8,037,864	-	-
Public works	5,698	-	-
Health and welfare	1,016,871	1,147,285	-
Community and economic development	110,531	-	-
Recreation and culture	1,323,484	-	-
Other functions	1,293,057	-	-
Debt service			
Principal	204,491	-	-
Interest and other fees	9,703	-	-
Underwriters discount	-	-	-
Capital outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>27,039,933</u>	<u>1,147,285</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,582,077</u>	<u>100,862</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance recoveries/proceeds	15,161	9,010	-
Proceeds of refunding bonds	-	-	-
Payments to refunded bond escrow agents	-	-	-
Bond premium	-	-	-
Transfers in	4,104,965	-	-
Transfer (out)	(5,285,456)	(110,366)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,165,330)</u>	<u>(101,356)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	416,747	(494)	-
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	<u>5,040,622</u>	<u>190,036</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 5,457,369</u>	<u>\$ 189,542</u>	<u>\$ -</u>

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

<b>911 SERVICE</b>	<b>DIVISION ON AGING</b>	<b>REVENUE SHARING RESERVE</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ 1,913,116	\$ 1,366,657	\$ 5,574,834	\$ 261,684	\$ 26,252,738
-	-	-	170,332	373,384
-	606,172	-	747,364	3,592,397
219,638	73,122	-	1,586,225	3,820,164
103,242	43,535	193,831	349,818	2,003,012
-	7,467	-	183,765	3,254,573
-	-	-	7,030	944,931
10,272	372,970	-	4,626,700	8,046,732
<u>2,246,268</u>	<u>2,469,923</u>	<u>5,768,665</u>	<u>7,932,918</u>	<u>48,287,931</u>
-	-	-	-	478,046
-	-	-	79,343	5,829,371
-	-	-	225,176	9,035,336
1,742,410	-	-	477,932	10,258,206
-	-	-	-	5,698
-	2,309,184	-	5,883,002	10,356,342
-	-	-	18,099	128,630
-	-	-	527,526	1,851,010
-	-	-	-	1,293,057
8,882	-	-	2,603,410	2,816,783
1,718	-	-	1,243,847	1,255,268
-	-	-	40,314	40,314
-	-	-	1,185,313	1,185,313
<u>1,753,010</u>	<u>2,309,184</u>	<u>-</u>	<u>12,283,962</u>	<u>44,533,374</u>
<u>493,258</u>	<u>160,739</u>	<u>5,768,665</u>	<u>(4,351,044)</u>	<u>3,754,557</u>
-	2,186	-	-	26,357
-	-	-	7,205,000	7,205,000
-	-	-	(7,393,705)	(7,393,705)
-	-	-	299,552	299,552
-	5,200	-	5,280,255	9,390,420
<u>(229,096)</u>	<u>(256,473)</u>	<u>(2,015,599)</u>	<u>(768,943)</u>	<u>(8,665,933)</u>
<u>(229,096)</u>	<u>(249,087)</u>	<u>(2,015,599)</u>	<u>4,622,159</u>	<u>861,691</u>
264,162	(88,348)	3,753,066	271,115	4,616,248
<u>1,628,779</u>	<u>784,483</u>	<u>6,309,734</u>	<u>2,998,718</u>	<u>16,952,372</u>
<u>\$ 1,892,941</u>	<u>\$ 696,135</u>	<u>\$ 10,062,800</u>	<u>\$ 3,269,833</u>	<u>\$ 21,568,620</u>

**BAY COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

Net change in fund balances - total governmental funds \$ 4,616,248

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

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

Add - capital outlay	1,689,983
Deduct - loss on sale of capital assets	(1,337,454)
Deduct - depreciation expense	(1,984,429)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenue in the funds, rather they are deferred to the following fiscal year

Add - increase in delinquent property taxes	457,231
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Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Add - principal payments on long-term liabilities	2,816,783
Subtract - proceeds from issuance of long-term debt	(7,205,000)
Add - payments to refunded bond escrow agents	7,270,626
Subtract - bond premium	(299,552)
Add - amortization of bond premium	15,762

Internal service funds are used by management to charge the costs of self insurance to individual governmental funds. The net revenue (expense) of the funds is reported with governmental activities.

Add - interest revenue from governmental internal service funds	58,015
Add - net operating income from governmental activities in internal service funds	856,363

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

Add - decrease in accrued interest payable on bonds	23,858
Deduct - increase in the accrual to Historical Preservation	(987)
Deduct - increase in the accrual for compensated absences	(89,747)
	(89,747)

Change in net assets of governmental activities	\$ 6,887,700
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The accompanying notes are an integral part of these financial statements.

**BAY COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Property taxes and other taxes	\$ 15,741,353	\$ 15,196,573	\$ 15,906,633	\$ 710,060
Licenses and permits	265,600	213,220	203,052	(10,168)
Federal grants	2,081,298	2,667,899	2,238,861	(429,038)
State grants	1,852,457	1,907,598	1,941,179	33,581
Interest, rents and royalties	1,308,111	1,368,111	1,294,433	(73,678)
Charges for services	3,088,454	3,036,994	3,063,320	26,326
Fines and forfeits	936,000	936,000	937,901	1,901
Reimbursements, refunds, and other revenues	2,482,944	3,356,730	3,036,631	(320,099)
<b>TOTAL REVENUES</b>	<b>27,756,217</b>	<b>28,683,125</b>	<b>28,622,010</b>	<b>(61,115)</b>
<b>EXPENDITURES</b>				
Current				
Legislative	832,634	832,634	478,046	354,588
Judicial	5,735,846	5,883,996	5,750,028	133,968
General government	8,667,092	9,015,303	8,810,160	205,143
Public safety	8,172,928	8,580,988	8,037,864	543,124
Public works	6,850	6,850	5,698	1,152
Health and welfare	1,011,298	1,027,542	1,016,871	10,671
Community and economic development	139,573	139,573	110,531	29,042
Recreation and culture	1,449,534	1,501,964	1,323,484	178,480
Other functions	1,508,766	1,530,579	1,293,057	237,522
Debt service				
Principal	201,604	201,604	204,491	(2,887)
Interest and other fees	10,140	10,140	9,703	437
<b>TOTAL EXPENDITURES</b>	<b>27,736,265</b>	<b>28,731,173</b>	<b>27,039,933</b>	<b>1,691,240</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>19,952</b>	<b>(48,048)</b>	<b>1,582,077</b>	<b>1,630,125</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries/proceeds	-	15,161	15,161	-
Transfers in	4,186,172	4,044,444	4,104,965	60,521
Transfer (out)	(4,572,138)	(5,281,544)	(5,285,456)	(3,912)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(385,966)</b>	<b>(1,221,939)</b>	<b>(1,165,330)</b>	<b>56,609</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(366,014)</b>	<b>(1,269,987)</b>	<b>416,747</b>	<b>1,686,734</b>
FUND BALANCES, BEGINNING OF YEAR	5,040,622	5,040,622	5,040,622	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 4,674,608</b>	<b>\$ 3,770,635</b>	<b>\$ 5,457,369</b>	<b>\$ 1,686,734</b>

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

**BAY COUNTY**  
**MOSQUITO CONTROL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Property and other taxes	\$ 1,228,507	\$ 1,228,507	\$ 1,229,814	\$ 1,307
Federal grants	5,000	5,000	-	(5,000)
Interest, rents and royalties	7,650	7,650	18,153	10,503
Charges for services	-	-	21	21
Reimbursements, refunds, and other revenues	100	100	159	59
<b>TOTAL REVENUES</b>	<b>1,241,257</b>	<b>1,241,257</b>	<b>1,248,147</b>	<b>6,890</b>
<b>EXPENDITURES</b>				
Health and welfare	1,213,928	1,211,366	1,147,285	64,081
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>27,329</b>	<b>29,891</b>	<b>100,862</b>	<b>70,971</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries/proceeds	-	3,327	9,010	5,683
Transfers in	22,746	-	-	-
Transfers (out)	(110,366)	(110,366)	(110,366)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(87,620)</b>	<b>(107,039)</b>	<b>(101,356)</b>	<b>5,683</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(60,291)</b>	<b>(77,148)</b>	<b>(494)</b>	<b>76,654</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>190,036</b>	<b>190,036</b>	<b>190,036</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 129,745</b>	<b>\$ 112,888</b>	<b>\$ 189,542</b>	<b>\$ 76,654</b>

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

**BAY COUNTY**  
**911 SERVICE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Property and other taxes	\$ 1,913,061	\$ 1,913,061	\$ 1,913,116	\$ 55
State grants	177,000	177,000	219,638	42,638
Interest, rents and royalties	32,200	32,200	103,242	71,042
Reimbursements, refunds, and other revenues	200,500	2,150	10,272	8,122
<b>TOTAL REVENUES</b>	<u>2,322,761</u>	<u>2,124,411</u>	<u>2,246,268</u>	<u>121,857</u>
<b>EXPENDITURES</b>				
Public safety	2,250,393	2,120,542	1,742,410	378,132
Debt service				
Principal	8,826	8,826	8,882	(56)
Interest and other fees	1,775	1,775	1,718	57
<b>TOTAL EXPENDITURES</b>	<u>2,260,994</u>	<u>2,131,143</u>	<u>1,753,010</u>	<u>378,133</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>61,767</u>	<u>(6,732)</u>	<u>493,258</u>	<u>499,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	33,932	-	-	-
Transfers (out)	(229,096)	(229,096)	(229,096)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(195,164)</u>	<u>(229,096)</u>	<u>(229,096)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(133,397)</u>	<u>(235,828)</u>	<u>264,162</u>	<u>499,990</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,628,779</u>	<u>1,628,779</u>	<u>1,628,779</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,495,382</u>	<u>\$ 1,392,951</u>	<u>\$ 1,892,941</u>	<u>\$ 499,990</u>

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

**BAY COUNTY**  
**DIVISION ON AGING SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	<b>WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Property and other taxes	\$ 1,362,609	\$ 1,359,719	\$ 1,366,657	\$ 6,938
Federal grants	598,013	626,335	606,172	(20,163)
State grants	68,787	69,545	73,122	3,577
Interest, rents and royalties	16,250	16,250	43,535	27,285
Charges for services	9,900	10,400	7,467	(2,933)
Reimbursements, refunds, and other revenues	346,397	345,176	372,970	27,794
<b>TOTAL REVENUES</b>	<b>2,401,956</b>	<b>2,427,425</b>	<b>2,469,923</b>	<b>42,498</b>
<b>EXPENDITURES</b>				
Health and welfare	2,386,255	2,473,738	2,309,184	164,554
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>15,701</b>	<b>(46,313)</b>	<b>160,739</b>	<b>207,052</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries/proceeds	-	-	2,186	2,186
Transfers in	24,238	5,200	5,200	-
Transfers (out)	(254,293)	(254,293)	(256,473)	(2,180)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(230,055)</b>	<b>(249,093)</b>	<b>(249,087)</b>	<b>6</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(214,354)</b>	<b>(295,406)</b>	<b>(88,348)</b>	<b>207,058</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>784,483</b>	<b>784,483</b>	<b>784,483</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 570,129</b>	<b>\$ 489,077</b>	<b>\$ 696,135</b>	<b>\$ 207,058</b>

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

**BAY COUNTY**  
**REVENUE SHARING RESERVE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Property taxes and other taxes	\$ 5,021,735	\$ 5,566,515	\$ 5,574,834	\$ 8,319
Interest, rents and royalties	-	160,000	193,831	33,831
<b>TOTAL REVENUES</b>	5,021,735	5,726,515	5,768,665	42,150
<b>OTHER FINANCING (USES)</b>				
Transfer (out)	(2,157,327)	(2,015,599)	(2,015,599)	-
<b>NET CHANGE IN FUND BALANCES</b>	2,864,408	3,710,916	3,753,066	42,150
FUND BALANCE, BEGINNING OF YEAR	6,309,734	6,309,734	6,309,734	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 9,174,142</u>	<u>\$ 10,020,650</u>	<u>\$ 10,062,800</u>	<u>\$ 42,150</u>

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

**BAY COUNTY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2006**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>GOVERNMENTAL ACTIVITIES</b>
	<b>MEDICAL CARE FACILITY</b>	<b>100% TAX PAYMENT</b>	<b>HOUSING</b>	<b>OTHER PROPRIETARY FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 53,527	\$ 2,435,917	\$ 248,756	\$ 238,230	\$ 2,976,430	\$ 1,373,217
Investments	2,517,305	1,877,027	190,869	131,964	4,717,165	706,584
Accounts receivable, net of allowance	1,534,482	2,033	2,391	7,159	1,546,065	8,778
Property taxes receivable	1,361,652	2,729,376	-	-	4,091,028	-
Accrued interest receivable	-	429,477	-	3,110	432,587	13,237
Inventories	-	-	-	13,344	13,344	-
Due from other funds	-	-	-	44,844	44,844	24,990
Due from component units	-	-	-	-	-	4,849
Due from other governmental units	-	24,376	-	46	24,422	-
Prepaid items and other current assets	599,045	-	27,966	-	627,011	581,918
Interfund advances	-	-	-	14,292	14,292	-
<b>TOTAL CURRENT ASSETS</b>	<b>6,066,011</b>	<b>7,498,206</b>	<b>469,982</b>	<b>452,989</b>	<b>14,487,188</b>	<b>2,713,573</b>
<b>NONCURRENT ASSETS</b>						
Land	-	-	90,583	167,021	257,604	-
Land improvements	-	-	317,888	799,062	1,116,950	-
Buildings and improvements	11,440,606	-	4,227,541	406,224	16,074,371	-
Machinery and equipment	339,039	-	284,959	451,455	1,075,453	-
Office furniture and fixtures	2,657,564	2,035	-	16,968	2,676,567	-
Vehicles and other	60,002	-	-	8,458	68,460	-
Less accumulated depreciation	(7,523,288)	(2,035)	(2,377,647)	(1,118,549)	(11,021,519)	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>6,973,923</b>	<b>-</b>	<b>2,543,324</b>	<b>730,639</b>	<b>10,247,886</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>13,039,934</b>	<b>7,498,206</b>	<b>3,013,306</b>	<b>1,183,628</b>	<b>24,735,074</b>	<b>2,713,573</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	717,937	634	19,906	9,924	748,401	64
Accrued items and other liabilities	309,791	4,279	19,284	10,667	344,021	90,231
Accrued vacation and sick pay	373,196	94	9,297	1,906	384,493	-
Deposits payable	1,635	-	19,565	-	21,200	-
Due to other funds	50,054	31,690	-	215	81,959	13
Due to other governmental units	-	8,376	12,949	1,541	22,866	1,573
Claims, settlements, and judgments	646,526	-	-	-	646,526	543,381
Unearned revenue	1,407,577	-	5,330	1,864	1,414,771	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,506,716</b>	<b>45,073</b>	<b>86,331</b>	<b>26,117</b>	<b>3,664,237</b>	<b>635,262</b>
<b>NONCURRENT LIABILITIES</b>						
Claims, settlements, and judgments	-	-	-	-	-	34,880
Accrued vacation and sick pay	-	7,751	11,541	16,241	35,533	1,123
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>7,751</b>	<b>11,541</b>	<b>16,241</b>	<b>35,533</b>	<b>36,003</b>
<b>TOTAL LIABILITIES</b>	<b>3,506,716</b>	<b>52,824</b>	<b>97,872</b>	<b>42,358</b>	<b>3,699,770</b>	<b>671,265</b>
<b>NET ASSETS</b>						
Investment in capital assets	6,973,923	-	2,543,324	730,639	10,247,886	-
Restricted for insurance claims	-	-	-	-	-	2,042,308
Unrestricted	2,559,295	7,445,382	372,110	410,631	10,787,418	-
<b>TOTAL NET ASSETS</b>	<b>\$ 9,533,218</b>	<b>\$ 7,445,382</b>	<b>\$ 2,915,434</b>	<b>\$ 1,141,270</b>	<b>\$ 21,035,304</b>	<b>\$ 2,042,308</b>

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

**BAY COUNTY  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>GOVERNMENTAL ACTIVITIES</b>
	<b>MEDICAL CARE FACILITY</b>	<b>100% TAX PAYMENT</b>	<b>HOUSING</b>	<b>OTHER PROPRIETARY FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
	<b>OPERATING REVENUES</b>					
Program grants-subsidies	\$ -	\$ -	\$ 170,067	\$ -	\$ 170,067	\$ -
Charges for services	16,941,590	(20,666)	238,381	908,368	18,067,673	5,311,689
Reimbursements, refunds, and other revenue	357,354	-	8,625	57,449	423,428	77,417
<b>TOTAL OPERATING REVENUES</b>	<u>17,298,944</u>	<u>(20,666)</u>	<u>417,073</u>	<u>965,817</u>	<u>18,661,168</u>	<u>5,389,106</u>
<b>OPERATING EXPENSES</b>						
Personal services	8,575,829	102,830	147,682	283,384	9,109,725	3,738,828
Supplies	-	14,894	-	71,458	86,352	92
Other services	9,512,790	4,870	236,745	413,675	10,168,080	793,823
Depreciation	535,052	-	191,796	55,276	782,124	-
<b>TOTAL OPERATING EXPENSES</b>	<u>18,623,671</u>	<u>122,594</u>	<u>576,223</u>	<u>823,793</u>	<u>20,146,281</u>	<u>4,532,743</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,324,727)</u>	<u>(143,260)</u>	<u>(159,150)</u>	<u>142,024</u>	<u>(1,485,113)</u>	<u>856,363</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Property and other taxes	1,323,483	882,507	-	-	2,205,990	-
Federal grants	-	-	43,942	-	43,942	-
Other income	7,269	-	-	-	7,269	-
Interest income	97,208	223,268	13,739	17,917	352,132	58,015
Interest expense	(3,666)	-	(1,069)	-	(4,735)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>1,424,294</u>	<u>1,105,775</u>	<u>56,612</u>	<u>17,917</u>	<u>2,604,598</u>	<u>58,015</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>99,567</u>	<u>962,515</u>	<u>(102,538)</u>	<u>159,941</u>	<u>1,119,485</u>	<u>914,378</u>
<b>TRANSFERS</b>						
Transfers (out)	-	(689,288)	-	(35,199)	(724,487)	-
<b>CHANGE IN NET ASSETS</b>	<u>99,567</u>	<u>273,227</u>	<u>(102,538)</u>	<u>124,742</u>	<u>394,998</u>	<u>914,378</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>9,433,651</u>	<u>7,172,155</u>	<u>3,017,972</u>	<u>1,016,528</u>	<u>20,640,306</u>	<u>1,127,930</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 9,533,218</u>	<u>\$ 7,445,382</u>	<u>\$ 2,915,434</u>	<u>\$ 1,141,270</u>	<u>\$ 21,035,304</u>	<u>\$ 2,042,308</u>

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

**BAY COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>GOVERNMENTAL ACTIVITIES</b>
	<b>MEDICAL CARE FACILITY</b>	<b>100% TAX PAYMENT</b>	<b>HOUSING</b>	<b>OTHER PROPRIETARY FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 14,904,093	\$ -	\$ 238,311	\$ 900,203	\$ 16,042,607	\$ -
Cash received from interfund services provided	2,412,634	16,551	-	52	2,429,237	5,302,388
Cash received from grants and subsidies	-	-	261,200	-	261,200	-
Interfund reimbursements	-	-	-	(19,263)	(19,263)	(11,707)
Cash payments to suppliers for goods and services	(9,112,395)	(84,904)	(244,527)	(503,272)	(9,945,098)	(855,290)
Cash payments to employees and related taxes and insurance	(8,575,829)	(98,172)	(167,502)	(282,116)	(9,123,619)	(3,775,597)
Other operating revenues	56,842	-	8,625	57,449	122,916	77,417
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(314,655)</u>	<u>(166,525)</u>	<u>96,107</u>	<u>153,053</u>	<u>(232,020)</u>	<u>737,211</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Taxes received	1,364,059	646,624	-	-	2,010,683	-
Proceeds from interfund advances	-	-	-	15,000	15,000	-
Claims, settlements, and judgments, long-term	-	-	-	-	-	(55,885)
Resident trust withdrawals	(273)	-	-	-	(273)	-
Contributions	7,269	-	-	-	7,269	-
Transfers (out)	-	(689,288)	-	(35,199)	(724,487)	-
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u>1,371,055</u>	<u>(42,664)</u>	<u>-</u>	<u>(20,199)</u>	<u>1,308,192</u>	<u>(55,885)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(76,684)	-	(48,056)	(123,136)	(247,876)	-
Cash received from capital grants	-	-	43,942	-	43,942	-
Principal paid on long-term debt	-	-	(3,986)	-	(3,986)	-
Interest paid on long-term debt	(3,666)	-	(1,068)	-	(4,734)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES</b>	<u>(80,350)</u>	<u>-</u>	<u>(9,168)</u>	<u>(123,136)</u>	<u>(212,654)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of investments	-	1,140,623	-	153,472	1,294,095	436,804
Purchases of investments	(1,050,047)	-	(67,537)	(20,563)	(1,138,147)	-
Interest on investments	97,208	223,268	13,199	17,917	351,592	58,015
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(952,839)</u>	<u>1,363,891</u>	<u>(54,338)</u>	<u>150,826</u>	<u>507,540</u>	<u>494,819</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>23,211</u>	<u>1,154,702</u>	<u>32,601</u>	<u>160,544</u>	<u>1,371,058</u>	<u>1,176,145</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>30,316</u>	<u>1,281,215</u>	<u>216,155</u>	<u>77,686</u>	<u>1,605,372</u>	<u>197,072</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 53,527</u>	<u>\$ 2,435,917</u>	<u>\$ 248,756</u>	<u>\$ 238,230</u>	<u>\$ 2,976,430</u>	<u>\$ 1,373,217</u>

(Continued)

**BAY COUNTY  
STATEMENT OF CASH FLOWS (CONCLUDED)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>GOVERNMENTAL</b>
	<b>MEDICAL CARE FACILITY</b>	<b>100% TAX PAYMENT</b>	<b>HOUSING</b>	<b>OTHER PROPRIETARY FUNDS</b>	<b>TOTAL</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (1,324,727)	\$ (143,260)	\$ (159,150)	\$ 142,024	\$ (1,485,113)	\$ 856,363
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	535,052	-	191,796	55,276	782,124	-
Changes in assets and liabilities:						
Accounts receivable	74,625	815	91,063	(5,868)	160,635	(796)
Accrued interest receivable		(96,144)	-	(907)	(97,051)	(3,656)
Inventories		-	-	(7,824)	(7,824)	-
Due from other funds		-	-	(19,263)	(19,263)	(11,715)
Due from component units	-	-	-	-	-	(4,849)
Due from other governmental units		90,511	-	-	90,511	-
Prepaid items and other current assets	(304,000)	-	(26,370)	-	(330,370)	(61,289)
Accounts payable	309,886	295	(1,302)	(15,485)	293,394	(86)
Accrued items and other liabilities	394,509	2,071	70	7,665	404,315	3,113
Accrued vacation and sick pay, current	-	2,587	-	(2,032)	555	100
Due to other funds	-	16,551	-	52	16,603	8
Due to other governmental units	-	(39,951)	-	805	(39,146)	817
Claims, settlements, and judgments	-	-	-	-	-	(40,799)
Unearned revenue	-	-	-	(1,390)	(1,390)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (314,655)</b>	<b>\$ (166,525)</b>	<b>\$ 96,107</b>	<b>\$ 153,053</b>	<b>\$ (232,020)</b>	<b>\$ 737,211</b>

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

**BAY COUNTY  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
DECEMBER 31, 2006**

	<b>PRIVATE PURPOSE TRUST FUNDS</b>	<b>PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS</b>	<b>AGENCY FUNDS</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,336	\$ -	\$ 1,733,428
Investments at fair value:			
Common stock	-	167,939,217	-
Corporate bonds	-	22,548,569	-
Governmental securities	-	26,369,075	-
Short-term investment funds	-	10,122,074	-
Other	-	38,247,343	7,741,929
Total Investments	<u>-</u>	<u>265,226,278</u>	<u>7,741,929</u>
Receivables:			
Interest and dividends	-	890,813	-
Trade	220	895,323	6,374
Due from component units	-	51,634	-
Due from other governmental units	-	-	27,294
Prepaid items and other current assets	-	70	-
	<u>-</u>	<u>70</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>26,556</u>	<u>267,064,118</u>	<u>\$ 9,509,025</u>
<b>LIABILITIES</b>			
Accounts payable	-	609,638	700
Accrued items and other liabilities	25,962	2,926,180	288,822
Accrued vacation and sick pay	-	4,493	-
Due to component units	-	-	8,772,096
Due to other governmental units	-	469	272,484
Deposits	-	-	148,271
Undistributed taxes	-	-	15,255
Advances	-	-	11,397
	<u>-</u>	<u>-</u>	<u>11,397</u>
<b>TOTAL LIABILITIES</b>	<u>25,962</u>	<u>3,540,780</u>	<u>\$ 9,509,025</u>
<b>NET ASSETS HELD IN TRUST</b>	<u>\$ 594</u>	<u>\$ 263,523,338</u>	

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

**BAY COUNTY  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>PRIVATE PURPOSE TRUST FUNDS</b>	<b>PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ -	\$ 3,573,259
Plan members	-	1,170,594
Total contributions	-	4,743,853
Investment income:		
Net appreciation in fair value of investments	-	16,763,546
Interest and dividends	-	6,074,480
Less investment expense	-	(1,664,742)
Net investment income	-	21,173,284
Other revenue	105	155,601
<b>TOTAL ADDITIONS</b>	<b>105</b>	<b>26,072,738</b>
<b>DEDUCTIONS</b>		
Benefits	-	8,214,249
Administrative expenses	-	202,379
Refunds of contributions	-	237,975
Other services	64	-
Capital outlay	-	5,344
<b>TOTAL DEDUCTIONS</b>	<b>64</b>	<b>8,659,947</b>
<b>CHANGE IN NET ASSETS</b>	<b>41</b>	<b>17,412,791</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION AND HEALTHCARE BENEFITS</b>		
Beginning of year	553	246,110,547
End of year	\$ 594	\$ 263,523,338

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

**BAY COUNTY  
 COMPONENT UNITS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2006**

	<b>ROAD COMMISSION</b>	<b>ECONOMIC DEVELOPMENT</b>	<b>LIBRARY SYSTEM</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 142,774	\$ 7,502	\$ 4,809,554
Investments	92,050	10,489	-
Receivables	2,119,186	197	2,922,242
Inventories	588,059	-	-
Prepaid items and other current assets	325,218	-	116,553
Capital assets, net:			
Assets not being depreciated	43,402,684	-	119,487
Assets being depreciated	41,883,479	-	2,729,561
<b>TOTAL ASSETS</b>	<b>88,553,450</b>	<b>18,188</b>	<b>10,697,397</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,644,224	-	354,448
Unearned revenue	-	-	2,832,330
Long-term liabilities:			
Due within one year	267,487	-	-
Due in more than one year	740,462	-	124,225
<b>TOTAL LIABILITIES</b>	<b>2,652,173</b>	<b>-</b>	<b>3,311,003</b>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	85,286,163	-	2,849,048
Restricted for:			
Debt service	-	-	-
System replacement	-	-	-
Unrestricted	615,114	18,188	4,537,346
<b>TOTAL NET ASSETS</b>	<b>\$ 85,901,277</b>	<b>\$ 18,188</b>	<b>\$ 7,386,394</b>

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

<b>DEPARTMENT OF WATER AND SEWER</b>	<b>DRAIN COMMISSION</b>	<b>BAY AREA NARCOTICS ENFORCEMENT TEAM</b>	<b>TOTAL</b>
\$ 2,579,172	\$ 3,174,987	\$ 207,728	\$ 10,921,717
-	-	-	102,539
12,347,461	2,197,738	31,654	19,618,478
396,400	-	-	984,459
110,526	-	2,400	554,697
68,091	355,673	-	43,945,935
18,441,797	1,687,972	28,632	64,771,441
33,943,447	7,416,370	270,414	140,899,266
456,330	634,160	88,021	3,177,183
1,559	-	-	2,833,889
2,703,292	366,173	-	3,336,952
9,500,324	2,006,144	-	12,371,155
12,661,505	3,006,477	88,021	21,719,179
18,509,888	(328,672)	28,632	106,345,059
-	665,829	-	665,829
353,995	-	-	353,995
2,418,059	4,072,736	153,761	11,815,204
\$ 21,281,942	\$ 4,409,893	\$ 182,393	\$ 119,180,087

**BAY COUNTY  
 COMPONENT UNITS  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>FUNCTIONS / PROGRAMS</b>	<b>PROGRAM REVENUES</b>				<b>NET (EXPENSE) REVENUE</b>
	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	
<b>COMPONENT UNIT</b>					
<b>ROAD COMMISSION</b>					
Governmental Activities:					
Highways and streets	\$ 11,189,878	\$ 1,398,655	\$ 4,010,666	\$ 7,194,355	\$ 1,413,798
<b>LIBRARY SYSTEM</b>					
Governmental Activities:					
Recreation and culture	7,501,271	530,367	90,763	814,901	(6,065,240)
<b>DEPARTMENT OF WATER AND SEWER</b>					
Business Type Activities:					
Water	1,296,198	1,377,787	-	-	81,589
Sewer	3,204,631	2,610,183	-	-	(594,448)
<b>TOTAL DEPARTMENT OF WATER AND SEWER</b>	<b>4,500,829</b>	<b>3,987,970</b>	<b>-</b>	<b>-</b>	<b>(512,859)</b>
<b>DRAIN COMMISSION</b>					
Governmental Activities:					
Public works	544,277	30,382	-	(55,233)	(569,128)
Interest on long-term debt	110,095	-	-	-	(110,095)
<b>TOTAL DRAIN COMMISSION</b>	<b>654,372</b>	<b>30,382</b>	<b>-</b>	<b>(55,233)</b>	<b>(679,223)</b>
<b>BAY AREA NARCOTICS TEAM</b>					
Governmental Activities:					
Public safety	780,332	310,030	362,278	-	(108,024)
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 24,626,682</b>	<b>\$ 6,257,404</b>	<b>\$ 4,463,707</b>	<b>\$ 7,954,023</b>	<b>\$ (5,951,548)</b>

**BAY COUNTY  
 COMPONENT UNITS  
 STATEMENT OF ACTIVITIES (CONCLUDED)  
 FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>ROAD COMMISSION</b>	<b>ECONOMIC DEVELOPMENT</b>	<b>LIBRARY SYSTEM</b>	<b>DEPARTMENT OF WATER AND SEWER</b>	<b>DRAIN COMMISSION</b>	<b>BAY AREA NARCOTICS ENFORCEMENT TEAM</b>	<b>TOTAL</b>
<b>CHANGE IN NET ASSETS</b>							
Net (expense) revenue	\$ 1,413,798	\$ -	\$ (6,065,240)	\$ (512,859)	\$ (679,223)	\$ (108,024)	\$ (5,951,548)
<b>GENERAL REVENUES:</b>							
Property taxes	-	-	6,018,076	-	-	-	6,018,076
Unrestricted investment earnings	39,757	872	290,124	112,744	183,954	2,140	629,591
Other revenue	141,488	-	-	487	7,117	-	149,092
<b>TOTAL GENERAL REVENUES</b>	181,245	872	6,308,200	113,231	191,071	2,140	6,796,759
<b>CHANGE IN NET ASSETS</b>	1,595,043	872	242,960	(399,628)	(488,152)	(105,884)	845,211
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	84,306,234	17,316	7,143,434	21,681,570	4,898,045	288,277	118,334,876
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 85,901,277</b>	<b>\$ 18,188</b>	<b>\$ 7,386,394</b>	<b>\$ 21,281,942</b>	<b>\$ 4,409,893</b>	<b>\$ 182,393</b>	<b>\$ 119,180,087</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Bay, Michigan (the “County”) was incorporated in 1857. The County operates under the unified form of government and provides services to its 108,390 residents in many areas, including law enforcement, administration of justice, community enrichment and development, and human services.

The accounting policies of the County of Bay conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

#### A. REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because they are entities for which the County is considered to financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

##### **Blended Component Units**

*Bay County Building Authority (Building Authority)* - The seven-member authority is appointed by the Bay County Board of Commissioners and its activity is dependent upon Board actions. The purpose of the Building Authority is to finance through tax-exempt bonds the construction of public facilities for use by the County, with the bonds secured by lease agreements with, and serviced through lease payments from, the County. The Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of the County's public buildings. The Building Authority's activity is recorded in various Debt Service and Capital Projects funds.

##### **Discretely Presented Component Units**

*Bay County Road Commission (Road Commission)* - The Road Commission is governed by a board comprised of three elected county-at-large officials who are not members of the Bay County Board of Commissioners. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity's financial statements to be misleading. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges and is principally funded by state-collected vehicle fuel and registration taxes under Public Act 51. The Road

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Commission's activities are reported discretely as a governmental fund type. Complete financial statements of the Road Commission can be obtained from its administrative offices at 2600 East Beaver Road, Kawkawlin, Michigan, 48631.

*Bay County Economic Development Corporation (Economic Development Corporation)* - The Economic Development Corporation is governed by a nine-member board who are recommended by the Bay County Executive and approved by the Bay County Board of Commissioners. The County has appropriation authority and budgetary control over the activities of the Economic Development Corporation. The Economic Development Corporation provides the means and methods of encouragement and assistance to strengthen and revitalize the economy of Bay County by improving the atmosphere for progress and growth through new employment opportunities and an increased tax base. The Economic Development Corporation's activities are reported discretely as a governmental fund type. Separate financial statements for the Economic Development Corporation can be obtained from the County's Finance Department at 515 Center Avenue, Bay City, Michigan, 48708.

*Bay County Library System (Library System)* - The Library System is governed by a board comprised of five appointees of the Bay County Board of Commissioners who are not County Board members. The County, which is the Library System's taxing authority, also has appropriation authority, but not budgetary control, over its activities. The Library System provides services and materials in a variety of formats to satisfy the educational, personal, and professional interests of the Bay County community, with funds primarily raised through local property taxes. The Library System's activities are reported discretely as a governmental fund type. Separate financial statements for the Library System can be obtained from its administrative offices at 500 Center Avenue, Bay City, Michigan, 48708.

*Bay County Department of Water and Sewer (Department of Water and Sewer)* - The Department of Water and Sewer is governed by a board consisting of three elected county-at-large officials who are not members of the Bay County Board of Commissioners. The County does not have appropriation authority or budgetary control over the activities of the Department of Water and Sewer; however, the nature and significance of the relationship between the primary government and the Department of Water and Sewer is such that exclusion would cause the reporting entity's financial statements to be misleading. Periodically, the Department of Water and Sewer requests and receives a pledge of the full faith and credit of Bay County as secondary security on bond issues. The Department of Water and Sewer provides a healthful and continuous water supply service and an environmentally sound, convenient, and continuous wastewater disposal service to Bay County communities. The Department of Water and Sewer debt service and capital project activities are reported discretely. Complete

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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financial statements of the Department of Water and Sewer can be obtained from its administrative offices at 3933 Patterson Road, Bay City, Michigan, 48706.

*Bay County Drain Commission (Drain Commission)* - Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The County Drain Commissioner has sole responsibility to administer the drainage district established pursuant to Chapters 3 and 4 of the Drain Code. The drainage board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. The County employs all full-time employees and the elected officials of the Drain Commission. The Drain Commission deposits its receipts with the County Treasurer. The nature and significance of the relationship between the primary government and the Drain Commission is such that exclusion would cause the reporting entity's financial statements to be misleading. Separate financial statements for the Drain Commission can be obtained from the County's Finance Department at 515 Center Avenue, Bay City, Michigan, 48708.

*Bay Area Narcotics Enforcement Team (BAYANET)* – BAYANET is an instrument of six counties and the State Police formed to organize a multi-jurisdictional/multi-tiered investigative task force designed to singularly combat the proliferation of narcotic trafficking in the eastern Mid-Michigan area. It has not been officially formed as a governmental unit with the State of Michigan. As per the agreement executed on February 28, 2001, between the County and BAYANET, the County became the budgetary authority over BAYANET and the custodian of all BAYANET's funds. As of July 1, 2001, the County Treasurer became responsible for maintaining all of BAYANET's cash and investments. Monthly, the County Board of Commissioners approves BAYANET's accounts payable and payroll. All detail accounting, accounts payable and payroll processing functions are performed by BAYANET staff. Complete financial statements of BAYANET can be obtained from its administrative offices at P.O. Box 676, Freeland, Michigan 48623.

### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government, and its component units. For the most part, the effect of the 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

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. 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.

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.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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

The government reports the following major governmental funds:

The *General Fund* is the principal operating fund of Bay County. It is used to account for all revenues, expenditures, and activities not specifically accounted for in another fund.

The *Mosquito Control Fund* accounts for revenues received from property taxes and State grants for controlling mosquitoes.

The *Budget Stabilization Fund* accounts for funds advanced from the General Fund until additional funds are needed by the County to cover a General Fund deficit, to prevent a reduction in the level of public services or number of employees, or to cover expenses arising because of a natural disaster.

The *911 Service Fund* accounts for revenues received from property taxes and grants to provide countywide central dispatching services for police, fire, and other emergency situations.

The *Division on Aging Fund* accounts for revenues received from property taxes, Federal and State grants, and contributions to provide services and programs for County residents 60 years of age and older.

The *Revenue Sharing Reserve Fund* accounts for tax millage funds as required by Public Act 357 of 2004.

The government reports the following major proprietary funds:

The *Medical Care Facility Fund* was established to account for the operations of the facility, which is a licensed skilled nursing home that provides long-term, highly skilled care to the residents of Bay County. Revenues are primarily received from patients, third-party payors, and property taxes.

The *100% Tax Payment Fund* is used to account for advances by the County to other local operating units and County funds for delinquent property taxes. Advances are repaid from collections of delinquent taxes, including interest and collection fees.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The *Housing Fund* accounts for the operations of the Hampton Township Housing Project, which provides low-income housing to eligible County residents.

Additionally, the County reports the following fund types:

*Internal Service Funds* provide insurance coverage for workers' compensation, sickness and accident, unemployment compensation, and health insurance to other departments or agencies of the government on a cost reimbursement basis.

The *Private Purpose Trust Funds* account for trust arrangements for the Probate Court and Inmate Trust funds, which accumulate resources held in trust for those specific purposes.

The *Pension and Other Employee Benefit Trust Funds* account for the activities of the Employees' Retirement System and Public Employee Health Care Fund, which accumulate resources for pension and health benefit payments for qualified employees.

*Agency Funds* are used to account for assets held for other governments in an agency capacity, including tax collections.

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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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 Medical Care Facility, the 100% Tax Payment, and Housing enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

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

### **D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY**

#### **1. DEPOSITS AND INVESTMENTS**

For purposes of the statement of cash flows, the County considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

#### **2. RECEIVABLES AND PAYABLES**

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

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

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### 3. INVENTORIES AND PREPAID ITEMS

Inventories are valued at cost using either the first-in, first-out or specific identification method. The costs of inventories are recorded as assets when purchased and charged to expenditures when used, which is the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### 4. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the County), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 when constructed. Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Building and improvements	5-50 years
Equipment	3-20 years
Vehicles and accessories	3-7 years
Office furniture and fixtures	3-20 years
Depletable assets	5-100 years
Land improvements (infrastructure)	10-50 years

In the Drain Commission component unit, infrastructure includes only those infrastructure assets acquired subsequent to January 1, 2003. In the Road Commission component unit, infrastructure is reported retrospectively from 1980, except for right-of-ways, bridges, and traffic signals, which are required to be reported despite the date of purchase. Roads are removed from the capital assets at the time the group of individually recorded roads have fully been depreciated.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Depreciation is recorded on the capital assets of the Road Commission Component Unit over the estimated useful lives (ranging from five to fifty years) of the assets, using the sum-of-years digits method for road equipment as prescribed by the Uniform Accounting Procedures for Michigan County Road Commissions, which does not vary significantly from the straight-line basis, and straight-line method for all other capital assets.

### **5. 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 government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

### **6. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

### **7. INTERFUND TRANSACTIONS**

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services and to service debt. The accompanying financial statements generally reflect such transactions as transfers. Subsidies are also recorded as transfers.

Internal Service Funds are used and record charges for services to all County departments and funds as operating revenue. All affected County funds record these payments to the Internal Service Funds as operating expenditures or expenses.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### 8. COMPENSATED ABSENCES

Bay County, including its component units, except for the Road Commission and Department of Water and Sewer, has an employee benefit plan that allows employees to accumulate unused sick days up to a maximum of 90 days, except for the Medical Care Facility, which has no limit for accumulating unused sick days. The Road Patrol and Correctional Facility Officers employees may accumulate unused sick days up to a maximum of 120 days. Probate Court employees may accumulate a maximum of 30 unused sick days. Employees may either use these sick days when ill or receive payment for 50 percent of the unused portion at time of retirement, subject to certain limitations. Most employees are also allowed to accumulate unused vacation days, subject to certain limitations. All employees can accumulate and carry forward a maximum of 30 days; hours accumulated in excess of 30 days must be used by December 31.

Employees of the Road Commission, a component unit, are granted vacation and sick leave in varying amounts, based on the Road Commission's administrative policy and contract with union employees. Vacation time is credited annually to each employee but cannot be accumulated for more than one year without Board approval, with the exception that all employees can carry over five days without Board approval. Administrative employees and union employees are limited to 1,200 hours of sick leave accumulation. At this point, the employees are allowed to accumulate 96 hours of sick leave reserve, the unused portion of which is paid by the Road Commission at the beginning of the following year. Upon retirement, permanent disability or leaving the employment of the Road Commission, all union employees are paid 85% of their accumulated sick leave. Administrative employees are paid 85% of their accumulated sick leave upon leaving the employment of the Road Commission.

The Department of Water and Sewer, a component unit, has an employee benefit plan that allows employees to accumulate unused sick days up to a maximum of 120 days. Union employees may either use these sick days when ill or receive payment for 70% of the unused portion at time of retirement. All other employees receive 85% of the unused portion at time employment is terminated. Employees are also allowed to accumulate unused vacation days. Employees can accumulate a maximum of 30 days to carry over at the end of the year.

#### *Compensated Absence Liability Recognition*

Accumulated sick and vacation is accrued when incurred in the proprietary funds. A liability for these amounts is reported in governmental funds only if they matured, for example, as a result of employee resignations and retirements.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The long term portion of unpaid sick and vacation pay that is applicable to governmental fund types is reported in the Statement of Net Assets.

### II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. BUDGETS AND BUDGETARY ACCOUNTING

Governmental funds are under formal budgetary control. For 2006, no budget was adopted for the Budget Stabilization fund, a Special Revenue fund, as no activity occurred during the year. Capital Projects funds are budgeted by project. Budget and actual comparisons for the Budget Stabilization fund, a Special Revenue fund, and Capital Projects funds are not reported in the financial statements, because annual budgets are not prepared. The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Ninety days prior to the beginning of the fiscal year, in accordance with the provisions of Public Act 139 of 1963 as amended by Public Act 100 of 1980 and in conformance with Act 2, Public Act 1968 as amended by Act 621 of 1978, the County Executive submits a proposed operating budget to the Ways and Means Committee, which recommends formal adoption by the Bay County Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain comments.
3. Prior to January 1, the budget is legally enacted by a budget adopting resolution.

Budgets shown in the financial statements were prepared on the same modified accrual basis that is used to reflect actual results. The Board of Commissioners has legal control over expenditures on an object class (categorical) basis, with the exception of the Circuit, District, and Probate courts, whose legal level of control over expenditures is on a total basis (lump sum) encompassing all of their operations. Expenditures are limited to appropriations for each object class (category) of budget data presented. The Board of Commissioners is authorized to make adjustments to the various budgets as deemed necessary. Elected officials and department/division heads are authorized to amend budgets under their control, subject to provisions of the General Appropriation Budget Act Resolution. Such adjustments and amendments have been reflected in the budgeted amounts shown in the financial statements. There were no supplemental appropriations that were deemed material. All appropriations lapse at year-end. Encumbrances that have lapsed are reappropriated. Budgetary expenditures represented by the encumbrances are

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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reflected in the budget in the year that the expenditures are shown in the financial statements. The County has prepared and issued separate from the CAFR a report on budget amounts compared to actual at the legal level of budgetary control (by activity, by object class (category), by fund).

### **B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS FOR BUDGETARY FUNDS**

The County has prepared and issued separate from the CAFR a report on budget amounts, which includes a schedule reflecting the amount of any excess of expenditures over appropriations at the legal level of control. The following individual funds incurred expenditures in excess of appropriations, presented at a summary level for the County's major governmental funds:

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Excess Expenditure</u>
General Fund:			
Principal	\$ 201,604	\$ 204,491	\$ (2,887)
Transfers out	5,281,544	5,285,456	(3,912)
Special Revenue Funds:			
911 Service:			
Principal	8,826	8,882	(56)
Division on Aging:			
Transfers out	254,293	256,473	(2,180)

The above items represent violations of the County's budgeting policies. Revenues were sufficient to cover all expenditures.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### III. DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

A reconciliation of cash, pooled investments and investments as shown in the basic financial statement for the County's deposits and investments is as follows:

	<b><u>Carrying Amount</u></b>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and cash equivalents	\$ 9,550,322
Investments	13,122,964
Component Units:	
Cash and cash equivalents	10,921,717
Investments	102,539
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	1,759,764
Investments	<u>272,968,207</u>
Total	<u>\$ 308,425,513</u>
Notes to Financial Statements:	
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 9,340,316
Investments:	
Asset backed securities	398,051
U.S. government securities	22,246,399
U.S. agencies	
On securities loan	468,981
Not on securities loan	8,890,299
Commercial paper	4,344,793
Government bonds	
On securities loan	5,473,209
Not on securities loan	6,196,223
Corporate bonds	
On securities loan	12,079,061
Not on securities loan	10,469,508
Common stock	
On securities loan	32,856,680
Not on securities loan	135,082,537
Other short-term investments	60,540,891
Cash on hand	<u>38,565</u>
Total	<u>\$ 308,425,513</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

The County has adopted an official investment policy which is in accordance with investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, Act 196 PA 1997 (the Act). The Act generally allows the County to deposit funds in banks, savings and loan associations, and credit unions in the State of Michigan. The Act also provides for investment in U.S. government obligations; certificates of deposit of banks, savings and loans, and credit unions; commercial paper; repurchase agreements; bankers' acceptances; and, with some restrictions, mutual funds. Pension Trust funds are also allowed to invest in corporate stocks and bonds. Pension Trust fund investments are subject to a number of restrictions as to type, quality and concentration of investments. All investments are reported at fair value.

	<u>Investment Maturities (In Years)</u>					<u>Credit Rating Range</u>	
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investor's Services</u>
Asset backed securities	\$ 398,051	\$ -	\$ 87,680	\$ -	\$ 310,371	A to AAA	Aa3 to Aaa
U.S. government securities	22,246,399	-	3,241,198	3,377,857	15,627,344	AAA	Aaa
U.S. agencies	9,359,280	3,000,000	2,000,000	1,464,545	2,894,735	AAA	Aaa
Commercial paper	4,344,793	4,344,793	-	-	-	A1 to A2	P1 to P2
Government bonds	11,669,432	-	1,498,168	2,281,909	7,889,355	AAA	Aaa
Corporate bonds	<u>22,548,569</u>	<u>824,112</u>	<u>6,935,031</u>	<u>8,865,237</u>	<u>5,924,189</u>	B- to AAA	Caa1 to Aaa
	<u>\$ 70,566,524</u>	<u>\$ 8,168,905</u>	<u>\$ 13,762,077</u>	<u>\$ 15,989,548</u>	<u>\$ 32,645,994</u>		

\*\*The County's investments in U.S. government securities, U.S. agencies, and government bonds include call options with a market value of \$2,998,001, \$8,001,681, and \$5,906,355, respectively.

### Investment and deposit risk

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

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified above. The County's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year end \$14,383,303 of the County's bank balance of \$16,218,245 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial Credit Risk – Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk. However, the County's investment policy states that no more than sixty percent of the County investment portfolio will be invested with a single financial institution. However, while uninsured and unregistered, the County's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the County's name.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy states that with the exception of U.S. Treasury securities and authorized pools, no more than sixty percent of the County investment portfolio should be invested in a single security type. No single investment represents more than five percent of the County's investments. However, amounts invested in mutual funds in the Public Employee Health Care fund represent 6.8% of the County's investments, respectively at December 31, 2006. All investments held at year end are reported above.

### ***Investments and Securities Lending***

A contract approved by the Bay County Board of Commissioners permits the Bay County Employees' Retirement System (the System) to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives securities or cash as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and cash are initially pledged at 102 percent of the fair value of United States securities lent and 105 percent of the fair value of non-United States securities, and may not fall below 100 percent during the term of the loan.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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There are no restrictions on the amount of the securities that can be loaned. Securities on loan at year-end are classified in the previous schedule of investments according to the category for the collateral received on the securities lent. At year-end the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

### B. RECEIVABLES

Receivables in the primary government and component units are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Taxes/special assessments			
Due within one year	\$ 11,626,694	\$ 4,091,028	\$ 3,273,869
Due after one year	-	-	1,386,100
Accounts	1,446,354	1,892,137	393,134
Notes			
Due within one year	74,990	-	2,645,000
Due after one year	1,390,778	-	9,170,000
Interest	179,188	432,587	188,168
Intergovernmental	2,883,011	24,422	2,689,325
Less: allowance for uncollectible accounts	<u>(375,920)</u>	<u>(346,072)</u>	<u>(127,118)</u>
Total	<u>\$ 17,225,095</u>	<u>\$ 6,094,102</u>	<u>\$ 19,618,478</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 497,760	\$ 399,516
Property taxes receivable (Mosquito Control Fund)	4,587	1,264,537
Property taxes receivable (911 Service Fund)	7,165	1,976,724
Property taxes receivable (Division on Aging Fund)	5,103	1,411,947
Property taxes receivable (Non-major Governmental fund types)	1,946	268,700
Grant drawdowns prior to meeting all eligibility requirements	-	<u>250,363</u>
Total	<u>\$ 516,561</u>	<u>\$ 5,571,787</u>

### C. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2006 was as follows:

#### Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,305,048	\$ -	\$ (160,600)	\$2,144,448
Construction in progress	<u>13,299,276</u>	<u>-</u>	<u>(13,299,276)</u>	<u>-</u>
Total capital assets not being depreciated	<u>15,604,324</u>	<u>-</u>	<u>(13,459,876)</u>	<u>2,144,448</u>
Capital assets being depreciated:				
Land improvements	4,220,933	260,089	(1,322,309)	3,158,713
Buildings and improvements	49,630,957	14,248,496	(152,978)	63,726,475
Machinery and equipment	1,594,592	174,975	(79,623)	1,689,944
Office furniture and equipment	2,914,016	149,036	(63,817)	2,999,235
Vehicles	<u>1,556,801</u>	<u>156,663</u>	<u>(152,311)</u>	<u>1,561,153</u>
Total capital assets being depreciated	<u>59,917,299</u>	<u>14,989,259</u>	<u>(1,771,038)</u>	<u>73,135,520</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Less accumulated depreciation				
Land improvements	\$(1,862,417)	\$ (217,501)	\$ 346,006	\$(1,733,912)
Buildings and improvements	(13,671,882)	(1,347,412)	28,931	(14,990,363)
Machinery and equipment	(1,044,448)	(92,527)	27,908	(1,109,067)
Office furniture and equipment	(1,957,607)	(184,500)	54,581	(2,087,526)
Vehicles	<u>(1,111,321)</u>	<u>(142,489)</u>	<u>136,758</u>	<u>(1,117,052)</u>
Total accumulated depreciation	<u>(19,647,675)</u>	<u>(1,984,429)</u>	<u>594,184</u>	<u>(21,037,920)</u>
Total capital assets being depreciated, net	<u>40,269,624</u>	<u>13,004,830</u>	<u>(1,176,854)</u>	<u>52,097,600</u>
<b>Governmental activities capital assets, net</b>	<u>\$55,873,948</u>	<u>\$ 13,004,830</u>	<u>\$ (14,636,730)</u>	<u>\$54,242,048</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 257,604	\$ -	\$ -	\$ 257,604
Construction in progress	<u>5,464,919</u>	<u>47,042</u>	<u>(5,511,961)</u>	<u>-</u>
Total capital assets not being depreciated	<u>5,722,523</u>	<u>47,042</u>	<u>(5,511,961)</u>	<u>257,204</u>
Capital assets being depreciated:				
Land improvements	1,032,850	84,100	-	1,116,950
Buildings and improvements	10,539,129	5,535,242	-	16,074,371
Machinery and equipment	1,024,566	80,182	(29,294)	1,075,454
Office furniture and fixtures	2,663,296	13,271	-	2,676,567
Vehicles	<u>68,460</u>	<u>-</u>	<u>-</u>	<u>68,460</u>
Total capital assets being depreciated	<u>15,328,301</u>	<u>5,712,795</u>	<u>(29,294)</u>	<u>21,011,802</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Ending Disposals</b>	<b>Balance</b>
Less accumulated depreciation				
Land improvements	\$ (624,634)	\$ (40,154)	\$ -	\$ (664,788)
Buildings and improvements	(6,687,170)	(553,594)	-	(7,240,764)
Machinery and equipment	(898,232)	(67,027)	29,294	(935,965)
Office furniture and fixtures	(1,990,194)	(121,349)	-	(2,111,543)
Vehicles	<u>(68,460)</u>	<u>-</u>	<u>-</u>	<u>(68,460)</u>
Total accumulated depreciation	<u>(10,268,690)</u>	<u>(782,124)</u>	<u>29,294</u>	<u>(11,021,520)</u>
 Total capital assets being depreciated, net	 <u>5,059,611</u>	 <u>4,930,671</u>	 <u>-</u>	 <u>9,990,282</u>
 <b>Business-type activities capital assets, net</b>	 <u>\$10,782,134</u>	 <u>\$4,977,713</u>	 <u>\$(5,511,961)</u>	 <u>\$ 10,247,886</u>

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

**Governmental activities:**

Judicial	\$ 26,692
General government	1,332,516
Public safety	262,799
Health and welfare	207,281
Recreation and culture	<u>155,141</u>

**Total depreciation expense – governmental activities**      **\$ 1,984,429**

**Business-type activities:**

Medical Care Facility	\$ 535,052
Golf Course	55,276
Housing	<u>191,796</u>

**Total depreciation expense – business-type activities**      **\$ 782,124**

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### Discretely presented component units

Activity for the Road Commission for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 483,897	\$ 12,189	\$ -	\$ 496,086
Land improvements	40,202,782	2,354,155	-	42,556,937
Right of ways	<u>349,661</u>	<u>-</u>	<u>-</u>	<u>349,661</u>
Total capital assets not being depreciated	<u>41,036,340</u>	<u>2,366,344</u>	<u>-</u>	<u>43,402,684</u>
Capital assets being depreciated:				
Buildings and improvements	2,424,189	171,179	-	2,595,368
Road equipment	9,542,142	658,385	(357,256)	9,843,271
Shop equipment	134,021	10,053	-	144,074
Office equipment	181,765	-	-	181,765
Engineering equipment	114,583	24,700	-	139,283
Yard and storage	1,306,921	23,468	-	1,330,389
Infrastructure:				
Roads	45,027,007	3,531,232	(1,824,696)	46,733,543
Bridges	18,116,880	408,994	-	18,525,874
Traffic signals	294,083	-	-	294,083
Depletable assets:				
Gravel pits	<u>53,037</u>	<u>-</u>	<u>-</u>	<u>53,037</u>
Total capital assets being depreciated	<u>77,194,628</u>	<u>4,828,011</u>	<u>(2,181,952)</u>	<u>79,840,687</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Less accumulated depreciation				
Buildings and improvements	\$(1,440,605)	\$ (80,658)	\$ -	\$(1,521,263)
Road equipment	(7,695,356)	(1,091,006)	357,256	(8,429,106)
Shop equipment	(101,240)	(32,479)	-	(133,719)
Office equipment	(122,390)	(10,224)	-	(132,614)
Engineering equipment	(74,364)	(8,541)	-	(82,905)
Yard and storage	(672,329)	(55,703)	-	(728,032)
Infrastructure:				
Roads	(19,059,620)	(2,515,596)	1,824,696	(19,750,520)
Bridges	(6,752,019)	(161,714)	-	(6,913,733)
Traffic signals	(241,971)	(9,078)	-	(251,049)
Depletable assets:				
Gravel pits	<u>(12,151)</u>	<u>(2,116)</u>	<u>-</u>	<u>(14,267)</u>
Total accumulated depreciation	<u>(36,172,045)</u>	<u>(3,967,115)</u>	<u>2,181,952</u>	<u>(37,957,208)</u>
Total capital assets being depreciated, net	<u>41,022,583</u>	<u>860,896</u>	<u>-</u>	<u>41,883,479</u>
<b>Road Commission capital assets, net</b>	<u><b>\$82,058,923</b></u>	<u><b>\$ 3,227,240</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 85,286,163</b></u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

Activity for the Library System for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 119,487	\$ -	\$ -	\$ 119,487
Capital assets being depreciated:				
Land improvements	147,013	32,709	-	179,722
Buildings and improvements	1,325,725	10,742	-	1,336,467
Machinery and equipment	82,693	42,500	(3,765)	121,428
Office furniture & fixtures	1,117,898	95,823	(12,604)	1,201,117
Books and a/v materials	4,578,857	520,662	(1,679,837)	3,419,682
Vehicles and other	<u>182,770</u>	<u>-</u>	<u>-</u>	<u>182,770</u>
Total capital assets being depreciated	<u>7,434,956</u>	<u>702,436</u>	<u>(1,696,206)</u>	<u>6,441,186</u>
Less accumulated depreciation				
Land improvements	(125,702)	(4,478)	-	(130,180)
Buildings and improvements	(748,528)	(38,353)	-	(786,881)
Machinery and equipment	(45,820)	(8,016)	3,765	(50,071)
Office furniture & fixtures	(410,746)	(61,777)	12,604	(459,919)
Books and a/v materials	(3,424,688)	(373,535)	1,679,837	(2,118,386)
Vehicles and other	<u>(162,312)</u>	<u>(3,876)</u>	<u>-</u>	<u>(166,188)</u>
Total accumulated depreciation	<u>(4,917,796)</u>	<u>(490,035)</u>	<u>1,696,206</u>	<u>(3,711,625)</u>
Total capital assets being depreciated, net	<u>2,517,160</u>	<u>212,401</u>	<u>-</u>	<u>2,729,561</u>
<b>Library System capital assets, net</b>	<u>\$ 2,636,647</u>	<u>\$ 212,401</u>	<u>\$ -</u>	<u>\$ 2,849,048</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

Activity for the Department of Water & Sewer for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 62,791	\$ -	\$ -	\$ 62,791
Construction in progress	<u>8,265</u>	<u>5,300</u>	<u>(8,265)</u>	<u>5,300</u>
Total capital assets not being depreciated	<u>71,056</u>	<u>5,300</u>	<u>(8,265)</u>	<u>68,091</u>
Capital assets being depreciated:				
Buildings	13,250,892	16,621	-	13,267,513
Improvements other than buildings	76,474	-	-	76,474
Machinery and equipment	8,659,868	179,843	(80,111)	8,759,600
Water system	3,516,668	326,858	-	3,843,526
Sewer system	<u>17,169,768</u>	<u>-</u>	<u>-</u>	<u>17,169,768</u>
Total capital assets being depreciated	<u>42,673,670</u>	<u>523,322</u>	<u>(80,111)</u>	<u>43,116,881</u>
Less accumulated depreciation				
Buildings	(6,377,795)	(280,250)	-	(6,658,045)
Improvements other than buildings	(71,758)	(589)	-	(72,347)
Machinery and equipment	(7,742,574)	(210,335)	78,228	(7,874,681)
Water system	(1,405,742)	(83,821)	-	(1,489,563)
Sewer system	<u>(8,237,053)</u>	<u>(343,395)</u>	<u>-</u>	<u>(8,580,448)</u>
Total accumulated depreciation	<u>(23,834,922)</u>	<u>(918,390)</u>	<u>78,228</u>	<u>(24,675,084)</u>
Total capital assets being depreciated, net	<u>18,838,748</u>	<u>(395,068)</u>	<u>(1,883)</u>	<u>18,441,797</u>
<b>Department of Water &amp; Sewer capital assets, net</b>	<u>\$18,909,804</u>	<u>\$ (389,768)</u>	<u>\$ (10,148)</u>	<u>\$ 18,509,888</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

Activity for the Drain Commission for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 79,500	\$ 276,173	\$ -	\$ 355,673
Capital assets being depreciated:				
Land improvements (infrastructure)	1,363,872	160,605	-	1,524,477
Buildings	171,681	-	-	171,681
Machinery and equipment	287,807	103,901	(45,882)	345,826
Office furniture and equipment	46,848	-	(2,005)	44,843
Vehicles	<u>134,093</u>	<u>-</u>	<u>(29,185)</u>	<u>104,908</u>
Total capital assets being depreciated	<u>2,004,301</u>	<u>264,506</u>	<u>(77,072)</u>	<u>2,191,735</u>
Less accumulated depreciation				
Land improvements (infrastructure)	(39,269)	(28,275)	-	(67,544)
Buildings	(147,953)	(5,727)	-	(153,680)
Machinery and equipment	(223,697)	(9,987)	45,882	(187,802)
Office furniture and equipment	(46,848)	(11,202)	2,005	(56,045)
Vehicles	<u>(39,787)</u>	<u>-</u>	<u>1,095</u>	<u>(38,692)</u>
Total accumulated depreciation	<u>(497,554)</u>	<u>(55,191)</u>	<u>48,982</u>	<u>(503,763)</u>
Total capital assets being depreciated, net	<u>1,506,747</u>	<u>209,315</u>	<u>(28,090)</u>	<u>1,687,972</u>
<b>Drain commission capital assets, net</b>	<u>\$ 1,586,247</u>	<u>\$ 485,488</u>	<u>\$ (28,090)</u>	<u>\$ 2,043,645</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

Activity for the Bay Area Narcotics Enforcement Team for the year ended December 31, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment	\$ 65,134	\$ 3,630	\$ -	\$ 68,764
Less accumulated depreciation				
Equipment	<u>(29,039)</u>	<u>(11,093)</u>	<u>-</u>	<u>(40,132)</u>
<b>Bay Area Narcotics Enforcement Team capital assets, net</b>	<u>\$ 36,095</u>	<u>\$ (7,463)</u>	<u>\$ -</u>	<u>\$ 28,632</u>

### D. PAYABLES

Accounts payable and accrued liabilities in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts	\$ 1,086,883	\$ 748,401
Wages, fringe benefits and other accrued liabilities	1,452,581	344,021
Deposits	9,685	21,200
Intergovernmental	<u>263,179</u>	<u>22,866</u>
Total	<u>\$ 2,812,328</u>	<u>\$ 1,136,488</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

### E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

<b>Due to:</b>	<b>Due from:</b>				<b>Total</b>
	General	Revenue Sharing Reserve	Nonmajor Enterprise	Internal Service	
General	\$ -	\$ 368,922	\$ 13,941	\$ 17,916	\$ 400,779
Mosquito Control	-	-	-	355	355
911 Service	-	-	-	1,523	1,523
Division on Aging	-	-	-	1,412	1,412
Nonmajor Governmental	206,178	74,303	-	3,459	283,940
Medical Care Facility	50,054	-	-	-	50,054
100% Tax	690	-	30,903	97	31,690
Nonmajor Enterprise	-	-	-	13	13
Internal Service	-	-	-	215	215
<b>Total</b>	<b><u>\$ 256,922</u></b>	<b><u>\$ 443,225</u></b>	<b><u>\$ 44,844</u></b>	<b><u>\$ 24,990</u></b>	<b><u>\$ 769,981</u></b>

Interfund 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.

#### Advances to/from other funds:

General	\$ 2,299,590	\$ 14,292
Nonmajor governmental funds	-	2,299,590
Nonmajor enterprise funds	14,292	-
<b>Total</b>	<b><u>\$ 2,313,882</u></b>	<b><u>\$ 2,313,882</u></b>

Advances between the General Fund and nonmajor governmental funds exist to maintain adequate reserves in the Health Department/District Health and Budget Stabilization funds. Advances between the nonmajor enterprise funds and the General Fund were made to provide the General Fund with the necessary cash flow to make various improvements to the Veterans' Memorial Park softball diamonds in 1999.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

		Transfer from:							
<b>Transfer to:</b>	General	Mosquito Control	911 Service	Division on Aging	Revenue Sharing Reserve	Nonmajor Governmental	100% Tax	Nonmajor Enterprise	<b>Total</b>
General	\$ -	\$ 110,366	\$ 229,096	\$2,195,469	\$2,015,599	\$ 768,943	\$689,288	\$ 35,199	\$ 4,104,964
Division on Aging	5,200	-	-	-	-	-	-	-	5,200
Nonmajor Governmental	<u>5,280,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,280,256</u>
<b>Total</b>	<b><u>\$5,285,456</u></b>	<b><u>\$ 110,366</u></b>	<b><u>\$229,096</u></b>	<b><u>\$2,195,469</u></b>	<b><u>\$2,015,599</u></b>	<b><u>\$ 768,943</u></b>	<b><u>\$689,288</u></b>	<b><u>\$ 35,199</u></b>	<b><u>\$ 9,390,420</u></b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to 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 and state revenue sharing special revenue fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the Revenue Sharing Reserve Fund has transferred the allowable spending amount specified by the State for the State revenue sharing fund in compliance with Public Act 357 of 2004.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

### F. LONG-TERM DEBT

#### Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Primary Government					
Governmental activities:					
Building Authority –					
General obligation bonds	\$29,385,000	\$ 7,205,000	\$(9,775,000)	\$26,815,000	\$ 2,120,000
Installment purchase					
contracts payable	376,568	-	(294,178)	82,390	82,390
Leases payable	32,632	-	(18,231)	14,401	14,401
Long-term advances	50,000	-	(21,000)	29,000	-
Internal service funds –					
Claims	674,945	-	(96,684)	578,261	543,381
Compensated absences	<u>1,818,559</u>	<u>1,814,425</u>	<u>(1,775,122)</u>	<u>1,857,862</u>	<u>62,801</u>
	<u>\$32,337,704</u>	<u>\$ 9,019,425</u>	<u>\$(11,980,215)</u>	<u>\$29,376,914</u>	<u>\$ 2,822,973</u>
Business-type activities					
Claims	\$ 339,329	\$ 307,197	\$ -	\$ 646,526	\$ 646,526
Leases payable	3,986	-	(3,986)	-	-
Compensated absences	<u>426,926</u>	<u>12,542</u>	<u>(19,442)</u>	<u>420,026</u>	<u>384,493</u>
	<u>\$ 770,241</u>	<u>\$ 319,739</u>	<u>\$ (23,428)</u>	<u>\$ 1,066,552</u>	<u>\$ 1,031,019</u>
Component Units					
Road Commission:					
Claims	\$ 60,000	\$ 254,249	\$ (60,000)	\$ 254,249	\$ 254,249
Compensated absences	<u>773,636</u>	<u>-</u>	<u>(19,936)</u>	<u>753,700</u>	<u>13,238</u>
	<u>\$ 833,636</u>	<u>\$ 254,249</u>	<u>\$ (79,936)</u>	<u>\$ 1,007,949</u>	<u>\$ 267,487</u>
Library System:					
Compensated absences	<u>\$ 154,297</u>	<u>\$ -</u>	<u>\$ (30,072)</u>	<u>\$ 124,225</u>	<u>\$ -</u>
Department of Water & Sewer					
General obligation bonds	\$14,589,362	\$ -	\$ (2,774,362)	\$ 11,815,000	\$ 2,645,000
Compensated absences	<u>362,315</u>	<u>26,301</u>	<u>-</u>	<u>388,616</u>	<u>58,292</u>
	<u>\$14,951,677</u>	<u>\$ 26,301</u>	<u>\$ (2,774,362)</u>	<u>\$ 12,203,616</u>	<u>\$ 2,703,292</u>
Drain Commission					
General obligation bonds	\$ 1,670,000	\$ 496,091	\$ (303,000)	\$ 1,863,091	\$ 248,000
Notes payable	<u>754,473</u>	<u>26,682</u>	<u>(271,929)</u>	<u>509,226</u>	<u>118,173</u>
	<u>\$ 2,424,473</u>	<u>\$ 522,773</u>	<u>\$ (574,929)</u>	<u>\$ 2,372,317</u>	<u>\$ 366,173</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year end, \$1,123 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

### Primary Government

The County issues general obligation bonds, installment purchase contracts, and capital leases to provide funds for the acquisition, renovation, and / or construction of major capital facilities and purchase of major equipment. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds, installment purchase contracts, and capital leases issued in prior years was \$43,257,765. During the year ended December 31, 2006, general obligation bonds in the amount of \$7,205,000 were issued.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year. Installment purchase contracts are generally issued as 5 year contracts payable with varying amounts of principal maturing each year. General obligation bonds, installment purchase contracts, and capital leases payable currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.5–8.0%	<u>\$ 26,911,791</u>

Annual debt service requirements to maturity for general obligation bonds and installment purchase contracts are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 2,202,390	\$ 1,153,701
2008	2,225,000	1,082,092
2009	2,330,000	999,503
2010	2,310,000	911,369
2011	2,180,000	810,766
2012-2016	9,790,000	2,667,609
2017-2020	<u>5,860,000</u>	<u>590,724</u>
Total	<u>\$26,897,390</u>	<u>\$ 8,215,764</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ <u>14,401</u>	\$ <u>1,201</u>

In the governmental activities, the equipment acquired through capital leases had a total value of \$85,405.

### Component Units

*Department of Water & Sewer.* General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Water & Sewer. General obligation and revenue bonds have been issued for business-type activities.

These bonds are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and authorities. The bonds are issued as 10 to 30-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities	2.0 – 7.3%	<u>\$ 11,815,000</u>

Annual debt service requirements to maturity for Department of Water and Sewer bonds are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 2,645,000	\$ 442,550
2008	2,570,000	318,530
2009	970,000	240,515
2010	935,000	208,350
2011	950,000	177,476
2012-2016	2,680,000	508,886
2017-2021	<u>1,065,000</u>	<u>74,626</u>
Total	<u>\$ 11,815,000</u>	<u>\$ 1,970,933</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

*Drain Commission.* General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds and notes have been issued for governmental activities. The original amount of general obligation bonds and notes issued in prior years was \$5,897,165. During the year general obligation bonds and notes payable totaling \$522,773 were issued.

These bonds and notes are direct obligations, and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 5 to 20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.25 –8.0%	\$ <u>2,372,317</u>

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 366,173	\$ 107,692
2008	431,850	87,599
2009	361,369	69,115
2010	386,455	51,745
2011	280,509	34,143
2012-2014	<u>545,963</u>	<u>30,438</u>
Total	<u>\$ 2,372,317</u>	<u>\$ 380,732</u>

### **Current and advance refundings**

On February 18, 2004, the Bay County Building Authority issued general obligation bonds of \$2,035,000. Proceeds from this bond issue were used to advance refund two separately issued general obligation bonds, one issued in 1994 for jail renovations and one issued in 1995 for adult foster care homes. The refunded bonds mature as scheduled on November 1 through 2011. The balance of the defeased debt outstanding at December 31, 2006 was \$1,180,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The refunding was undertaken to reduce total debt service payments by \$70,426 and resulted in an economic gain of \$64,415.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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On May 10, 2006, the Bay County Building Authority issued general obligation bonds of \$7,205,000. A portion of the proceeds from this bond issue were used in a current refunding of the 1997 ice/civic arena bonds. The remaining proceeds from this bond issue were used to advance refund the 1995 and 1997 courthouse facility bonds and the remainder of the 1997 ice/civic arena bonds. The courthouse facility refunded bonds mature as scheduled on May 1 through 2017 and the ice/civic arena refunded bonds mature as scheduled on November 1 through 2015. The balance of the defeased debt outstanding at December 31, 2006 was \$7,555,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The refunding was undertaken to reduce total debt service payments by \$535,778 and resulted in an economic gain of \$289,952.

### **F. LEASES**

The County leases multi-use copiers from Xerox pursuant to a State of Michigan contract, which includes consulting services and customer education. In 2002, the County entered into a five-year lease at a cost of \$114,500 annually which incorporates favorable terms and conditions negotiated by the State of Michigan. At December 31, 2006, a bid process to upgrade equipment for copying, faxing and scanning capabilities is nearing completion with savings expected for the County. The aforementioned lease agreement expired prior to December 31, 2006, resulting in there being no required future minimum rental payments at year end. Rental costs under this lease agreement were \$114,500 for the year ended December 31, 2006.

## **IV. OTHER INFORMATION**

### **A. DEFINED BENEFIT PENSION PLAN**

#### **Pension Plan**

*Plan Description* - The County maintains a single-employer defined benefit pension plan, the Bay County Employees' Retirement System (the Plan), covering substantially all employees of the primary government. Employees of the County's component units, including Road Commission, Library System, and Department of Water and Sewer, participate in the County's plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The Plan does not issue stand-alone financial statements and is not included in the financial report of any other entity.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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*Funding Policy/Contributions* - The County's policy is to fund normal costs which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. The provisions of the Plan require the County to contribute at an actuarially determined rate. The current rate is 0 percent of annual covered payroll for General County, Medical Care Facility, Sheriff's Department, and Department of Water & Sewer, 1.60% for the Library, 2.53% for Bay Area Behavioral Health, and 9.34% for the Road Commission, which was determined through an actuarial valuation performed at December 31, 2006. Contributions from County funds for the year ended December 31, 2006, amounted to \$0 and contributions from the component units and Bay Area Behavioral Health amounted to \$581,067. Plan members contribute at a rate of 4% of their annual salary. The County pays the plan member contributions for all employee groups. Contributions received from plan members for the year ended December 31, 2006, amounted to \$1,146,511. The Plan benefit provisions and contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners, who also administer the plan, in accordance with County policies, union contracts, and plan provisions.

*Basis of Accounting* -The financial statements of the Bay County Employees' Retirement System are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period they are due. The County's contributions to the Plan are recognized when due and they have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

*Benefits* -A plan member may retire after reaching the age of 60 with 8 or more years of service. Sheriff Dispatchers and Bay Medical Care Facility employees may retire at 30 years of service regardless of age, or age 55 with 25 years of service. Road Patrol employees may retire with 25 years of service regardless of age. Correctional Facility Officers employees may retire at age 55 with 25 years of service. Road Commission employees may retire at 30 years of service regardless of age. All other plan members may retire at age 55 with 30 years of service. The Plan also provides early retirement to its members.

Eligible employees are provided benefits based on 2.25% of their final average compensation times the number of years of credited service (2.0% for Behavioral Health AFSCME, 2.5% for Sheriff-Road Patrol and Road Commission employees). Maximum retirement is 75% of final average compensation, defined as the average of the highest five years. For those who retire early, in accordance with the Plan provisions, the benefit is reduced to the actuarial equivalent of a pension at normal retirement age.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Duty death in service benefits provided by the County upon termination of workers' compensation payments entitle the plan member's spouse to a refund of accumulated contributions plus a benefit equal to the workers' compensation amount. Unmarried children under the age of 18 and parents receive a benefit equal to the workers' compensation amount. Non-duty death in service benefits, after ten years of service, are computed as a regular retirement, actuarially reduced in accordance with a 100% joint and survivor election.

Duty disability benefits provided by the County are computed as a regular retirement, with additional service credited until attainment of age 55, less an amount offset by workers' compensation payments. Non-duty disability benefits, after ten years of credited service, are computed as a regular retirement less an amount offset by workers' compensation payments.

*Classes of Employees* - The Plan's membership consists of the following at December 31, 2005, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	<u>608</u>
Terminated plan members entitled to, but not yet receiving, benefits	<u>81</u>
Active plan members	<u>1,197</u>

*Annual Pension Cost* - For the year ended December 31, 2006, the County's annual pension cost of \$581,067 was equal to the County's required and actual contribution. The required contribution was determined as part of the December 31, 2005 actuarial evaluation, using the entry age actuarial cost method.

The pension liability (asset) for the Plan at adoption was \$0 and was determined in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which was adopted on January 1, 1997.

The annual required contribution for the current year was determined as part of the December 31, 2005 actuarial valuation using the individual entry age normal cost method. Significant actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 4.0% per year pay inflation plus merit and longevity, (c) additional projected salary increases ranging from 1.0 to 8.0% per year, depending on age, attributable to merit and longevity, and (d) the assumption that benefits will not increase after retirement.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Unfunded actuarial accrued liabilities or asset surpluses are amortized by level percent of payroll contributions. If the liabilities exceed the assets, the difference is amortized over 30 years; if the assets exceed the liabilities the difference is amortized over 10 years. These periods are re-established with each annual actuarial valuation. The actuarial value of assets is determined by adding contributions and regular investment income to valuation assets at the beginning of the year and reducing that amount by benefit payments and administrative expenses. This preliminary value is then adjusted by 20% of the fair value gains and losses for each of the last 5 years.

### Three Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2004	\$ -	100%	\$ -
2005	393,515	100%	-
2006	581,067	100%	-

Required supplementary information, which includes a Schedule of Funding Progress and a Schedule of Employer Contributions is presented immediately following the notes.

*Net assets Reserved for Employees' Pension Benefits* – Net assets reserved for employees' pension benefits includes legally required reserves. Net assets as of December 31, 2006 consists of the following reserves:

Annuity reserve	\$ 79,352,793
Employer reserve	140,668,185
Employee accumulated reserve	<u>23,562,733</u>
	<u>\$ 243,583,711</u>

Annuity reserve represents the cumulative contribution for retirees, disabled members, or surviving spouses who have elected monthly annuity benefits. Employer reserves represent the reserve for employer contributions, with County contributions, excluding member contributions made on behalf of employees, which are credited to the reserve for member contributions. Employee reserves represent the reserve into which the Retirement System shall make transfers and refunds of accumulated member contributions.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Following are the financial statements for the Employees' Retirement System Pension Trust Fund for the year ended December 31, 2006.

### Statement of Plan Net Assets

#### Assets

#### Investments at fair value:

Common stock	\$ 167,939,217
Corporate bonds	22,548,569
Governmental securities	26,369,075
Short-term investment funds	10,010,487
Other	<u>18,502,012</u>
Total investments	<u>245,369,360</u>

#### Receivables:

Interest and dividends	766,391
Trade	<u>810,217</u>
Total receivables	<u>1,576,608</u>

#### Other current assets:

Prepaid items and other current assets	70
Due from component units	<u>51,634</u>
Total other current assets	<u>51,704</u>

Total Assets 246,997,672

#### Liabilities

Accounts payable	606,822
Accrued items and other liabilities	2,802,176
Accrued vacation and sick pay	4,493
Due to other governmental units	<u>469</u>
Total liabilities	<u>3,413,960</u>

Net assets held in trust for pension benefits \$ 243,583,712

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### Statement of Changes in Plan Net Assets

Additions	
Contributions:	
Employer	\$ 581,067
Plan members	<u>1,170,594</u>
Total additions	<u>1,751,661</u>
Investment income:	
Net appreciation in fair value of investments	14,942,732
Interest and dividends	5,612,138
Less investment expense	<u>(1,632,419)</u>
Net investment income	<u>18,922,451</u>
Other revenue	<u>155,601</u>
Total additions	<u>20,829,713</u>
Deductions	
Benefits	8,214,249
Administrative expenses	186,780
Refunds of contributions	237,975
Capital outlay	<u>5,344</u>
Total deductions	<u>8,644,348</u>
Change in net assets	12,185,365
Net assets held in trust for pension benefits:	
Beginning of year	<u>231,398,347</u>
End of year	<u>\$ 243,583,712</u>

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### Retiree Health Care Plan

The County also sponsors a retiree health care plan through a Voluntary Employees Beneficiary Association (VEBA) trust (the "Plan"). The plan is a single employer defined benefit public retiree health care plan established effective October 1, 2001. The purpose of the plan is to provide medical and health care benefits for the welfare of certain retirees of the County and the spouses and dependents of such retirees who are participants in the Bay County Retirement System. Benefits under the plan are provided pursuant to a group contract issued by Blue Cross Blue Shield of Michigan. The County Board of Commissioners has the authority to establish and amend benefit provisions. The Plan does not issue stand-alone financial statements and is not included in the financial report of any other entity.

The Plan is a contributory defined benefit plan which covers substantially all employees of Bay County as defined above. At December 31, 2004, the date of the latest actuarial valuation, participants in the plan consisted of:

Retired members and beneficiaries:	
Under age 65	172
Age 65 and over	<u>247</u>
Total	<u>419</u>

The December 31, 2004 actuarial valuation identified the required employer contribution rate as 4.62% to 27.10% of covered payroll, depending on employee group and amortization period. Contributions to the Plan for the year-ended December 31, 2006 were \$2,992,192, representing 4% of covered payroll.

The benefit obligation represents the actuarial present value of those estimated future benefits that are attributed to employee service rendered to December 31. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired or terminated employees and dependents (as defined by the Plan) and (2) active employees and their beneficiaries and dependents after retirement from service. Prior to an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to that employee's service rendered to the valuation date.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical insurance premium-cost data to estimate future annual premium costs per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The Plan's unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2004. Significant actuarial assumptions used in determining the Plan's unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually for active employees and 4.0% for retirees, (b) projected salary increases of 4.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 1.0% to 8.0% per year, depending on age, attributable to seniority/merit, and (d) health care cost increases of 4.0% for 2005, 9.0% to 14.0% for 2006 and declining by 1% per year until 2016, where the projected annual increases for 2016 and thereafter remain at 4% per year.

Marketable securities are stated at aggregate fair value. Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the System's year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price.

The Plan's unfunded accrued liability, which was determined by an actuary, is as follows at December 31, 2004, the date of the latest actuarial valuation:

Retirees and beneficiaries	\$ 72,277,326
Vested terminated members	463,330
Current employees:	
Value of expected future benefit payments	80,484,693
Less: Value of future normal costs	<u>(28,341,272)</u>
Total accrued liability	124,884,077
Valuation assets	<u>(10,840,696)</u>
Unfunded accrued liability	<u>\$114,043,381</u>

Net assets available to fund this Plan amount to \$19,939,626 at December 31, 2006.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Following are the financial statements for the Public Employee Healthcare Trust Fund for the year ended December 31, 2006.

### Statement of Plan Net Assets

#### Assets

#### Investments at fair value:

Short-term investment funds	\$ 111,587
Other	<u>19,745,331</u>
Total investments	<u>19,856,918</u>

#### Receivables:

Interest and dividends	124,422
Trade	<u>85,106</u>
Total receivables	<u>209,528</u>

Total Assets 20,066,446

#### Liabilities

Accounts payable	2,816
Accrued items and other liabilities	<u>124,004</u>
Total liabilities	<u>126,820</u>

Net assets held in trust for healthcare benefits \$ 19,939,626

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### Statement of Changes in Plan Net Assets

Additions	
Contributions	
Employer:	<u>\$ 2,992,192</u>
Investment income:	
Net appreciation in fair value of investments	1,820,814
Interest and dividends	462,342
Less investment expense	<u>(32,323)</u>
Net investment income	<u>2,250,833</u>
Total additions	5,243,025
Deductions	
Administrative expenses	<u>15,599</u>
Change in net assets	5,227,426
Net assets held in trust for healthcare benefits:	
Beginning of year	<u>14,712,200</u>
End of year	<u>\$ 19,939,626</u>

### **B. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The County provides certain post-retirement health care benefits, in accordance with contractual agreements, to substantially all eligible general County employees. The number of general County participants eligible to receive retiree health care insurance benefits upon retirement and number of retirees presently eligible at December 31, 2006 is 608. In addition, the Library System, Department of Water and Sewer, Road Commission, and Bay Medical Care Facility provide certain health insurance benefits to their employees. The Bay Medical Care Facility also provides life insurance to retirees. The coverage amount is either \$2,500, \$3,500, or \$5,000, depending on the terms of the bargaining unit contract in effect at the time the employee retired. The County also provides life insurance to non-represented retirees as of March 1, 1998. The coverage amount is \$10,000.

Employees become eligible for post-retirement benefits if they reach normal retirement age while working for the County. Benefits for employees begin the first month following their date of retirement.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The insurance for General County retirees is paid for by the employer, with required copayments, if any, determined annually. In addition, some bargaining units' contracts provide for the County paying 50 percent of the retirees' current (at the time of retirement) spouses' insurance. Premiums for all other dependents covered on the policy are at the expense of the retiree.

Road Commission, Department of Water and Sewer, and Bay Medical Care Facility retirees have 100 percent of their premiums paid for by the County. The County also pays 100 percent of premiums for spouses of retirees of the Road Commission and Bay Medical Care Facility.

The Library pays 50% of the health insurance premiums for employees who retire between the ages of 60 and 65. Employees who retire at age 65 or later are entitled to 100% employer paid health insurance. Spousal premiums are at the expense of the retiree.

The post-retirement benefits are financed on a pay-as-you-go basis. The amount of expenditures for the benefits is recognized during the period incurred. The premiums are paid by the County. Employees make no contribution directly to the County for their share of the expense. The cost of retiree health care and life insurance benefits for 2006 was approximately \$2,108,053 for the primary government and approximately \$989,350 for component units.

### UPCOMING REPORTING CHANGE

The Governmental Accounting Standards Board has recently release Statement Number 45, Accounting and Reporting By Employers for Postemployment Benefits Other Than Pensions. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2008.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### C. SELF-INSURANCE

The County is self-funded for risks associated with workers' compensation, sickness and accident insurance (short-term disability), unemployment compensation and healthcare. The self-insurance program for workers' compensation (except for the Bay County Medical Care Facility), short-term disability and unemployment is accounted for in the Self-Insurance Fund, an Internal Service fund. Contributions are paid to the Self-Insurance Fund as a percentage of payroll, with the rates being determined by an independent actuary. The Bay County Medical Care Facility participates in its own, stand-alone self-insured program for workers' compensation and healthcare benefits. The activity of this program is accounted for in the Medical Care Facility Enterprise Fund, with claims being paid as they are incurred. The County's self-insurance program for healthcare became effective January 1, 2001 and is accounted for in the Healthcare Self-Insurance Fund, an internal service fund. The contributions which are paid to the Healthcare Self-Insurance Fund are determined by an independent consultant.

For the area of unemployment compensation, the County is categorized as a reimbursing employer in the State of Michigan. Employee sickness and accident benefit limits are established by way of contract negotiations with the County's ten bargaining units and by the Board of Commissioners for the County's nonrepresented employees.

Specifically in the area of workers' compensation, the County purchases excess insurance to reduce its exposure to significant claim losses. Excess insurance allows recovery of a portion of the losses from the excess insurer, although it does not discharge the primary liability of the Self-Insurance fund as direct insurer of the risks. During 2006, Bay County purchased excess insurance from Safety National Casualty Corporation. The self-insured retention is \$350,000 per occurrence. The maximum limit of indemnity per occurrence is statutory. The employers' liability maximum limit of indemnity is \$1,000,000 per occurrence.

The County estimates the liability for claims that have been incurred through December 31, 2006, including both claims that have been reported as well as those that have not yet been reported and estimates of both future payments of losses and related claim adjustment expenses. Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses. Neither the County, the Road Commission, Bay Medical Care Facility, nor the Department of Water & Sewer has experienced settlements in excess of insurance coverage during the past three years.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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In 2006 the County was self-insured for general liability insurance coverage with Michigan Municipal Risk Management Authority (MMRMA). Bay County's contributions to this fund are determined each year by MMRMA based on its review of an application filed by the County, which identifies County assets such as property, vehicles, buildings, and equipment. Bay County's retention levels and policy coverage through MMRMA are as follows:

<b>Coverage</b>	<b>Self-Insured Retention (excess of deductible)</b>
Liability	\$150,000
Vehicle Physical Damage \$1,000 deductible per vehicle	\$15,000 per vehicle \$30,000 per occurrence
Property and Crime \$1,000 deductible per occurrence	10% of the remaining up to \$100,000 of loss

### **Limits of Coverage** **(including member's self-insured retention per occurrence)**

The County's limits of liability coverage range from \$2,000 to \$10,000,000 per occurrence depending on type of occurrence. The County's limits of property and crime coverage range from \$10,000 to \$85,926,504 per occurrence depending on type of occurrence. In addition to the County's coverage from MMRMA, the combined members' have an aggregate \$5,000,000 terrorism liability coverage, \$200,000,000 of aggregate property coverage, a \$100,000,000 earthquake aggregate loss limit, a \$100,000,000 flood aggregate loss limit, and a \$25,000,000 terrorism aggregate loss limit.

In the area of life insurance, the County is experienced rated and pays premiums to Hartford Insurance with whom the County has entered into a contractual agreement.

There have been no significant changes in insurance coverage in the past two years. There have been no claim settlements that have exceeded excess insurance limits.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

Changes in the estimated claims liabilities for workers compensation claims (excluding the Medical Care Facility) for the years ended December 31, 2005 and 2006 are as follows:

	<b>December 31, 2006</b>	<b>December 31, 2005</b>
Beginning of year liability	\$ 516,056	\$ 707,836
Estimated claims incurred, claim adjustment expense, and changes in estimates		
Provision for current year events	173,874	124,394
Increase (decrease) in provision for prior year events	(181,372)	(13,601)
Total incurred claims, claim adjustment expense, and changes in estimates	(7,498)	110,793
Claim payments and claim adjustment expenses:		
Related to current year events	(10,968)	(13,911)
Related to prior year events	(155,283)	(288,662)
Total claim payments and claim adjustment expenses	(166,251)	(302,573)
End of year liability	\$ 342,307	\$ 516,056

Changes in the estimated claims liabilities for workers compensation claims of the Medical Care Facility for the years ended December 31, 2005 and 2006 are as follows:

	<b>December 31, 2006</b>	<b>December 31, 2005</b>
Beginning of year liability	\$ 339,329	\$ 215,888
Estimated claims incurred, claim adjustment expense, And changes in estimates	(9,995)	206,235
Claim payments and claim adjustment expenses	(232,808)	(82,794)
End of year liability	\$ 96,526	\$ 339,329

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Changes in the estimated claims liabilities for healthcare claims (excluding the Medical Care Facility) for the year ended December 31, 2005 and 2006 are as follows:

	<b>December 31, 2006</b>	<b>December 31, 2005</b>
Beginning of year liability	\$ 158,889	\$ 293,662
Estimated claims incurred, claim adjustment expense, and changes in estimates		
Provision for current year events	3,670,611	2,922,907
Increase (decrease) in provision for prior year events	<u>(158,889)</u>	<u>(214,575)</u>
Total incurred claims, claim adjustment expense, and changes in estimates	<u>3,511,722</u>	<u>2,708,332</u>
Claim payments and claim adjustment expenses:		
Related to current year events	(2,981,370)	(3,362,112)
Related to prior year events	<u>(453,287)</u>	<u>519,007</u>
Total claim payments and claim adjustment expenses	<u>(3,434,657)</u>	<u>(2,843,105)</u>
End of year liability	<u>\$ 235,954</u>	<u>\$ 158,889</u>

Beginning July 1, 2006, the Medical Care Facility is fully self-insured for healthcare claims. Prior to July 1, 2006, the Facility was partially self-insured for healthcare claims, but also paid a partial premium. The Facility is covered by a stop-loss policy that covers individual claims over \$35,000. Changes in the estimated claims liabilities for healthcare claims of the Medical Care Facility for the year ended December 31, 2006 are as follows:

	<b>December 31, 2006</b>
Beginning of year liability	\$ -
Estimated claims incurred, claim adjustment expense, And changes in estimates	3,614,290
Claim payments and claim adjustment expenses	<u>(3,064,290)</u>
End of year liability	<u>\$ 550,000</u>

The Department of Water and Sewer is self-insured for workers' compensation claims. This program is administered by an independent company which furnishes safety inspection, claims review, and claims processing services. The employers' liability maximum limit of indemnity per occurrence is \$1,000,000 and the self insured retention per occurrence is \$350,000. Net cost for the year ended December 31, 2006 was \$5,270.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The Department of Water and Sewer is further insured for general, automobile, and errors or omissions claims as a member of the Michigan County Road Commission Self-Insurance Pool and is insured for liabilities up to a limit of \$10,500,000 per occurrence, subject to a \$1,000 deductible. Payments made for the year ended December 31, 2006 were \$58,100.

The Department of Water and Sewer is further insured as a member of the Michigan County Road Commission Self-Insurance Pool for building, contents, off-road equipment and licensed vehicles claims and is insured for the lessor of the scheduled value of property or the cost of repairs or replacement, subject to a \$500 deductible. Payments made for the year ended December 31, 2006 were \$56,116.

The Department of Water and Sewer became self-insured for healthcare claims effective February 1, 2006. Blue Cross Blue Shield of Michigan administers the claims and provides \$75,000 specific and \$1,500,000 aggregate stop loss coverage in a combined contract with DWS and Bay County Road Commission. Payments made for the year ended December 31, 2006 were \$490,789.

### **D. PROPERTY TAXES**

The County property tax is levied each July 1st and December 1st through 2007 on the taxable valuation of property located in the County as of the preceding December 31. On July or December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next September or February, respectively. Assessed values are established annually by the County and are equalized by the State at an estimated 50 percent of current market value. Taxable values change annually, due to the Consumer Price Index (CPI) and any construction added to the property. Real and personal property in Bay County for the 2005 levy had a taxable value of \$2,826,729,535. The County's operating tax rate for the 2005 levy, collected in 2006, was 10.1838 mills.

Beginning with the 2004 tax levy the State has mandated the creation of a Revenue Sharing Reserve fund into which one-third of the County's 2004 to 2006 ad valorem operating tax is being recognized. The purpose of the fund is to accumulate reserves of the County's own local funds from which an amount similar to revenue sharing payments, formerly made by the State, will be made back to the General Fund. As part of this process, the County's tax levy will be shifting over the next three years from winter to summer.

The County annually reimburses to the local taxing authorities in Bay County the face value of the real property taxes, which are returned to the County Treasurer on March 1 as delinquent.

# BAY COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### E. CONTINGENCIES AND PENDING LITIGATION

The County is a defendant in various lawsuits. It is the opinion of County management and its counsel that the outcome of these lawsuits now pending will not materially affect the operations or the financial position of the County.

Under the terms of certain Federal and State grants, periodic audits are required and certain costs may be questioned as not representing appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. County management believes disallowances, if any, would be minimal.

### F. RESTATEMENTS

During the year ended December 31, 2006, a prior period adjustment in the amount of \$14,969 was necessary to properly account for loans receivable in the Home Rehabilitation Special Revenue Fund as of December 31, 2005. The effect on the Home Rehabilitation Special Revenue Fund fund balance was as follows:

Beginning net fund balance, as previously reported	\$ 1,399,149
Adjustment for uncollectible loans	<u>(14,969)</u>
Beginning fund balance, as restated	<u>\$ 1,384,180</u>

In addition, the Home Rehabilitation Special Revenue Fund's prior period adjustment had an effect on beginning of the year net assets. The effect on the beginning net assets was as follows:

Beginning net assets, as previously reported	\$ 42,309,934
Adjustment for uncollectible loans	<u>(14,969)</u>
Beginning net assets, as restated	<u>\$ 42,294,965</u>

On the Drain Commission Component Unit Statement of Net Assets for the year ended December 31, 2005, errors were made in accounting for receivables from other governmental units. These errors have been corrected and had the following effect on the beginning net assets:

Beginning net assets, as previously reported	\$ 4,964,963
Adjustment for receivables	<u>(66,918)</u>
Beginning net assets, as restated	<u>\$ 4,898,045</u>

# **BAY COUNTY**

## **NOTES TO FINANCIAL STATEMENTS**

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### **G. SUBSEQUENT EVENT**

On April 10, 2007, the County approved the acquisition of a microwave radio system for the 911 Central Dispatch Special Revenue Fund in an amount not to exceed \$325,000. The purchase will be funded with a portion of the existing fund balance of the 911 Central Dispatch Special Revenue Fund.

**BAY COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION**

**EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
SIX-YEAR HISTORICAL TREND INFORMATION - UNAUDITED**

*SCHEDULE OF FUNDING PROGRESS*

<b>ACTUARIAL VALUATION DATE DECEMBER 31,</b>	<b>ACTUARIAL VALUE OF ASSETS (IN THOUSANDS)</b>	<b>ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (IN THOUSANDS)</b>	<b>FUNDED RATIO</b>	<b>EXCESS OF ASSETS OVER AAL (IN THOUSANDS)</b>	<b>COVERED PAYROLL (IN THOUSANDS)</b>	<b>EXCESS AS A PERCENTAGE OF COVERED PAYROLL</b>
2000	\$ 192,311	\$ 129,302	148.7%	\$ 63,009	\$ 38,315	164.4%
2001	203,174	140,670	144.4%	62,504	39,762	157.2%
2002	200,786	151,663	132.4%	49,123	41,332	118.8%
2003	225,029	156,242	144.0%	68,787	43,054	159.8%
2004	227,174	174,175	130.4%	52,999	43,551	121.7%
2005	230,242	181,305	127.0%	48,937	43,104	113.5%

*SCHEDULE OF EMPLOYER CONTRIBUTIONS:*

<b>YEAR ENDED DECEMBER 31,</b>	<b>ANNUAL REQUIRED CONTRIBUTION</b>	<b>PERCENTAGE CONTRIBUTED</b>
2001	\$ -	100%
2002	-	100
2003	-	100
2004	-	100
2005	393,515	100
2006	581,067	100

The information presented in the supplemental schedule was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation (December 31, 2005) follows:

Actuarial cost method	Individual entry age normal cost
Amortization method	Level percent of payroll, opened periods
Remaining amortization method:	30 years for groups that are underfunded and 10 years for groups that are overfunded.
Asset valuation method	Market value with 5 year smoothing of gains and losses.
Actuarial assumptions:	
Investment rating return*	7.5 percent
Projected salary increases*	5.0 percent to 12.0 percent, dependant on member's age
Cost-of-living adjustments	None

\*Includes pay inflation at 4.0 percent

# Nonmajor Governmental Funds

## Special Revenue Funds

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*Special Revenue funds* account for the proceeds of specific revenue resources that are restricted to expenditures for specific programs or projects.

---

The Friend of the Court Fund is used to account for judgment fees and for the operation of this office of the Circuit Court.

The Health Department / District Health Fund is used to account for revenue received from the General Fund, State grants, and fees to provide health protection, maintenance, and improvement for the residents of Bay County.

The Gypsy Moth Control Fund is used to account for revenues received from property taxes and Federal and State grants for controlling gypsy moths.

The Public Improvement Fund is used to account for nontax revenues earmarked for statutory public improvements.

The Register of Deeds Automation Fund is used to account for the collection of \$5.00 of the total fee collected for each recording, which is used to fund the upgrading of technology in the Register of Deeds' Office.

The Local C.F.O. Training Fund is used to account for the County's share of the inmate booking fees to be utilized for local correctional officers training programs.

The Drug Law Enforcement Fund is used to account for revenue received from drug enforcement forfeitures that is earmarked for drug law enforcement.

The Law Library Fund is used to account for revenue received from penal fines and the General Fund that is earmarked for maintaining a law library.

The Community Corrections Fund is used to account for revenue received from State grants that is earmarked for programs designed to divert criminal offenders from the Bay County Law Enforcement Center (Jail) and the State prison system.

The Home Rehabilitation Fund is used to account for Michigan Community Development Block Grant (CDBG) funds and Michigan State Housing Development Authority (MSHDA) funds provided to the County for the rehabilitation of owner-occupied, single-family residential units in the out-county area.

## Special Revenue Funds (concluded)

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The Social Welfare Fund is used to account for revenues primarily received from the State by the County Social Services Department to administer various public assistance programs.

The Social Services Protective Services Fund is used to account for revenue received from donations to provide services for abused and neglected children.

The Child Care Fund is used to account for revenues received from the County's General Fund, Federal and State grants, private agencies, and individuals to provide care, guidance, and control of children coming under the jurisdiction of the Probate Court.

The Child Care / Social Services Fund is used to account for revenues received from the County's General Fund and the State to provide foster care to children under the jurisdiction of the Probate Court Juvenile Unit who do not qualify for the State Foster Care Program.

The Soldiers' Relief Fund is used to account for emergency assistance to eligible veterans.

The Veterans' Trust Fund is used to account for revenue received from the State to provide emergency assistance to Michigan veterans.

The Donald C. Pero Wildlife Restoration Fund is used to account for resources received from the General Fund of the County to plan, assist, promote, and influence natural resource programs, to improve, maintain, and restore wildlife and its habitat, and to develop, maintain, and improve physical facilities supportive of wildlife.

The Historical Preservation Fund is used to account for revenues received from property taxes to foster any activity or project which tends to advance the historical interests of the County.

## Debt Service Funds

---

The *Debt Service fund* accounts the payment of principal and interest on long-term general obligation debt other than that payable from special assessments and debt issued for and serviced primarily by an enterprise fund.

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The Building Authority Debt Fund was established to accumulate resources to meet the annual debt service requirements of bonds issued for the construction of and improvements to the Bay County Law Enforcement Center.

## Capital Projects Funds

---

*Capital Projects funds* account for the purchase or construction of major capital facilities which are not financed by Proprietary funds.

---

The Building Authority Construction Fund was established to account for the proceeds of bonds issued for the construction of and improvements to the various projects within the County.

**BAY COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2006**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>HEALTH</b>		
	<b>FRIEND OF THE COURT</b>	<b>DEPARTMENT / DISTRICT HEALTH</b>	<b>GYPSY MOTH CONTROL</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 85,963	\$ 805,942	\$ 128,348
Investments	47,692	-	179,919
Accounts receivable, net of allowance	140	46,993	-
Property taxes receivable, net of allowance	-	-	403
Accrued interest receivable	-	-	3,564
Due from component units	-	-	-
Due from other governmental units	256	349,406	-
Prepaid items and other current assets	-	2,804	39
<b>TOTAL ASSETS</b>	<b>\$ 134,051</b>	<b>\$ 1,205,145</b>	<b>\$ 312,273</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 200	\$ 32,292	\$ 222
Accrued items and other liabilities	1,419	291,567	2,111
Accrued vacation and sick pay	-	373	-
Due to other funds	37	1,818	53
Due to other governmental units	660	27,377	387
Interfund advances	-	500,000	-
Long term advances	-	-	-
Deferred revenue	-	196,592	403
<b>TOTAL LIABILITIES</b>	<b>2,316</b>	<b>1,050,019</b>	<b>3,176</b>
<b>FUND BALANCES</b>			
Reserved:			
Encumbrances	-	13,234	-
Debt service	-	-	-
Non-current assets	-	-	-
Restricted contributions	-	-	-
Prepaid items	-	2,804	39
Total reserved	-	16,038	39
Unreserved:			
Designated for other projects and activities	-	112,247	-
Undesignated	131,735	26,841	309,058
<b>TOTAL FUND BALANCES</b>	<b>131,735</b>	<b>155,126</b>	<b>309,097</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 134,051</b>	<b>\$ 1,205,145</b>	<b>\$ 312,273</b>



**BAY COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2006**

**SPECIAL REVENUE FUNDS (CONTINUED)**

	<b>HOME REHABILITATION</b>	<b>SOCIAL WELFARE</b>	<b>SOCIAL SERVICES PROTECTIVE SERVICES</b>	<b>CHILD CARE</b>	<b>CHILD CARE / SOCIAL SERVICES</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 56,665	\$ 41,741	\$ -	\$ -	\$ 3,975
Investments	-	80,558	-	-	-
Accounts receivable, net of allowance	1,437,599	-	-	859	-
Property taxes receivable, net of allowance	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other governmental units	1,711	19,503	-	351,856	320
Prepaid items and other current assets	44	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,496,019</b>	<b>\$ 141,802</b>	<b>\$ -</b>	<b>\$ 352,715</b>	<b>\$ 4,295</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,073	\$ -	\$ -	\$ 51,848	\$ -
Accrued items and other liabilities	243	-	-	53,575	-
Accrued vacation and sick pay	-	-	-	2,502	-
Due to other funds	7	-	-	190,863	-
Due to other governmental units	12,241	-	-	32,765	-
Interfund advances	-	-	-	-	-
Long term advances	-	29,000	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>13,564</b>	<b>29,000</b>	<b>-</b>	<b>331,553</b>	<b>-</b>
<b>FUND BALANCES</b>					
Reserved:					
Encumbrances	-	-	-	15,475	-
Debt service	-	-	-	-	-
Non-current assets	1,376,487	-	-	-	-
Restricted contributions	-	29,806	-	-	4,295
Prepaid items	44	-	-	-	-
Total reserved	1,376,531	29,806	-	15,475	4,295
Unreserved:					
Designated for other projects and activities	70,675	-	-	-	-
Undesignated	35,249	82,996	-	5,687	-
<b>TOTAL FUND BALANCES</b>	<b>1,482,455</b>	<b>112,802</b>	<b>-</b>	<b>21,162</b>	<b>4,295</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,496,019</b>	<b>\$ 141,802</b>	<b>\$ -</b>	<b>\$ 352,715</b>	<b>\$ 4,295</b>

<b>SPECIAL REVENUE FUNDS (CONTINUED)</b>				<b>DEBT SERVICE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>SOLDIERS' RELIEF</b>	<b>VETERANS' TRUST</b>	<b>DONALD C. PERO WILDLIFE RESTORATION</b>	<b>HISTORICAL PRESERVATION</b>	<b>BUILDING AUTHORITY</b>	<b>BUILDING AUTHORITY</b>	
\$ 4,501	\$ 1,641	\$ 508	\$ 8,801	\$ 276,916	\$ 99,543	\$ 1,775,377
-	-	-	-	357,907	-	804,713
-	-	-	-	-	-	1,488,326
-	-	-	261,499	-	-	261,902
-	-	-	-	8,686	-	14,640
-	-	-	-	-	176,136	176,136
-	2,033	-	-	-	-	854,600
-	-	-	-	-	-	3,412
<u>\$ 4,501</u>	<u>\$ 3,674</u>	<u>\$ 508</u>	<u>\$ 270,300</u>	<u>\$ 643,509</u>	<u>\$ 275,679</u>	<u>\$ 5,379,106</u>
\$ 1,949	\$ 990	\$ -	\$ -	\$ -	\$ 248,803	\$ 379,020
-	-	-	-	-	-	355,084
-	-	-	-	-	-	2,875
-	71	-	-	-	26,876	283,940
-	-	-	57	-	-	73,916
-	-	-	-	-	-	500,000
-	-	-	-	-	-	29,000
-	-	-	270,243	18,200	-	485,438
<u>1,949</u>	<u>1,061</u>	<u>-</u>	<u>270,300</u>	<u>18,200</u>	<u>275,679</u>	<u>2,109,273</u>
-	-	-	-	-	-	28,709
-	-	-	-	625,309	-	625,309
-	-	-	-	-	-	1,376,487
-	-	-	-	-	-	53,893
-	-	-	-	-	-	3,412
-	-	-	-	625,309	-	2,087,810
-	-	-	-	-	-	182,922
<u>2,552</u>	<u>2,613</u>	<u>508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,101</u>
<u>2,552</u>	<u>2,613</u>	<u>508</u>	<u>-</u>	<u>625,309</u>	<u>-</u>	<u>3,269,833</u>
<u>\$ 4,501</u>	<u>\$ 3,674</u>	<u>\$ 508</u>	<u>\$ 270,300</u>	<u>\$ 643,509</u>	<u>\$ 275,679</u>	<u>\$ 5,379,106</u>

**BAY COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>FRIEND OF THE COURT</b>	<b>HEALTH DEPARTMENT / DISTRICT HEALTH</b>	<b>GYPSY MOTH CONTROL</b>
<b>REVENUES</b>			
Property and other taxes	\$ -	\$ -	\$ 156
Licenses and permits	-	170,332	-
Federal grants	49,844	539,694	14,394
State grants	-	1,093,295	-
Interest, rents and royalties	-	1,100	16,921
Charges for services	38,701	104,179	-
Fines and forfeitures	-	-	-
Reimbursements, refunds, and other revenues	-	427,251	-
<b>TOTAL REVENUES</b>	<b>88,545</b>	<b>2,335,851</b>	<b>31,471</b>
<b>EXPENDITURES</b>			
Current			
Judicial	79,343	-	-
General government	-	-	78,226
Public safety	-	-	-
Health and welfare	-	3,221,149	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Debt service			
Principal	-	-	-
Interest and other fees	-	-	-
Underwriters discount	-	-	-
Capital outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>79,343</b>	<b>3,221,149</b>	<b>78,226</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,202</b>	<b>(885,298)</b>	<b>(46,755)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of refunding bonds	-	-	-
Payments to refunded bond escrow agents	-	-	-
Bond premium	-	-	-
Transfers in	-	1,536,863	-
Transfers (out)	-	(553,253)	(15,844)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>983,610</b>	<b>(15,844)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,202</b>	<b>98,312</b>	<b>(62,599)</b>
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	122,533	56,814	371,696
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 131,735</b>	<b>\$ 155,126</b>	<b>\$ 309,097</b>

**SPECIAL REVENUE FUNDS**

<b>REGISTER OF</b>						
<b>PUBLIC</b>	<b>DEEDS</b>	<b>LOCAL C.F.O.</b>	<b>DRUG LAW</b>	<b>LAW</b>	<b>COMMUNITY</b>	
<b>IMPROVEMENT</b>	<b>AUTOMATION</b>	<b>TRAINING</b>	<b>ENFORCEMENT</b>	<b>LIBRARY</b>	<b>CORRECTIONS</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	454,045
840	8,926	-	-	-	-	-
-	-	24,255	-	-	-	15,750
-	-	-	3,780	3,250	-	-
-	-	-	-	-	-	-
840	8,926	24,255	3,780	3,250	-	469,795
-	-	-	-	-	-	-
-	55,116	-	-	21,301	-	-
-	-	5,886	-	-	-	472,046
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	55,116	5,886	-	21,301	-	472,046
840	(46,190)	18,369	3,780	(18,051)	-	(2,251)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	113,525	-	-	14,650	-	10,263
-	(14,962)	-	-	-	-	-
-	98,563	-	-	14,650	-	10,263
840	52,373	18,369	3,780	(3,401)	-	8,012
16,672	181,515	35,163	51,235	41,463	-	16,158
\$ 17,512	\$ 233,888	\$ 53,532	\$ 55,015	\$ 38,062	\$ -	\$ 24,170

(Continued)

**BAY COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**SPECIAL REVENUE FUNDS (CONTINUED)**

	HOME REHABILITATION	SOCIAL WELFARE	SOCIAL SERVICES PROTECTIVE SERVICES	CHILD CARE	CHILD CARE / SOCIAL SERVICES
<b>REVENUES</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Federal grants	114,759	-	-	28,673	-
State grants	-	-	-	38,885	-
Interest, rents and royalties	1,375	-	-	3,600	-
Charges for services	240	-	-	-	640
Fines and forfeitures	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	262,499	-	1,392,890	-
<b>TOTAL REVENUES</b>	<b>116,374</b>	<b>262,499</b>	<b>-</b>	<b>1,464,048</b>	<b>640</b>
<b>EXPENDITURES</b>					
Current					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	294,934	-	2,301,841	1,280
Community and economic development	18,099	-	-	-	-
Recreation and culture	-	-	-	257,871	-
Debt service					
Principal	-	-	-	99,035	-
Interest and other fees	-	-	-	3,200	-
Underwriters discount	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,099</b>	<b>294,934</b>	<b>-</b>	<b>2,661,947</b>	<b>1,280</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>98,275</b>	<b>(32,435)</b>	<b>-</b>	<b>(1,197,899)</b>	<b>(640)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of refunding bonds	-	-	-	-	-
Payments to refunded bond escrow agents	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	-	33,400	-	1,340,847	-
Transfers (out)	-	-	-	(158,008)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>33,400</b>	<b>-</b>	<b>1,182,839</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>98,275</b>	<b>965</b>	<b>-</b>	<b>(15,060)</b>	<b>(640)</b>
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	1,384,180	111,837	-	36,222	4,935
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,482,455</b>	<b>\$ 112,802</b>	<b>\$ -</b>	<b>\$ 21,162</b>	<b>\$ 4,295</b>

<b>SPECIAL REVENUE FUNDS (CONTINUED)</b>				<b>DEBT SERVICE FUND</b>	<b>CAPITAL PROJECTS FUND</b>	
<b>SOLDIERS' RELIEF</b>	<b>VETERANS' TRUST</b>	<b>DONALD C. PERO WILDLIFE RESTORATION</b>	<b>HISTORICAL PRESERVATION</b>	<b>BUILDING AUTHORITY</b>	<b>BUILDING AUTHORITY</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
\$ -	\$ -	\$ -	\$ 261,528	\$ -	\$ -	\$ 261,684
-	-	-	-	-	-	170,332
-	-	-	-	-	-	747,364
-	-	-	-	-	-	1,586,225
-	-	-	26	317,030	-	349,818
-	-	-	-	-	-	183,765
-	-	-	-	-	-	7,030
-	33,632	-	-	1,298,239	1,212,189	4,626,700
-	33,632	-	261,554	1,615,269	1,212,189	7,932,918
-	-	-	-	-	-	79,343
-	-	-	-	70,533	-	225,176
-	-	-	-	-	-	477,932
29,803	33,995	-	-	-	-	5,883,002
-	-	-	-	-	-	18,099
-	-	8,101	261,554	-	-	527,526
-	-	-	-	2,504,375	-	2,603,410
-	-	-	-	1,240,647	-	1,243,847
-	-	-	-	40,314	-	40,314
-	-	-	-	-	1,185,313	1,185,313
29,803	33,995	8,101	261,554	3,855,869	1,185,313	12,283,962
(29,803)	(363)	(8,101)	-	(2,240,600)	26,876	(4,351,044)
-	-	-	-	7,205,000	-	7,205,000
-	-	-	-	(7,393,705)	-	(7,393,705)
-	-	-	-	299,552	-	299,552
32,355	-	-	-	2,198,352	-	5,280,255
-	-	-	-	-	(26,876)	(768,943)
32,355	-	-	-	2,309,199	(26,876)	4,622,159
2,552	(363)	(8,101)	-	68,599	-	271,115
-	2,976	8,609	-	556,710	-	2,998,718
\$ 2,552	\$ 2,613	\$ 508	\$ -	\$ 625,309	\$ -	\$ 3,269,833

**BAY COUNTY**  
**FRIEND OF THE COURT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Federal grants	\$ 57,500	\$ 57,500	\$ 49,844	\$ (7,656)
Charges for services	37,000	37,000	38,701	1,701
<b>TOTAL REVENUES</b>	94,500	94,500	88,545	(5,955)
<b>EXPENDITURES</b>				
Judicial	96,138	96,138	79,343	16,795
<b>NET CHANGE IN FUND BALANCES</b>	(1,638)	(1,638)	9,202	10,840
FUND BALANCES, BEGINNING OF YEAR	122,533	122,533	122,533	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 120,895</u>	<u>\$ 120,895</u>	<u>\$ 131,735</u>	<u>\$ 10,840</u>

**BAY COUNTY**  
**HEALTH DEPARTMENT / DISTRICT HEALTH SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 170,900	\$ 170,900	\$ 170,332	\$ (568)
Federal grants	426,433	422,814	539,694	116,880
State grants	1,062,451	1,172,402	1,093,295	(79,107)
Interest, rents and royalties	1,100	1,100	1,100	-
Charges for services	131,750	135,386	104,179	(31,207)
Reimbursements, refunds, and other revenues	391,383	362,476	427,251	64,775
<b>TOTAL REVENUES</b>	<b>2,184,017</b>	<b>2,265,078</b>	<b>2,335,851</b>	<b>70,773</b>
<b>EXPENDITURES</b>				
Health and welfare	2,996,510	3,339,944	3,221,149	118,795
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(812,493)</b>	<b>(1,074,866)</b>	<b>(885,298)</b>	<b>189,568</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,284,841	1,518,316	1,536,863	18,547
Transfers (out)	(520,700)	(520,700)	(553,253)	(32,553)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>764,141</b>	<b>997,616</b>	<b>983,610</b>	<b>(14,006)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(48,352)</b>	<b>(77,250)</b>	<b>98,312</b>	<b>175,562</b>
FUND BALANCES, BEGINNING OF YEAR	56,814	56,814	56,814	-
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<b>\$ 8,462</b>	<b>\$ (20,436)</b>	<b>\$ 155,126</b>	<b>\$ 175,562</b>

**BAY COUNTY  
 GYPSY MOTH CONTROL SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Property and other taxes	\$ -	\$ -	\$ 156	\$ 156
Federal grants	25,000	14,393	14,394	1
Interest, rents and royalties	6,900	6,900	16,921	10,021
<b>TOTAL REVENUES</b>	31,900	21,293	31,471	10,178
<b>EXPENDITURES</b>				
General government	123,377	123,377	78,226	45,151
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(91,477)	(102,084)	(46,755)	55,329
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	(15,844)	(15,844)	(15,844)	-
<b>NET CHANGE IN FUND BALANCES</b>	(107,321)	(117,928)	(62,599)	55,329
FUND BALANCES, BEGINNING OF YEAR	371,696	371,696	371,696	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 264,375</u>	<u>\$ 253,768</u>	<u>\$ 309,097</u>	<u>\$ 55,329</u>

**BAY COUNTY  
PUBLIC IMPROVEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Interest, rents and royalties	\$ 500	\$ 500	\$ 840	\$ 340
<b>FUND BALANCES, BEGINNING OF YEAR</b>	16,672	16,672	16,672	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 17,172</u>	<u>\$ 17,172</u>	<u>\$ 17,512</u>	<u>\$ 340</u>

**BAY COUNTY**  
**REGISTER OF DEEDS AUTOMATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Interest, rents and royalties	\$ 6,000	\$ 6,000	\$ 8,926	\$ 2,926
<b>EXPENDITURES</b>				
General government	64,700	82,700	55,116	27,584
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(58,700)	(76,700)	(46,190)	30,510
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	125,000	125,000	113,525	(11,475)
Transfers (out)	(14,962)	(14,962)	(14,962)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	110,038	110,038	98,563	(11,475)
<b>NET CHANGE IN FUND BALANCES</b>	51,338	33,338	52,373	19,035
FUND BALANCES, BEGINNING OF YEAR	181,515	181,515	181,515	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 232,853</u>	<u>\$ 214,853</u>	<u>\$ 233,888</u>	<u>\$ 19,035</u>

**BAY COUNTY  
 LOCAL C.F.O. TRAINING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 24,255	\$ 4,255
<b>EXPENDITURES</b>				
Public safety	29,309	29,309	5,886	23,423
<b>NET CHANGE IN FUND BALANCES</b>	(9,309)	(9,309)	18,369	27,678
FUND BALANCES, BEGINNING OF YEAR	35,163	35,163	35,163	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 25,854</u>	<u>\$ 25,854</u>	<u>\$ 53,532</u>	<u>\$ 27,678</u>

**BAY COUNTY  
DRUG LAW ENFORCEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 3,780	\$ 2,280
<b>EXPENDITURES</b>				
Public safety	22,935	22,935	-	22,935
<b>NET CHANGE IN FUND BALANCES</b>	(21,435)	(21,435)	3,780	25,215
FUND BALANCES, BEGINNING OF YEAR	51,235	51,235	51,235	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 29,800</u>	<u>\$ 29,800</u>	<u>\$ 55,015</u>	<u>\$ 25,215</u>

**BAY COUNTY**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 3,250	\$ (3,250)
<b>EXPENDITURES</b>				
Judicial	21,150	21,150	21,301	(151)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(14,650)	(14,650)	(18,051)	(3,401)
<b>OTHER FINANCING SOURCES</b>				
Transfer in	14,650	14,650	14,650	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(3,401)	(3,401)
FUND BALANCES, BEGINNING OF YEAR	41,463	41,463	41,463	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 41,463</u>	<u>\$ 41,463</u>	<u>\$ 38,062</u>	<u>\$ (3,401)</u>

**BAY COUNTY  
COMMUNITY CORRECTIONS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
State grants	\$ 389,978	\$ 434,470	\$ 454,045	\$ 19,575
Charges for services	12,000	12,000	15,750	3,750
<b>TOTAL REVENUES</b>	401,978	446,470	469,795	23,325
<b>EXPENDITURES</b>				
Public safety	422,911	466,764	472,046	(5,282)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(20,933)	(20,294)	(2,251)	18,043
<b>OTHER FINANCING SOURCES</b>				
Transfer in	10,263	10,263	10,263	-
<b>NET CHANGE IN FUND BALANCES</b>	(10,670)	(10,031)	8,012	18,043
FUND BALANCES, BEGINNING OF YEAR	16,158	16,158	16,158	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 5,488</u>	<u>\$ 6,127</u>	<u>\$ 24,170</u>	<u>\$ 18,043</u>

**BAY COUNTY  
HOME REHABILITATION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Federal grants	\$ 150,000	\$ 150,000	\$ 114,759	\$ (35,241)
Interest, rents and royalties	1,100	1,100	1,375	275
Charges for services	315	315	240	(75)
<b>TOTAL REVENUES</b>	151,415	151,415	116,374	(35,041)
<b>EXPENDITURES</b>				
Community and economic development	204,250	278,250	18,099	260,151
<b>NET CHANGE IN FUND BALANCES</b>	(52,835)	(126,835)	98,275	225,110
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	1,384,180	1,384,180	1,384,180	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,331,345</u>	<u>\$ 1,257,345</u>	<u>\$ 1,482,455</u>	<u>\$ 225,110</u>

**BAY COUNTY  
SOCIAL WELFARE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Reimbursements, refunds, and other revenues	\$ 633,353	\$ 633,353	\$ 262,499	\$ (370,854)
<b>EXPENDITURES</b>				
Health and welfare	666,753	693,299	294,934	398,365
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(33,400)	(59,946)	(32,435)	27,511
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	34,946	33,400	(1,546)
<b>NET CHANGE IN FUND BALANCES</b>	(33,400)	(25,000)	965	25,965
<b>FUND BALANCES, BEGINNING OF YEAR</b>	111,837	111,837	111,837	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 78,437	\$ 86,837	\$ 112,802	\$ 25,965

**BAY COUNTY**  
**SOCIAL SERVICES PROTECTIVE SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Reimbursements, refunds, and other revenues	\$ 500	\$ 500	\$ -	\$ (500)
<b>EXPENDITURES</b>				
Health and welfare	500	500	-	500
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

**BAY COUNTY**  
**CHILD CARE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<b>WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>				
Federal grants	\$ 29,000	\$ 29,000	\$ 28,673	\$ (327)
State grants	35,592	35,792	38,885	3,093
Interest, rents and royalties	3,000	3,000	3,600	600
Reimbursements, refunds, and other revenues	1,459,736	1,559,456	1,392,890	(166,566)
<b>TOTAL REVENUES</b>	<b>1,527,328</b>	<b>1,627,248</b>	<b>1,464,048</b>	<b>(163,200)</b>
<b>EXPENDITURES</b>				
Health and welfare	2,275,558	2,452,863	2,301,841	151,022
Recreation and culture	254,859	255,259	257,871	(2,612)
Debt service				
Principal	99,171	99,171	99,035	136
Interest and other fees	3,456	3,456	3,200	256
<b>TOTAL EXPENDITURES</b>	<b>2,633,044</b>	<b>2,810,749</b>	<b>2,661,947</b>	<b>148,802</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,105,716)</b>	<b>(1,183,501)</b>	<b>(1,197,899)</b>	<b>(14,398)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,263,724	1,340,962	1,340,847	(115)
Transfers (out)	(158,008)	(158,008)	(158,008)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,105,716</b>	<b>1,182,954</b>	<b>1,182,839</b>	<b>(115)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>(547)</b>	<b>(15,060)</b>	<b>(14,513)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>36,222</b>	<b>36,222</b>	<b>36,222</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 36,222</b>	<b>\$ 35,675</b>	<b>\$ 21,162</b>	<b>\$ (14,513)</b>

**BAY COUNTY**  
**CHILD CARE / SOCIAL SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Charges for services	\$ 3,750	\$ 3,750	\$ 640	\$ (3,110)
<b>EXPENDITURES</b>				
Health and welfare	7,500	7,500	1,280	6,220
<b>NET CHANGE IN FUND BALANCES</b>	(3,750)	(3,750)	(640)	3,110
FUND BALANCES, BEGINNING OF YEAR	4,935	4,935	4,935	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,185</u>	<u>\$ 1,185</u>	<u>\$ 4,295</u>	<u>\$ 3,110</u>

**BAY COUNTY  
SOLDIERS' RELIEF SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EXPENDITURES</b>				
Health and welfare	\$ 30,830	\$ 32,355	\$ 29,803	\$ 2,552
<b>OTHER FINANCING SOURCES</b>				
Transfer in	30,830	32,355	32,355	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	2,552	2,552
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,552</u>	<u>\$ 2,552</u>

**BAY COUNTY  
VETERANS' TRUST SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Reimbursements, refunds and other revenues	\$ 40,000	\$ 40,000	\$ 33,632	\$ (6,368)
<b>EXPENDITURES</b>				
Health and welfare	40,000	40,000	33,995	6,005
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(363)	(363)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	2,976	2,976	2,976	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 2,976	\$ 2,976	\$ 2,613	\$ (363)

**BAY COUNTY**  
**DONALD C. PERO WILDLIFE RESTORATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>EXPENDITURES</b>				
Recreation and culture	\$ 1,500	\$ 9,601	\$ 8,101	\$ 1,500
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,500	1,500	-	(1,500)
<b>NET CHANGE IN FUND BALANCES</b>	-	(8,101)	(8,101)	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	8,609	8,609	8,609	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 8,609	\$ 508	\$ 508	\$ -

**BAY COUNTY  
HISTORICAL PRESERVATION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		ACTUAL	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Property and other taxes	\$ 261,466	\$ 261,466	\$ 261,528	\$ 62
Interest, rents and royalties	25	25	26	1
<b>TOTAL REVENUES</b>	261,491	261,491	261,554	63
<b>EXPENDITURES</b>				
Recreation and culture	266,339	261,491	261,554	(63)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(4,848)	-	-	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	4,848	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

**BAY COUNTY**  
**BUILDING AUTHORITY DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Interest, rents and royalties	\$ 296,030	\$ 296,055	\$ 317,030	\$ 20,975
Reimbursements, refunds, and other revenues	1,298,239	1,298,239	1,298,239	-
<b>TOTAL REVENUES</b>	<b>1,594,269</b>	<b>1,594,294</b>	<b>1,615,269</b>	<b>20,975</b>
<b>EXPENDITURES</b>				
General government	-	70,535	70,533	2
Debt service				
Principal	1,985,000	2,504,375	2,504,375	-
Interest and other fees	1,291,942	1,240,647	1,240,647	-
Underwriters discount	-	40,315	40,314	1
<b>TOTAL EXPENDITURES</b>	<b>3,276,942</b>	<b>3,855,872</b>	<b>3,855,869</b>	<b>3</b>
<b>REVENUES (UNDER) EXPENDITURES</b>	<b>(1,682,673)</b>	<b>(2,261,578)</b>	<b>(2,240,600)</b>	<b>20,978</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of refunding bonds	-	7,205,000	7,205,000	-
Payments to refunded bond escrow agents	-	(7,393,707)	(7,393,705)	2
Bond premium	-	299,553	299,552	(1)
Transfers in	1,730,293	2,198,352	2,198,352	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,730,293</b>	<b>2,309,198</b>	<b>2,309,199</b>	<b>1</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>47,620</b>	<b>47,620</b>	<b>68,599</b>	<b>20,979</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>556,710</b>	<b>556,710</b>	<b>556,710</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 604,330</b>	<b>\$ 604,330</b>	<b>\$ 625,309</b>	<b>\$ 20,979</b>

## Nonmajor Enterprise Funds

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*Enterprise funds* account for the operations and services provided for County residents which are financed primarily through user charges.

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The Golf Course Fund was established to account for the operations of the County golf course. Revenues are primarily generated from user fees.

The Delinquent Property Tax Foreclosure Fund was established to account for various fees and costs related to the new delinquent tax reversion process.

The Housing Fund was established to account for the operations of the Hampton Township Housing Project, which provides low-income housing to eligible County residents. Revenues are primarily received through rental charges and an operating subsidy received from the Federal government.

The Commissary Fund was established to record the operations of commissary sales to inmates at the Bay County Law Enforcement Center. Costs are recovered through charges for items sold.

**BAY COUNTY  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<b>GOLF COURSE</b>	<b>DELINQUENT PROPERTY TAX FORECLOSURE</b>	<b>COMMISSARY</b>	<b>TOTAL</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 66,253	\$ 151,243	\$ 20,734	\$ 238,230
Investments	89,563	-	42,401	131,964
Accounts receivable, net of allowance	83	-	7,076	7,159
Due from other governmental units	46	-	-	46
Accrued interest receivable	2,471	-	639	3,110
Inventories	13,344	-	-	13,344
Due from other funds	13,941	30,903	-	44,844
Interfund advances	14,292	-	-	14,292
<b>TOTAL CURRENT ASSETS</b>	<b>199,993</b>	<b>182,146</b>	<b>70,850</b>	<b>452,989</b>
<b>CAPITAL ASSETS</b>				
Land	167,021	-	-	167,021
Land improvements	799,062	-	-	799,062
Buildings and improvements	406,224	-	-	406,224
Machinery and equipment	451,455	-	-	451,455
Office furniture and fixtures	16,968	-	-	16,968
Vehicles and other	8,458	-	-	8,458
	1,849,188	-	-	1,849,188
Less accumulated depreciation	(1,118,549)	-	-	(1,118,549)
<b>TOTAL CAPITAL ASSETS</b>	<b>730,639</b>	<b>-</b>	<b>-</b>	<b>730,639</b>
<b>TOTAL ASSETS</b>	<b>930,632</b>	<b>182,146</b>	<b>70,850</b>	<b>1,183,628</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	6,126	3,798	-	9,924
Accrued items and other liabilities	5,497	-	5,170	10,667
Accrued vacation and sick pay	1,906	-	-	1,906
Due to other funds	215	-	-	215
Due to other governmental units	1,359	-	182	1,541
Unearned revenue	1,864	-	-	1,864
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,967</b>	<b>3,798</b>	<b>5,352</b>	<b>26,117</b>
<b>LONG-TERM LIABILITIES</b>				
Accrued vacation and sick pay	16,241	-	-	16,241
<b>TOTAL LIABILITIES</b>	<b>33,208</b>	<b>3,798</b>	<b>5,352</b>	<b>42,358</b>
<b>NET ASSETS</b>				
Investment in capital assets	730,639	-	-	730,639
Unrestricted	166,785	178,348	65,498	410,631
<b>TOTAL NET ASSETS</b>	<b>\$ 897,424</b>	<b>\$ 178,348</b>	<b>\$ 65,498</b>	<b>\$ 1,141,270</b>

**BAY COUNTY  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>GOLF COURSE</b>	<b>DELINQUENT PROPERTY TAX FORECLOSURE</b>	<b>COMMISSARY</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 548,317	\$ 202,503	\$ 157,548	\$ 908,368
Reimbursements, refunds, and other revenue	50,415	7,023	11	57,449
<b>TOTAL OPERATING REVENUES</b>	<b>598,732</b>	<b>209,526</b>	<b>157,559</b>	<b>965,817</b>
<b>OPERATING EXPENSES</b>				
Personal services	283,384	-	-	283,384
Supplies	65,849	5,609	-	71,458
Other services	231,850	63,572	118,253	413,675
Depreciation	55,276	-	-	55,276
<b>TOTAL OPERATING EXPENSES</b>	<b>636,359</b>	<b>69,181</b>	<b>118,253</b>	<b>823,793</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(37,627)</b>	<b>140,345</b>	<b>39,306</b>	<b>142,024</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	11,673	4,090	2,154	17,917
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(25,954)</b>	<b>144,435</b>	<b>41,460</b>	<b>159,941</b>
<b>TRANSFERS</b>				
Transfers (out)	(24,000)	-	(11,199)	(35,199)
<b>CHANGE IN NET ASSETS</b>	<b>(49,954)</b>	<b>144,435</b>	<b>30,261</b>	<b>124,742</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>947,378</b>	<b>33,913</b>	<b>35,237</b>	<b>1,016,528</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 897,424</b>	<b>\$ 178,348</b>	<b>\$ 65,498</b>	<b>\$ 1,141,270</b>

**BAY COUNTY  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>PUBLIC GOLF COURSE</b>	<b>DELINQUENT PROPERTY TAX FORECLOSURE</b>	<b>COMMISSARY</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$546,436	\$ 202,503	\$ 151,264	\$ 900,203
Cash received from interfund services provided	52	-	-	52
Interfund reimbursements	-	(19,263)	-	(19,263)
Cash payments to suppliers for goods and services	(304,883)	(85,306)	(113,083)	(503,272)
Cash payments to employees and related taxes and insurance	(282,085)	-	(31)	(282,116)
Other operating revenues	50,415	7,023	11	57,449
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>9,935</b>	<b>104,957</b>	<b>38,161</b>	<b>153,053</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Proceeds from interfund advances	15,000	-	-	15,000
Transfers (out)	(24,000)	-	(11,199)	(35,199)
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(9,000)</b>	<b>-</b>	<b>(11,199)</b>	<b>(20,199)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(123,136)	-	-	(123,136)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of investments	153,472	-	-	153,472
Purchases of investments	-	-	(20,563)	(20,563)
Interest on investments	11,673	4,090	2,154	17,917
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>165,145</b>	<b>4,090</b>	<b>(18,409)</b>	<b>150,826</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>42,944</b>	<b>109,047</b>	<b>8,553</b>	<b>160,544</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	23,309	42,196	12,181	77,686
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ 66,253</b>	<b>\$ 151,243</b>	<b>\$ 20,734</b>	<b>\$ 238,230</b>

**BAY COUNTY  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>PUBLIC</b>	<b>DELINQUENT</b>	<b>GOLF</b>	<b>PROPERTY TAX</b>	<b>COMMISSARY</b>	<b>TOTAL</b>
	<b>COURSE</b>	<b>FORECLOSURE</b>	<b>COURSE</b>	<b>FORECLOSURE</b>	<b>COMMISSARY</b>	<b>TOTAL</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (37,627)	\$	140,345	\$	39,306	\$ 142,024
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	55,276	-	-	-	-	55,276
Changes in assets and liabilities:						
Accounts receivable	(83)	-	-	(5,785)	-	(5,868)
Accrued interest receivable	(408)	-	-	(499)	-	(907)
Inventories	(7,824)	-	-	-	-	(7,824)
Due from other funds	-	(19,263)	-	-	-	(19,263)
Accounts payable	640	(16,125)	-	-	-	(15,485)
Accrued items and other liabilities	2,495	-	-	5,170	-	7,665
Accrued vacation and sick pay, current	(2,032)	-	-	-	-	(2,032)
Due to other funds	52	-	-	-	-	52
Due to other governmental units	836	-	-	(31)	-	805
Unearned revenue	(1,390)	-	-	-	-	(1,390)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 9,935</b>	<b>\$</b>	<b>104,957</b>	<b>\$</b>	<b>38,161</b>	<b>\$ 153,053</b>

## Internal Service Funds

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*Internal Service funds* account for the financing of goods or services provided to other funds, departments or agencies of the primary government and its component units or to other governmental units on a cost-reimbursement basis.

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The Self-Insurance Fund was established by the County to provide its own insurance coverage to its departments or funds for workers' compensation, sickness and accident, and unemployment compensation. It is funded by charges to the various funds covered under the program, with all claims being paid from the fund.

The Self-Insurance Healthcare Fund was established by the County to provide its own insurance coverage to its departments or funds for employee health care.

**BAY COUNTY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<b>SELF INSURANCE</b>	<b>HEALTHCARE SELF INSURANCE</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 591,998	\$ 781,219	\$ 1,373,217
Investments	706,584	-	706,584
Accounts receivable, net of allowance	663	8,115	8,778
Accrued interest receivable	13,237	-	13,237
Due from other funds	24,990	-	24,990
Due from component units	890	3,959	4,849
Prepaid items and other current assets	32,279	549,639	581,918
<b>TOTAL ASSETS</b>	<b>1,370,641</b>	<b>1,342,932</b>	<b>2,713,573</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	64	-	64
Accrued items and other liabilities	90,231	-	90,231
Due to other funds	13	-	13
Due to component units	-	-	-
Due to other governmental units	1,573	-	1,573
Claims, settlements, and judgments	307,427	235,954	543,381
<b>TOTAL CURRENT LIABILITIES</b>	<b>399,308</b>	<b>235,954</b>	<b>635,262</b>
<b>LONG-TERM LIABILITIES</b>			
Claims, settlements, and judgments	34,880	-	34,880
Accrued vacation and sick pay	1,123	-	1,123
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>36,003</b>	<b>-</b>	<b>36,003</b>
<b>TOTAL LIABILITIES</b>	<b>435,311</b>	<b>235,954</b>	<b>671,265</b>
<b>NET ASSETS</b>			
Reserved:			
Insurance claims	\$ 935,330	\$ 1,106,978	\$ 2,042,308

**BAY COUNTY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>SELF INSURANCE</b>	<b>HEALTHCARE SELF INSURANCE</b>	<b>TOTAL</b>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 616,925	\$ 4,694,764	\$ 5,311,689
Reimbursements, refunds, and other revenues	13	77,404	77,417
<b>TOTAL OPERATING REVENUES</b>	<b>616,938</b>	<b>4,772,168</b>	<b>5,389,106</b>
<b>OPERATING EXPENSES</b>			
Personal services	227,106	3,511,722	3,738,828
Supplies	92	-	92
Other services	75,215	718,608	793,823
<b>TOTAL OPERATING EXPENSES</b>	<b>302,413</b>	<b>4,230,330</b>	<b>4,532,743</b>
<b>OPERATING INCOME</b>	<b>314,525</b>	<b>541,838</b>	<b>856,363</b>
<b>NONOPERATING REVENUE</b>			
Interest income	58,015	-	58,015
<b>CHANGE IN NET ASSETS</b>	<b>372,540</b>	<b>541,838</b>	<b>914,378</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>562,790</b>	<b>565,140</b>	<b>1,127,930</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 935,330</b>	<b>\$ 1,106,978</b>	<b>\$ 2,042,308</b>

**BAY COUNTY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>SELF INSURANCE</b>	<b>HEALTHCARE SELF INSURANCE</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from interfund services provided	\$ 612,373	\$ 4,690,015	\$ 5,302,388
Interfund reimbursements	(11,707)	-	(11,707)
Cash payments to suppliers for goods and services	(107,648)	(747,642)	(855,290)
Cash payments to employees and related taxes and insurance	(339,967)	(3,435,630)	(3,775,597)
Other operating revenues	13	77,404	77,417
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>153,064</b>	<b>584,147</b>	<b>737,211</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Claims, settlements and judgments - long term	(55,885)	-	(55,885)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments	436,804	-	436,804
Interest on investments	58,015	-	58,015
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>494,819</b>	<b>-</b>	<b>494,819</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>591,998</b>	<b>584,147</b>	<b>1,176,145</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	197,072	197,072
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ 591,998</b>	<b>\$ 781,219</b>	<b>\$ 1,373,217</b>

**BAY COUNTY  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>SELF INSURANCE</b>	<b>HEALTHCARE SELF INSURANCE</b>	<b>TOTAL</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 314,525	\$ 541,838	\$ 856,363
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Changes in assets and liabilities:			
Accounts receivable	(6)	(790)	(796)
Accrued interest receivable	(3,656)	-	(3,656)
Due from other funds	(11,715)	-	(11,715)
Due from component units	(890)	(3,959)	(4,849)
Prepaid items and other current assets	(32,255)	(29,034)	(61,289)
Accounts payable	(86)	-	(86)
Accrued items and other liabilities	4,086	(973)	3,113
Due to other funds	8	-	8
Due to other governmental units	817	-	817
Claims, settlements, and judgments	(117,864)	77,065	(40,799)
Accrued vacation and sick pay	100	-	100
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 153,064</b>	<b>\$ 584,147</b>	<b>\$ 737,211</b>

## Fiduciary Funds

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*Fiduciary funds* account for assets held by the County in a trustee or agent capacity. Disbursements from these funds are contingent upon the trust agreement or applicable legislative enactment for each particular fund. The Bay County Fiduciary funds encompass three broad categories: Private-Purpose Trust, Pension and Other Benefits Trust, and Agency funds. Private-Purpose Trust funds result from the County's agreement to accept resources and spend them in ways specified by the donor. Pension and Other Benefits Trust funds account for contributions from the County. They also invest fund resources, and calculate and pay pensions and other benefits to retirees and beneficiaries. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and other funds.

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The Probate Court Trust Fund is used to account for individual donations made to the court and their subsequent disbursement to assist youths.

The Inmate Trust Fund is used to account for deposits from inmates at the Bay County Law Enforcement Center and related expenses to maintain the fund.

The Employees' Retirement System Fund is used to account for the financial transactions of the Bay County Employees' Retirement System. The system is administered by the Retirement Board of Trustees, while the County acts as custodian for the System.

The Public Employee Health Care Fund is used to accumulate financial resources in order to provide medical benefits for retirees', their spouses and dependents.

The General Agency Fund is used to account for resources held by the County, which were received from various sources, and their subsequent disbursement to other parties.

The Current Tax Collection Fund is used to account for the collection of current property taxes and special assessments held by the County in a trustee capacity and the subsequent distribution to the appropriate local governmental unit or County fund.

The Library Penal Fine Fund is used to account for penal fines received by the District and Circuit courts and distributed to public libraries, as directed by the State Library Board and the County's Law Library Fund per State Act 286 of 1961.

The Flexible Spending Plan Fund is used to account for a portion of employee wages voluntarily set aside on a pre-tax basis to cover unreimbursed medical expenses and/or dependent day care expenses. The County holds these funds in a trustee capacity and reimburses the participating employees for eligible expenses.

**BAY COUNTY  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<b>PROBATE COURT TRUST</b>	<b>INMATE TRUST</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 7,755	\$ 18,581	\$ 26,336
Accounts receivable	-	220	220
<b>TOTAL ASSETS</b>	7,755	18,801	26,556
 <b>LIABILITIES</b>			
Accrued items and other liabilities	7,755	18,207	25,962
 <b>NET ASSETS</b>			
Held in trust for specific programs	\$ -	\$ 594	\$ 594

**BAY COUNTY  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>PROBATE COURT TRUST</b>	<b>INMATE TRUST</b>	<b>TOTAL</b>
<b>ADDITIONS</b>			
Interest	\$ -	\$ 79	\$ 79
Reimbursements, refunds, and other revenues	-	26	26
<b>TOTAL ADDITIONS</b>	-	105	105
<b>DEDUCTIONS</b>			
Other services	-	64	64
<b>CHANGE IN NET ASSETS</b>	-	41	41
NET ASSETS, BEGINNING OF YEAR	-	553	553
<b>NET ASSETS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 594</b>	<b>\$ 594</b>

**BAY COUNTY**  
**EMPLOYEE PENSION AND OTHER BENEFITS TRUST FUNDS**  
**COMBINING STATEMENT OF PLAN NET ASSETS**  
**DECEMBER 31, 2006**

	<b>EMPLOYEES' RETIREMENT SYSTEM</b>	<b>PUBLIC EMPLOYEE HEALTH CARE</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Investments at fair value:			
Common stock	\$ 167,939,217	\$ -	\$ 167,939,217
Corporate bonds	22,548,569	-	22,548,569
Governmental securities	26,369,075	-	26,369,075
Short-term investment funds	10,010,487	111,587	10,122,074
Other	18,502,012	19,745,331	38,247,343
Total investments	<u>245,369,360</u>	<u>19,856,918</u>	<u>265,226,278</u>
Receivables:			
Interest and dividends	766,391	124,422	890,813
Trade	810,217	85,106	895,323
Total receivables	<u>1,576,608</u>	<u>209,528</u>	<u>1,786,136</u>
Other current assets:			
Prepaid items and other current assets	70	-	70
Due from component units	51,634	-	51,634
Total other current assets	<u>51,704</u>	<u>-</u>	<u>51,704</u>
<b>TOTAL ASSETS</b>	<u>246,997,672</u>	<u>20,066,446</u>	<u>267,064,118</u>
<b>LIABILITIES</b>			
Accounts payable	606,822	2,816	609,638
Accrued items and other liabilities	2,802,176	124,004	2,926,180
Accrued vacation and sick pay	4,493	-	4,493
Due to other governmental units	469	-	469
<b>TOTAL LIABILITIES</b>	<u>3,413,960</u>	<u>126,820</u>	<u>3,540,780</u>
<b>NET ASSETS</b>			
Held in trust for pension and healthcare benefits	<u>\$ 243,583,712</u>	<u>\$ 19,939,626</u>	<u>\$ 263,523,338</u>

A schedule of funding progress for the Employees' Retirement System is presented on page 104.

**BAY COUNTY  
EMPLOYEE PENSION AND OTHER BENEFITS TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>EMPLOYEES' RETIREMENT SYSTEM</b>	<b>PUBLIC EMPLOYEE HEALTH CARE</b>	<b>TOTAL</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 581,067	\$ 2,992,192	\$ 3,573,259
Plan members	1,170,594	-	1,170,594
Total contributions	1,751,661	2,992,192	4,743,853
Investment income:			
Net appreciation in fair value of investments	14,942,732	1,820,814	16,763,546
Interest and dividends	5,612,138	462,342	6,074,480
Less investment expense	(1,632,419)	(32,323)	(1,664,742)
Net investment income	18,922,451	2,250,833	21,173,284
Other revenue	155,601	-	155,601
<b>TOTAL ADDITIONS</b>	<b>20,829,713</b>	<b>5,243,025</b>	<b>26,072,738</b>
<b>DEDUCTIONS</b>			
Benefits	8,214,249	-	8,214,249
Administrative expenses	186,780	15,599	202,379
Refunds of contributions	237,975	-	237,975
Capital outlay	5,344	-	5,344
<b>TOTAL DEDUCTIONS</b>	<b>8,644,348</b>	<b>15,599</b>	<b>8,659,947</b>
<b>CHANGE IN NET ASSETS</b>	<b>12,185,365</b>	<b>5,227,426</b>	<b>17,412,791</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION AND HEALTHCARE BENEFITS:</b>			
BEGINNING OF YEAR	231,398,347	14,712,200	246,110,547
<b>END OF YEAR</b>	<b>\$ 243,583,712</b>	<b>\$ 19,939,626</b>	<b>\$ 263,523,338</b>

**BAY COUNTY  
AGENCY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<b>GENERAL AGENCY</b>	<b>CURRENT TAX COLLECTION</b>	<b>LIBRARY PENAL FINE</b>	<b>FLEXIBLE SPENDING PLAN</b>	<b>TOTAL</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,546,655	\$ 124,891	\$ 33,083	\$ 28,799	\$ 1,733,428
Investments	7,741,929	-	-	-	7,741,929
Accounts receivable	6,374	-	-	-	6,374
Due from other governmental units	1,000	-	26,294	-	27,294
<b>TOTAL ASSETS</b>	<b>\$ 9,295,958</b>	<b>\$ 124,891</b>	<b>\$ 59,377</b>	<b>\$ 28,799</b>	<b>\$ 9,509,025</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 700	\$ -	\$ -	\$ -	\$ 700
Accrued items and other liabilities	271,420	-	-	17,402	288,822
Due to component units	8,587,828	124,891	59,377	-	8,772,096
Due to other governmental units	272,484	-	-	-	272,484
Deposits	148,271	-	-	-	148,271
Undistributed taxes	15,255	-	-	-	15,255
Advances	-	-	-	11,397	11,397
<b>TOTAL LIABILITIES</b>	<b>\$ 9,295,958</b>	<b>\$ 124,891</b>	<b>\$ 59,377</b>	<b>\$ 28,799</b>	<b>\$ 9,509,025</b>

**BAY COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>BALANCE</b>			<b>BALANCE</b>		
	<b>JANUARY 1,</b>			<b>DECEMBER 31,</b>		
	<b>2006</b>	<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>2006</b>		
<b><u>GENERAL AGENCY FUND</u></b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,256,692	\$ 37,854,427	\$ 37,564,464	\$ 1,546,655		
Investments	7,478,675	7,793,820	7,530,566	7,741,929		
Accounts receivable	395	11,379	5,400	6,374		
Due from other governmental units	-	1,000	-	1,000		
<b>TOTAL ASSETS</b>	<b>\$ 8,735,762</b>	<b>\$ 45,660,626</b>	<b>\$ 45,100,430</b>	<b>\$ 9,295,958</b>		
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 700	\$ -	\$ 700		
Accrued items and other liabilities	241,858	435,925	406,363	271,420		
Due to component units	8,075,711	8,620,974	8,108,857	8,587,828		
Due to other governmental units	233,328	19,793,000	19,753,844	272,484		
Deposits	170,029	35,985	57,743	148,271		
Undistributed taxes	14,836	185,052	184,633	15,255		
<b>TOTAL LIABILITIES</b>	<b>\$ 8,735,762</b>	<b>\$ 29,071,636</b>	<b>\$ 28,511,440</b>	<b>\$ 9,295,958</b>		
<b><u>CURRENT TAX COLLECTION FUND</u></b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 185,125	\$ 38,508,270	\$ 38,568,504	\$ 124,891		
Due from other funds	-	15,662,611	15,662,611	-		
<b>TOTAL ASSETS</b>	<b>\$ 185,125</b>	<b>\$ 54,170,881</b>	<b>\$ 54,231,115</b>	<b>\$ 124,891</b>		
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ 6,065,854	\$ 6,065,854	\$ -		
Due to component units	185,125	5,064,164	5,124,398	124,891		
Undistributed taxes	-	32,728,238	32,728,238	-		
<b>TOTAL LIABILITIES</b>	<b>\$ 185,125</b>	<b>\$ 43,858,256</b>	<b>\$ 43,918,490</b>	<b>\$ 124,891</b>		
<b><u>LIBRARY PENAL FINE</u></b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 396,513	\$ 363,430	\$ 33,083		
Accounts receivable	22,906	26,294	22,906	26,294		
<b>TOTAL ASSETS</b>	<b>\$ 22,906</b>	<b>\$ 422,807</b>	<b>\$ 386,336</b>	<b>\$ 59,377</b>		
<b>LIABILITIES</b>						
Due to component units	\$ 22,906	\$ 399,901	\$ 363,430	\$ 59,377		

(Continued)

**BAY COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>BALANCE JANUARY 1, 2006</b>			<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	<b>BALANCE DECEMBER 31, 2006</b>	
<b><u>FLEXIBLE SPENDING PLAN FUND</u></b>							
<b>ASSETS</b>							
Cash and cash equivalents	\$ 29,027	\$ 21,734	\$ 21,962			\$ 28,799	
<b>LIABILITIES</b>							
Accrued items and other liabilities	\$ 17,630	\$ 21,734	\$ 21,962			\$ 17,402	
Advances	11,397	-	-			11,397	
<b>TOTAL LIABILITIES</b>	<b>\$ 29,027</b>	<b>\$ 21,734</b>	<b>\$ 21,962</b>			<b>\$ 28,799</b>	
 <b><u>TOTAL - ALL AGENCY FUNDS</u></b>							
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,470,844	\$ 76,780,944	\$ 76,518,360			\$ 1,733,428	
Investments	7,478,675	7,793,820	7,530,566			7,741,929	
Accounts receivable	23,301	37,673	28,306			32,668	
Due from other funds	-	15,662,611	15,662,611			-	
Due from other governmental units	-	1,000	-			1,000	
<b>TOTAL ASSETS</b>	<b>\$ 8,972,820</b>	<b>\$ 100,276,048</b>	<b>\$ 99,739,843</b>			<b>\$ 9,509,025</b>	
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 700	\$ -			\$ 700	
Accrued items and other liabilities	259,488	457,659	428,325			288,822	
Due to other funds	-	6,065,854	6,065,854			-	
Due to component units	8,283,742	14,085,039	13,596,685			8,772,096	
Due to other governmental units	233,328	19,793,000	19,753,844			272,484	
Deposits	170,029	35,985	57,743			148,271	
Undistributed taxes	14,836	32,913,290	32,912,871			15,255	
Advances	11,397	-	-			11,397	
<b>TOTAL LIABILITIES</b>	<b>\$ 8,972,820</b>	<b>\$ 73,351,527</b>	<b>\$ 72,815,322</b>			<b>\$ 9,509,025</b>	

## **Library System**

The Library System was established to account for the operations of the Bay County Library System, a component unit of Bay County, which provides services and materials in a variety of formats to satisfy the educational, personal and professional interests of the community with funds primarily raised through local property taxes.

**BAY COUNTY**  
**LIBRARY SYSTEM COMPONENT UNIT**  
**STATEMENT OF NET ASSETS AND BALANCE SHEET - GOVERNMENTAL FUND**  
**DECEMBER 31, 2006**

	LIBRARY SYSTEM	ADJUSTMENTS	STATEMENT OF ACTIVITIES
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 4,809,554	\$ -	\$ 4,809,554
Property taxes receivable, net of allowance	2,832,330	-	2,832,330
Accrued interest receivable	29,220	-	29,220
Due from primary government	60,692	-	60,692
Prepaid items and other current assets	116,553	-	116,553
<b>TOTAL CURRENT ASSETS</b>	7,848,349	-	7,848,349
<b>CAPITAL ASSETS</b>			
Land	-	119,487	119,487
Land improvements	-	179,722	179,722
Buildings and improvements	-	1,336,467	1,336,467
Machinery and equipment	-	121,428	121,428
Office furniture and fixtures	-	1,201,117	1,201,117
Books and audio/visual materials	-	3,419,682	3,419,682
Vehicles and other	-	182,770	182,770
Less accumulated depreciation	-	(3,711,625)	(3,711,625)
<b>TOTAL CAPITAL ASSETS</b>	-	2,849,048	2,849,048
<b>TOTAL ASSETS</b>	\$ 7,848,349	\$ 2,849,048	10,697,397
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 62,294	\$ -	62,294
Accrued items and other liabilities	120,504	-	120,504
Due to primary government	171,650	-	171,650
Unearned revenue	2,832,330	-	2,832,330
<b>TOTAL CURRENT LIABILITIES</b>	3,186,778	-	3,186,778
<b>NONCURRENT LIABILITIES</b>			
Accrued vacation and sick pay, long term	-	124,225	124,225
<b>TOTAL LIABILITIES</b>	3,186,778	124,225	3,311,003
<b>FUND BALANCES</b>			
Unreserved:			
Designated for projects and activities	3,378,927	(3,378,927)	-
Undesignated	1,282,644	(1,282,644)	-
<b>TOTAL FUND BALANCES</b>	4,661,571	(4,661,571)	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ 7,848,349		
<b>NET ASSETS</b>			
Invested in capital assets		2,849,048	2,849,048
Unrestricted		4,537,346	4,537,346
<b>TOTAL NET ASSETS</b>		\$ 7,386,394	\$ 7,386,394

**BAY COUNTY  
LIBRARY SYSTEM COMPONENT UNIT  
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>LIBRARY SYSTEM</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF ACTIVITIES</u>
<b>REVENUES</b>			
Property and other taxes	\$ 6,018,076	\$ -	\$ 6,018,076
Federal grants	11,353	-	11,353
State grants	79,410	-	79,410
Interest income	290,124	-	290,124
Charges for services	530,367	-	530,367
Donations	814,901	-	814,901
	<u>7,744,231</u>	<u>-</u>	<u>7,744,231</u>
<b>TOTAL REVENUES</b>	<u>7,744,231</u>	<u>-</u>	<u>7,744,231</u>
<b>EXPENDITURES / EXPENSES</b>			
Current			
Recreation and culture	5,180,846	(30,072)	5,150,774
Depreciation	-	490,035	490,035
Capital outlay	2,562,898	(702,436)	1,860,462
	<u>7,743,744</u>	<u>(242,473)</u>	<u>7,501,271</u>
<b>TOTAL EXPENDITURES / EXPENSES</b>	<u>7,743,744</u>	<u>(242,473)</u>	<u>7,501,271</u>
<b>NET CHANGE IN FUND BALANCES / NET ASSETS</b>	487	242,473	242,960
<b>FUND BALANCE / NET ASSETS, BEGINNING OF YEAR</b>	<u>4,661,084</u>	<u>2,482,350</u>	<u>7,143,434</u>
<b>FUND BALANCE / NET ASSETS, END OF YEAR</b>	<u>\$ 4,661,571</u>	<u>\$ 2,724,823</u>	<u>\$ 7,386,394</u>

### **III. STATISTICAL SECTION**

**The Statistical Section contains comprehensive data, frequently covering the last ten years, relating to the financial, economic, demographic, and operational characteristics of Bay County.**

## STATISTICAL SECTION

This part of the County of Bay's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	145-148
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	149-153
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	154-158
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government 's financial activities take place.</i>	159-160
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	161-163

**BAY COUNTY**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,658	\$ 17,565	\$ 26,080	\$ 27,330
Restricted	-	-	-	-	-	-	11,990	9,713	8,761	12,594
Unrestricted	-	-	-	-	-	-	6,015	6,277	7,469	9,259
Total governmental activities net assets	<u>\$ -</u>	<u>\$ 29,663</u>	<u>\$ 33,555</u>	<u>\$ 42,310</u>	<u>\$ 49,183</u>					
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,888	\$ 10,431	\$ 10,753	\$ 10,248
Restricted	-	-	-	-	-	-	-	-	525	-
Unrestricted	-	-	-	-	-	-	13,954	10,681	9,362	10,787
Total business-type activities net assets	<u>\$ -</u>	<u>\$ 20,842</u>	<u>\$ 21,112</u>	<u>\$ 20,640</u>	<u>\$ 21,035</u>					
Primary government										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,546	\$ 27,996	\$ 36,833	\$ 37,578
Restricted	-	-	-	-	-	-	11,990	9,713	9,286	12,594
Unrestricted	-	-	-	-	-	-	19,969	16,958	16,831	20,046
Total primary activities net assets	<u>\$ -</u>	<u>\$ 50,505</u>	<u>\$ 54,667</u>	<u>\$ 62,950</u>	<u>\$ 70,218</u>					

**BAY COUNTY**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>										
Governmental activities:										
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,790	\$ 9,857	\$ 9,328	\$ 10,152
Community and economic development	-	-	-	-	-	-	253	235	146	99
Health and welfare	-	-	-	-	-	-	10,593	10,998	10,292	10,256
Public works	-	-	-	-	-	-	5	7	6	5
General government	-	-	-	-	-	-	9,369	10,296	8,835	11,104
Judicial	-	-	-	-	-	-	5,459	5,636	5,691	5,986
Legislative	-	-	-	-	-	-	455	470	451	461
Recreation and culture	-	-	-	-	-	-	2,397	1,981	1,865	1,860
Other functions	-	-	-	-	-	-	1,226	971	1,158	1,293
Interest on long-term debt	-	-	-	-	-	-	1,859	1,447	1,382	1,239
Total governmental activities expenses	-	-	-	-	-	-	40,406	41,898	39,154	42,455
Business-type activities:										
Medical Care Facility	-	-	-	-	-	-	14,623	15,490	15,935	18,627
100% Tax Payment	-	-	-	-	-	-	119	115	122	123
Golf Course	-	-	-	-	-	-	498	530	545	637
Delinquent Property Tax Foreclosure	-	-	-	-	-	-	-	-	65	69
Commissary	-	-	-	-	-	-	97	113	115	118
Housing	-	-	-	-	-	-	482	491	574	577
Total business-type activities expenses	-	-	-	-	-	-	15,819	16,739	17,356	20,151
Total primary government expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,225	\$ 58,637	\$ 56,510	\$ 62,606
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,494	\$ 1,572	\$ 1,698	\$ 1,569
Health and welfare	-	-	-	-	-	-	3,229	3,081	1,980	2,193
General government	-	-	-	-	-	-	3,119	3,385	3,151	3,071
Community and economic development	-	-	-	-	-	-	-	-	-	6
Public works	-	-	-	-	-	-	-	-	-	23
Judicial	-	-	-	-	-	-	2,334	2,368	2,273	2,392
Recreation and culture	-	-	-	-	-	-	1,251	1,289	1,344	1,739
Other	-	-	-	-	-	-	63	63	33	54
Operating grants and contributions	-	-	-	-	-	-	7,215	7,856	7,946	8,129
Capital grants and contributions	-	-	-	-	-	-	158	67	-	195
Total governmental activities program revenues	-	-	-	-	-	-	18,863	19,681	18,425	19,371

	Fiscal Year										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
<b>Business-type activities:</b>											
Charges for services											
Medical Care Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,649	\$ 13,983	\$ 13,746	\$ 16,942	
100 % Tax Payment	-	-	-	-	-	-	786	741	833	862	
Golf Course	-	-	-	-	-	-	601	570	555	548	
Delinquent Property Tax Foreclosure	-	-	-	-	-	-	-	-	99	202	
Commissary	-	-	-	-	-	-	118	132	142	158	
Housing	-	-	-	-	-	-	173	205	228	238	
Operating grants and contributions	-	-	-	-	-	-	343	226	304	170	
Capital grants and contributions	-	-	-	-	-	-	-	-	-	44	
Total business-type activities program revenues	-	-	-	-	-	-	15,670	15,857	15,907	19,164	
Total primary government program revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,533	\$ 35,538	\$ 34,332	\$ 38,535	
<b>Net (expense)/revenue</b>											
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,543)	\$ (22,217)	\$ (20,729)	\$ (23,084)	
Business-type activities	-	-	-	-	-	-	(149)	(882)	(1,449)	(987)	
Total primary government net expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,692)	\$ (23,099)	\$ (22,178)	\$ (24,071)	
<b>General Revenues and Other Changes in Net Assets</b>											
<b>Governmental activities:</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,444	\$ 23,900	\$ 24,905	\$ 26,710	
Unrestricted grants and contributions	-	-	-	-	-	-	2,179	654	-	-	
Unrestricted investment earnings	-	-	-	-	-	-	462	377	677	1,013	
Other revenue	-	-	-	-	-	-	1,633	409	2,949	1,525	
Transfers - internal activities	-	-	-	-	-	-	531	768	1,009	724	
Total governmental activities	-	-	-	-	-	-	23,249	26,108	29,540	29,972	
<b>Business-type activities:</b>											
Property taxes	-	-	-	-	-	-	1,224	1,252	1,317	1,323	
Unrestricted investment earnings	-	-	-	-	-	-	154	149	231	352	
Other revenue	-	-	-	-	-	-	431	506	438	431	
Transfers - internal activities	-	-	-	-	-	-	(531)	(768)	(1,009)	(724)	
Total business-type activities	-	-	-	-	-	-	1,278	1,139	977	1,382	
Total primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,527	\$ 27,247	\$ 30,517	\$ 31,354	
<b>Change in Net Assets</b>											
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,706	\$ 3,891	\$ 8,811	\$ 6,888	
Business-type activities	-	-	-	-	-	-	1,129	257	(472)	395	
Total primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,835	\$ 4,148	\$ 8,339	\$ 7,283	

**BAY COUNTY**  
**Governmental Activities Tax Revenue By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>
1997	\$ -
1998	-
1999	-
2000	-
2001	-
2002	-
2003	18,443,783
2004	23,900,464
2005	24,905,105
2006	26,709,969

**BAY COUNTY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,711	\$ 2,820	\$ 3,376	\$ 3,161
Unreserved	-	-	-	-	-	-	1,153	1,497	1,664	2,296
Total general fund	<u>\$ -</u>	<u>\$ 3,864</u>	<u>\$ 4,317</u>	<u>\$ 5,040</u>	<u>\$ 5,457</u>					
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,054	\$ 9,705	\$ 8,290	\$ 12,267
Unreserved	-	-	-	-	-	-	572	453	721	183
Special revenue funds	-	-	-	-	-	-	2,307	2,857	2,916	3,662
Total all other governmental funds	<u>\$ -</u>	<u>\$ 14,933</u>	<u>\$ 13,015</u>	<u>\$ 11,927</u>	<u>\$ 16,112</u>					

**BAY COUNTY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues</b>										
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,342	\$ 23,959	\$ 24,889	\$ 26,253
Licenses and permits	-	-	-	-	-	-	352	352	368	373
Federal grants	-	-	-	-	-	-	3,222	3,531	3,395	3,593
State grants	-	-	-	-	-	-	5,418	4,125	3,347	3,820
Interest, rents and royalties	-	-	-	-	-	-	1,501	1,451	1,739	2,003
Charges for services	-	-	-	-	-	-	4,267	3,389	3,363	3,288
Fines and forfeits	-	-	-	-	-	-	1,031	971	900	945
Reimbursements, refunds and other revenue	-	-	-	-	-	-	7,317	7,406	9,064	8,013
Insurance recoveries/proceeds	-	-	-	-	-	-	11	-	1	-
Total revenues	-	-	-	-	-	-	41,461	45,184	47,066	48,288
<b>Expenditures</b>										
Legislative	-	-	-	-	-	-	454	480	463	478
Judicial	-	-	-	-	-	-	5,281	5,311	5,483	5,829
General government	-	-	-	-	-	-	9,217	8,987	8,938	9,035
Public safety	-	-	-	-	-	-	8,681	9,478	9,621	10,258
Public works	-	-	-	-	-	-	5	7	6	6
Health and welfare	-	-	-	-	-	-	11,320	10,600	9,937	10,356
Community and economic development	-	-	-	-	-	-	256	233	157	129
Recreation and culture	-	-	-	-	-	-	2,262	1,867	1,839	1,851
Other functions	-	-	-	-	-	-	1,244	995	1,164	1,293
Capital outlay	-	-	-	-	-	-	8,639	5,597	7,159	1,185
Debt service:										
Principal	-	-	-	-	-	-	1,468	2,421	2,248	2,817
Interest and other fees	-	-	-	-	-	-	1,606	1,468	1,393	1,296
Total expenditures	-	-	-	-	-	-	50,433	47,444	48,408	44,533
Excess of revenues over (under) expenditures	-	-	-	-	-	-	(8,972)	(2,260)	(1,342)	3,755

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Other financing sources (uses)</b>										
Proceeds from capital leases	-	-	-	-	-	-	53	2,035	-	-
Transfers in	-	-	-	-	-	-	6,768	(2,022)	10,068	9,390
Payment to escrow agents to refund debt	-	-	-	-	-	-	-	8,170	-	(7,394)
Insurance recoveries/proceeds	-	-	-	-	-	-	-	-	-	26
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	7,205
Bond premium	-	-	-	-	-	-	-	-	-	300
Transfers (out)	-	-	-	-	-	-	(6,224)	(7,388)	(9,059)	(8,666)
Total other financing sources (uses)	-	-	-	-	-	-	597	795	1,009	861
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,375)	\$ (1,465)	\$ (333)	\$ 4,616
Debt service as a percentage of noncapital expenditures							7.65%	9.41%	9.03%	9.60%

**BAY COUNTY**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

Fiscal Year	Property Tax
1997	\$ -
1998	-
1999	-
2000	-
2001	-
2002	-
2003	18,342
2004	23,959
2005	24,889
2006	26,253

**BAY COUNTY**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

<b>Fiscal Year Ended December 31,</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Assessed Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Residential</b>	<b>Commercial</b>					
1997	\$ 1,187,363	\$ 253,537	\$ 213,195	\$ 1,654,095	9.6597	\$ 3,308,190	50.00%
1998	1,290,792	274,566	220,183	1,785,541	9.9499	3,571,082	50.00%
1999	1,395,294	291,450	235,085	1,921,829	9.9476	3,843,658	50.00%
2000	1,516,962	319,927	227,801	2,064,690	10.9469	4,129,380	50.00%
2001	1,637,046	330,136	252,895	2,220,077	10.9471	4,440,154	50.00%
2002	1,756,819	343,859	255,154	2,355,832	10.9486	4,711,664	50.00%
2003	1,892,485	362,139	250,125	2,504,749	10.9486	5,009,498	50.00%
2004	1,994,489	374,267	249,474	2,618,230	11.0326	5,236,460	50.00%
2005	2,095,440	385,772	256,049	2,737,261	10.9338	5,474,522	50.00%
2006	2,174,998	407,663	254,809	2,837,470	9.7100	5,674,940	50.00%

Source: Bay County Equalization Department

Note: Property in the county is reassessed annually. The county assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of taxable value.

**BAY COUNTY  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

<u>Fiscal Year (1) (2)</u>	<u>Bay County</u>				<u>Overlapping Rates</u>					<u>Cities</u>				<u>Total Direct &amp; Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Special Millage</u>	<u>Debt Millage</u>	<u>Total County Millage</u>	<u>SET Schools (3)</u>	<u>Inter-mediate Schools</u>	<u>Community College</u>	<u>Townships</u>	<u>Auburn</u>	<u>Bay City</u>	<u>Essexville</u>	<u>Pinconning</u>	<u>Midland</u>	
1997	5.7540	3.9057	0.0000	9.6597	6.0000	0.1910	2.0427	1.3500	14.0000	23.9600	10.9500	15.0000	11.6000	94.7534
1998	5.7540	4.1959	0.0000	9.9499	6.0000	0.1910	2.0427	1.3500	14.0000	23.9600	11.4000	15.0000	11.6000	95.4936
1999	5.7528	4.1948	0.0000	9.9476	6.0000	0.1908	2.0427	1.3500	14.0000	23.8700	10.4170	15.0000	12.1200	94.9381
2000	5.7528	5.1941	0.0000	10.9469	6.0000	0.1907	2.0427	1.3500	16.0000	21.7500	15.2130	15.0000	12.4800	100.9733
2001	5.7528	5.1943	0.0000	10.9471	6.0000	0.1907	2.5427	1.3500	16.0000	21.4000	15.3775	15.0000	12.0000	100.8080
2002	5.7528	5.1958	0.0000	10.9486	6.0000	0.1907	2.5427	1.3500	16.0000	21.4000	14.9538	15.0000	11.6700	100.0558
2003	5.7528	5.1958	0.0000	10.9486	5.0000	0.1906	2.5427	1.3500	16.0000	21.2027	15.2728	14.8530	12.9000	100.2604
2004	5.7441	5.2885	0.0000	11.0326	6.0000	0.1901	2.5427	1.3500	16.0000	21.2027	15.2700	14.8530	12.9000	101.3411
2005	5.7441	5.1897	0.0000	10.9338	6.0000	0.1899	2.0427	1.3500	16.0000	20.0505	15.3481	14.7965	9.7900	96.5015
2006	5.7257	3.9843	0.0000	9.7100	6.0000	0.1891	2.0427	1.3500	16.0000	19.4532	15.3967	14.7965	12.1000	97.0382

Source: Bay County Equalization Department

(1) Rates reduced to comply with the Headlee Amendment.

(2) This is the year in which the tax is levied. 1997 refers to the 1998 tax collection, 1999 refers to the 2000 tax collection, and so on.

(3) Proposal A voted in on March 15, 1994 implemented a 6 mill state education tax with the exception of 2003 which was reduced to 5 mills.

**BAY COUNTY**  
**Principal Property Taxpayers**

Table 8

<u>Taxpayer</u>	<u>2006</u>			<u>1997</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Consumers Energy	\$ 252,297,720	1	8.74%	\$ 273,142,590	1	13.82%
General Motors/CPC	110,822,300	2	3.84%	104,791,150	2	5.30%
Dow Corning Corporation	57,552,239	3	1.99%	42,046,694	3	2.13%
S C Johnson	41,840,139	4	1.45%	-	-	-
Monitor Sugar	23,144,176	5	0.80%	20,181,730	5	1.02%
Bay City Mall Associates	10,986,455	6	0.38%	13,701,000	6	0.69%
The Herald Company	10,869,941	7	0.38%	-	-	-
Meijer/Good Will Co. Inc	10,541,968	8	0.37%	5,643,700	8	0.29%
METC LLC	6,588,750	9	0.23%	-	-	-
Charter Communications	6,442,350	10	0.22%	-	-	-
Dow Chemical Corporation	-	-	-	38,395,269	4	1.94%
Thompson Bay Company, Inc.	-	-	-	11,146,700	7	0.56%
United Technologies	-	-	-	5,385,533	9	0.27%
Lakehead Pipeline	-	-	-	4,860,650	10	0.25%
Totals	<u>\$ 531,086,038</u>		<u>18.40%</u>	<u>\$ 519,295,016</u>		<u>26.27%</u>

Source: Bay County Equalization Department

**BAY COUNTY**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
1997	\$ 11,374	\$ 10,622	93.39%	731	22	\$ 11,374	100.00%
1998	11,872	11,087	93.39%	750	35	11,872	100.00%
1999	12,351	11,506	93.16%	807	30	12,343	99.94%
2000	12,648	11,705	92.54%	804	27	12,536	99.11%
2001	13,369	12,422	92.92%	794	37	13,253	99.13%
2002	14,121	13,274	94.00%	766	30	14,071	99.65%
2003	14,601	13,725	94.00%	793	32	14,549	99.64%
2004	15,107	14,205	94.03%	836	30	15,071	99.76%
2005	15,472	14,652	94.70%	789	24	15,466	99.96%
2006	16,177	15,392	95.15%	753	(1)	16,145	99.80%

Source: Bay County Treasurer

Note: 1996 delinquent personal property tax collections could not be verified, therefore for the years, 1996 and 1997, the total collections may be less than the stated collections.

(1) This information is not yet available.

**BAY COUNTY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Purchase Contracts	Capital Leases			
1997	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
1998	-	-	-	-	0.00%	-
1999	-	-	-	-	0.00%	-
2000	-	-	-	-	0.00%	-
2001	-	-	-	-	0.00%	-
2002	-	-	-	-	0.00%	-
2003	33,160,000	1,051,880	42,400	34,254,280	11.58%	313
2004	31,270,000	722,985	26,551	32,019,536	10.69%	293
2005	29,385,000	376,568	32,630	29,794,198	9.78%	274
2006	26,815,000	82,390	14,401	26,911,791	(2)	248

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.  
There are currently no outstanding debt issues in the Business-Type Activities of the Primary Government.

(1) See Statistical Table Number 15 for personal income and population data.

(2) This information is not yet available.

**BAY COUNTY**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita (1)</b>
1997	\$ -	\$ -	\$ -	0.00%	\$ -
1998	-	-	-	0.00%	-
1999	-	-	-	0.00%	-
2000	-	-	-	0.00%	-
2001	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2003	33,160,000	-	33,160,000	1.31%	303
2004	31,270,000	-	31,270,000	1.18%	287
2005	29,385,000	-	29,385,000	1.06%	270
2006	26,815,000	-	26,815,000	0.93%	247

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements. Taxable value provided by the Bay County Equalization Department.

(1) See Statistical Table Number 15 for population data.

**BAY COUNTY**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2006**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 266,386,954	74.25%	\$ 197,801,965
Subtotal, overlapping debt			<u>197,801,965</u>
Bay County direct debt			<u>43,041,268</u>
Total direct and overlapping debt			<u>\$ 240,843,233</u>

Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bay County. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**BAY COUNTY**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 211,502	\$ 223,414	\$ 238,049	\$ 252,075	\$ 268,116	\$ 284,773	\$ 301,109	\$ 313,567	\$ 326,220	\$ 337,863
Total net debt applicable to limit	38,222	40,205	44,902	43,808	40,800	56,039	53,475	50,220	45,581	40,615
Legal debt margin	\$ 173,280	\$ 183,209	\$ 193,147	\$ 208,267	\$ 227,316	\$ 228,734	\$ 247,634	\$ 263,347	\$ 280,639	\$ 297,248
Total net debt applicable to the limit as a percentage of debt limit	18.07%	18.00%	18.86%	17.38%	15.22%	19.68%	17.76%	16.02%	13.97%	12.02%

**Legal Debt Margin Calculation for Fiscal Year 2006**

State equalized value of real property	\$ 3,123,818
State equalized value of personal property	\$ 254,808
Total state equalized value	<u>\$ 3,378,626</u>
Debt limit (10% of total state equalized value)	337,863
Debt applicable to limit: (1)	\$ 46,152
Less:	
Assets in Debt Service funds available for pymnt of principal	\$ 625
Debt not subject to legal debt limit:	
Special assessment debt	<u>4,912</u>
Total deductions	<u>5,537</u>
Total amount of debt applicable to debt limit	<u>40,615</u>
Legal debt margin	<u>\$ 297,248</u>

Note: Under state finance law Bay County's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

(1) Includes primary government and component units.

**BAY COUNTY**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Water Supply System No. 1 Revenue Bonds (1)**

<u>Fiscal Year</u>	<u>Operating Revenue (2)</u>	<u>Operating Expenses (3)</u>	<u>Net Available Revenue</u>	<u>Debt Service (4) (5)</u>		<u>Total</u>	<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>		
1997	\$ 690,259	\$ 593,989	\$ 96,270	\$ 39,020	\$ 39,026	\$ 78,046	1.23
1998	827,257	612,796	214,461	48,689	36,091	84,780	2.53
1999	804,320	652,689	151,631	48,690	32,363	81,053	1.87
2000	1,180,660	933,679	246,981	54,520	28,597	83,117	2.97
2001	1,429,956	930,147	499,809	50,053	24,634	74,687	6.69
2002	1,047,283	669,257	378,026	50,051	20,633	70,684	5.35
2003	1,266,089	924,846	341,243	50,443	16,592	67,035	5.09
2004	1,162,003	902,321	259,682	50,443	12,552	62,995	4.12
2005	1,099,600	888,271	211,329	48,115	8,512	56,627	3.73
2006	972,636	908,745	63,891	56,223	4,643	60,866	1.05

Note: Details regarding Bay County's outstanding debt can be found in the notes to the financial statements.

(1) Component unit - Department of Water and Sewer

(2) Excludes all non-operating revenue except interest earned.

(3) Excludes depreciation and interest expense on bonded debt.

(4) Includes the Water Supply System No. 1 Portsmouth Extension bonds through 2004 and Bay County Water Supply System 1987 Series bonds.

(5) Debt service requirements are met with net revenue available for debt service and net assets.

**BAY COUNTY**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2) (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
1997	110,396	\$ 2,530,115	\$ 22,919	16,951	4.60%
1998	109,980	2,616,290	23,789	16,786	4.50%
1999	109,514	2,718,432	24,823	16,385	4.30%
2000	110,157	2,857,805	25,943	16,309	4.00%
2001	109,704	2,859,582	26,066	16,209	5.20%
2002	109,673	2,841,552	25,909	16,136	6.70%
2003	109,286	2,958,817	27,074	16,140	7.70%
2004	109,133	2,996,080	27,453	15,989	8.40%
2005	108,896	3,047,312	27,984	14,952	6.90%
2006	108,390	(5)	(5)	15,552	6.90%

Data Sources:

(1) Population Division, U.S. Census Bureau - Population is an estimate as of July 1, of fiscal year with the exception of 2000 which reflects the actual census.

(2) Bureau of Economic Analysis, U.S. Department of Commerce

(3) Local school districts

(4) U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.

(5) Personal income not available at this time for 2006.

**BAY COUNTY  
Principal Employers  
2006 and 1998**

<u>Employer</u>	<u>2006</u>			<u>1998 (4)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Bay Regional Medical Center (3)	1,870	1	3.60%	2,447	1	4.66%
Dow Corning Corporation	1,200	2	2.31%	1,622	2	3.09%
Bay City Public Schools (1)	1,106	3	2.13%	1,278	4	2.43%
Delta College	938	4	1.81%	571	8	1.09%
Michigan Sugar Company (2)	730	5	1.40%	-	-	-
General Motors Powertrain	675	6	1.30%	1,409	3	2.68%
Meijer Inc.	606	7	1.17%	711	6	1.35%
Bay County	554	8	1.07%	578	7	1.10%
Consumers Energy	510	9	0.98%	532	9	1.01%
Monitor Sugar Company (2)	546	5	1.05%	800	5	1.52%
SC Johnson	450	10	0.87%	-	-	-
City of Bay City	-	-	-	429	10	0.82%
Totals	<u>\$ 9,185</u>		<u>17.69%</u>	<u>\$ 10,377</u>		<u>19.75%</u>

Source:

Bay City Times and U.S. Department of Labor Bureau of Labor Statistics

- (1) Excludes substitute teachers.
- (2) Figure represents peak manufacturing/industry seasons.
- (3) Previously Bay Health Systems
- (4) 1998 is the most historical year for which information is available.

**BAY COUNTY**  
**Full-time Equivalent Bay County Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>Full-time Equivalent Employees as of December 31,</b>									
	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>
Public safety	117	124	127	124	127	126	126	122	120	118
Community and economic development	2	-	-	-	1	1	1	7	6	6
Health and welfare	164	163	159	153	147	150	148	145	143	136
General government	98	129	126	126	135	133	131	120	110	109
Judicial	126	93	96	97	94	97	93	93	91	91
Legislative	11	11	12	12	12	12	12	12	11	11
Recreation and culture	17	20	21	31	45	40	40	29	25	24
100% tax payment	1	-	-	-	1	1	2	2	2	2
Golf course	7	10	10	10	11	11	11	6	6	6
<b>Total</b>	<b>544</b>	<b>551</b>	<b>550</b>	<b>552</b>	<b>573</b>	<b>570</b>	<b>564</b>	<b>536</b>	<b>514</b>	<b>503</b>

Source: Bay County Budget Department

Note: There are no full-time equivalent positions in the public works or commissary functions.

Full-time equivalent positions are not available for Medical Care Facility and Housing Department.

**BAY COUNTY**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public safety										
Number of incarcerated offenders	-	-	-	-	-	-	-	4,460	4,485	4,479
Health and welfare										
Division on aging										
Meal site meals served	-	-	-	-	-	-	57,051	57,213	55,279	48,886
Home delivered meals served	-	-	-	-	-	-	147,521	136,654	145,665	147,529
Public works										
Number of parking spaces leased	-	-	-	-	-	-	2,721	2,772	1,947	793
Judicial										
Circuit court total caseload	-	-	-	-	-	-	-	4,530	4,369	4,613
District court total caseload	-	-	-	-	-	-	-	28,556	27,387	31,281
Probate court total caseload	-	-	-	-	-	-	-	733	791	821
Recreation and culture										
Community center events	-	-	-	-	-	-	-	45	54	52
Community center total average event participants	-	-	-	-	-	-	-	31,762	37,087	37,890
Swimming pool admissions	-	-	-	-	-	-	-	5,117	4,364	6,652
Medical care facility										
Patient days	74,204	73,984	73,507	73,727	73,653	74,340	73,830	73,070	73,164	73,031
Patient admits	161	175	244	266	272	220	252	285	274	256
Golf course										
Memberships	-	-	-	-	-	-	268	197	201	185
Housing										
Number of lease days	-	-	36,341	34,219	36,416	36,405	(1)	36,263	36,232	36,281

Sources: Michigan Department of Corrections, State of Michigan Court Caseload Report, and county departments.

Note: Indicators are not available for the general government, legislative functions, community and economic development, 100% tax payment and commissary functions.

(1) This information is not available

**BAY COUNTY**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	27	27	27	25	25	25	25	26	28	27
Boats	-	-	-	-	-	-	-	3	4	4
Animal control										
Vehicles	-	-	-	-	-	-	-	6	5	4
Community and economic development										
Streets (miles)	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,403	1,565	1,566
Traffic signals	92	92	92	92	92	92	92	101	107	107
Health and welfare										
Division on aging										
Meal sites	9	9	9	8	8	8	8	8	8	7
Mosquito control										
Vehicles	-	-	-	-	-	-	-	28	30	30
Public works										
Pere marquette/madison avenue										
Parking spaces available for lease	-	-	-	-	-	432	432	432	432	432
Recreation and culture										
Parks	3	3	4	4	4	4	4	4	4	3
Medical care facility										
Beds	206	206	206	206	206	206	206	206	206	206
Golf course										
Golf carts	-	54	54	54	54	54	54	54	54	54
Housing										
Apartments	100	100	100	100	100	100	100	100	100	100

Sources: County departments.

Note: No capital asset indicators are available for the general government, judicial, legislative, 100% tax payment or commissary functions. Not all historical information is available, this table will continue to be populated as more information becomes available.



**REHMANN ROBSON**

*Certified Public Accountants*

A member of **THE REHMANN GROUP**

An Independent Member of Baker Tilly International

June 28, 2007

To the Board of Commissioners  
County of Bay  
Bay City, Michigan

In planning and performing our audit of the basic financial statements of the *County of Bay* for the year ended December 31, 2006, we considered the County's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated June 28, 2007, on the basic financial statements of the *County of Bay*.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various County personnel, and we will be pleased to discuss these comments in further detail at your convenience, or perform any additional studies of this matter, or to assist you in implementing the recommendations.

# COUNTY OF BAY

## COMMENTS AND RECOMMENDATIONS

---

**1) GASB Statement Numbers 43 and 45, Regarding Post-Employment Benefits Other than Pensions**

GASB Statement Number 43 will first be effective for the County's fiscal year ended December 31, 2007. Generally, the provisions of this statement will require the County to have an actuarial valuation performed of its post-employment benefits (other than pensions). GASB Statement Number 45 will first be effective for the County's fiscal year ended December 31, 2008 and will generally recommend that the County make actuarially determined contributions into a separate legal trust account to fund for those benefits.

**Recommendation:**

The County should implement a plan that will ensure compliance with these statements, including having an updated valuation of its liability for post-employment benefits and addressing contributions in future budgets, in the event that the County chooses to make the actuarially determined contributions.

**Management's Response:**

The County has and will continue to have actuarial valuations performed in compliance with GASB Statement Number 43.

The County has and will continue to assess its ability to make annual contributions into its separate legal (VEBA) trust in compliance with GASB Statement Number 45.

**2) Mileage Reimbursements to County Employees / Officials**

Payments made to County employees / officials for mileage reimbursement may represent a taxable event to the individual receiving the reimbursement. In general, reimbursements for mileage from a person's home (or normal place of business) to the County building for regular employment, meetings, etc. must be reported as income by the individual.

**Recommendation:**

The County should report payments made to employees / officials for mileage to or from the individual's home (or normal place of business) to the County building as income to the individual.

**Management's Response:**

The County will report payments made to employees / officials for mileage to or from the individuals' home (or normal place of business) to the County building as income to the individual.

# **Bay County, Michigan**



## **Comparison of Actual Operations with Budget Amounts for General, Special Revenue, and Debt Service Funds**

**Year Ended December 31, 2006**

## BAY COUNTY

### Comparison of Actual Operations with Budget Amounts for General, Special Revenue and Debt Service Funds

#### Table of Contents

	<b>Page</b>
Letter from Management	1
<i>Schedule 1</i> – Excess of Expenditures Over Appropriations at the Legal Level of Control – General, Special Revenue and Debt Service Funds	2 – 10
<i>General Fund</i>	11 – 31
<i>Special Revenue Funds:</i>	
Mosquito Control Fund	32 - 34
911 Central Dispatch Fund	35 – 37
Division on Aging Fund	38 - 43
Revenue Sharing Reserve Fund	44 – 45
Friend of the Court Fund	46 – 47
Health Department/District Health Fund	48 – 54
Gypsy Moth Fund	55 – 57
Public Improvement Fund	58
Register of Deeds Automation Fund	59 – 61
Local C.F.O. Training Fund	62 – 63
Drug Law Enforcement Fund	64 – 65
Law Library Fund	66 – 68
Community Corrections Fund	69 – 71
Home Rehabilitation Fund	72 – 73
Social Welfare Fund	74 – 76
Social Services Protective Services Fund	77 – 78
Child Care Fund	79 – 82
Child Care/Social Services Fund	83 – 84
Soldiers' Relief Fund	85 - 86
Veterans Trust Fund	87 – 88
Donald C. Pero Wildlife Restoration Fund	89 – 90
Historical Preservation Fund	91 – 92
<i>Debt Service Fund:</i>	
Building Authority Debt Fund	93 – 95

THOMAS L. HICKNER  
Bay County Executive

Michael J. Regulski CGFM  
Finance Officer

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June 28, 2007

Bay County Board of Commissioners and  
Citizens of Bay County, Michigan:

Herein submitted is a budgetary report which presents a comparison of actual operations to the legally adopted budget and the schedule reflecting the amount of any excess of expenditures over appropriations, at the level of control, for Bay County, Michigan, for the year ended December 31, 2006. This report may best be utilized in conjunction with the Bay County's *Comprehensive Annual Financial Report*.

The level of budgetary control, that is the level at which expenditures cannot legally exceed the appropriated amount, is established on an object class (categorical) basis by activity within an individual fund with the exception of the Circuit, District, and Probate courts, whose level of budgetary control is established on a total basis (lump sum) encompassing all of its operations. The objective of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual appropriated budget adopted by the Board of Commissioners. Governmental fund types which include the General Fund, Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget. Capital Project Funds are budgeted by project. Bay County also maintains an encumbrance accounting system as one method of accomplishing budgetary control. Encumbrances that have lapsed are reappropriated as part of the following year's budget.

The intent of this report is to help you in evaluating the operations of Bay County for the year ended December 31, 2006. If additional information is necessary, please feel free to contact either one of us.

Sincerely,

Handwritten signature of Thomas L. Hickner in black ink.

Bay County Executive Office  
Thomas L. Hickner, County Executive

Handwritten signature of Michael J. Regulski in black ink.

Bay County Finance Department  
Michael J. Regulski, Finance Officer

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>General Fund:</b>			
General Government:			
Circuit Court:			
Supplies	\$ 20,225	\$ 21,164	\$ (939)
Other services and charges	82,939	87,054	(4,115)
Capital outlay	-	5,240	(5,240)
District Court:			
Capital outlay	5,000	7,286	(2,286)
District Court Adult Probation:			
Personal services	301,668	301,709	(41)
Supplies	4,850	5,395	(545)
District Court OWI Treatment Grant:			
Personal services	94,095	108,516	(14,421)
FOC - Michigan Works Program:			
Personal services	44,603	44,658	(55)
FOC - Coop Reimbursement:			
Personal services	534,946	536,072	(1,126)
Probate Court:			
Personal services	926,853	938,137	(11,284)
Juvenile Comprehensive Strategy:			
Other services and charges	44,794	48,507	(3,713)
Public Guardian:			
Other services and charges	160,250	169,842	(9,592)
Accounting Department:			
Other services and charges	27,167	27,297	(130)
Clerk:			
Personal services	282,715	289,663	(6,948)
Purchasing Department:			
Other services and charges	6,719	7,361	(642)
Treasurer:			
Personal services	284,925	288,177	(3,252)
Other services and charges	29,249	31,996	(2,747)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>General Fund, continued:</b>			
General Government, continued:			
Equalization Department:			
Personal services	\$ 196,735	\$ 198,696	\$ (1,961)
Elections:			
Supplies	70,646	77,478	(6,832)
Buildings and Grounds:			
Personal services	920,372	931,947	(11,575)
Corporation Counsel:			
Personal services	169,179	172,344	(3,165)
Prosecuting Attorney:			
Personal services	1,109,151	1,114,369	(5,218)
Other services and charges	74,705	75,663	(958)
Crime Victims Rights:			
Personal services	99,364	103,733	(4,369)
Crime Victims Rights - Voca Grant:			
Personal services	54,198	54,843	(645)
Coop Reimbursement - Prosecutor:			
Personal services	188,183	200,631	(12,448)
Register of Deeds:			
Other services and charges	9,400	10,543	(1,143)
Personnel & Employee Relations:			
Personal services	173,102	173,884	(782)
Other services and charges	74,707	76,648	(1,941)
Office of Criminal Defense:			
Personal services	233,526	235,452	(1,926)
Supplies	2,159	2,589	(430)
Other services and charges	7,714	7,982	(268)
Indigent Attorney:			
Other services and charges	468,000	580,501	(112,501)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>General Fund, continued:</b>			
General Government, continued:			
Office of Public Defender:			
Supplies	\$ 2,400	\$ 2,719	\$ (319)
Other services and charges	8,547	9,292	(745)
County Survey/Remonumentation:			
Personal services	11,728	13,113	(1,385)
Environmental Affairs:			
Personal services	67,054	73,306	(6,252)
Geographic Informational Systems:			
Personal services	40,276	40,384	(108)
Public Safety:			
Sheriff Department:			
Personal services	2,935,117	3,050,051	(114,934)
Supplies	366,600	366,806	(206)
B.A.Y.A.N.E.T.			
Personal services	62,362	67,187	(4,825)
2nd Rd Patr-Monitor Cops Fast:			
Personal services	58,027	62,198	(4,171)
Supplies	3,110	3,250	(140)
2nd Rd Patr-Bangor Township:			
Personal services	238,783	248,009	(9,226)
Secondary Road Patrol Grant:			
	8,700	11,452	(2,752)
2nd Rd. Patrol-Portsmouth:			
Personal services	65,833	68,760	(2,927)
2nd Rd. Patrol-Williams Township:			
Personal services	127,670	143,777	(16,107)
Supplies	5,300	6,413	(1,113)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>General Fund, continued:</b>			
Public Safety, continued:			
2nd Rd. Patrol-Monitor Township:			
Personal services	\$ 57,081	\$ 62,053	\$ (4,972)
Supplies	2,750	3,120	(370)
2nd Rd. Patrol-Bay City Schools:			
Personal services	67,374	71,457	(4,083)
Secondary Road Patrol Grant:			
Personal services	200,778	205,024	(4,246)
Supplies	10,300	10,929	(629)
Road Patrol Grant Oct-Dec:			
Personal services	(1,145)	-	(1,145)
Township Road Patrol:			
Personal services	29,991	31,555	(1,564)
Snowmobile Law Enforcement:			
Other services and charges	500	910	(410)
Corrections Department/Jail:			
Other services and charges	11,000	11,934	(934)
Office of Emergency Services-Civil Defense:			
Other services and charges	8,073	8,268	(195)
SHSGP-CBRNE Grant:			
Personal services	341	348	(7)
2006-2008 SHSGP-Region 3:			
Personal services	-	1,028	(1,028)
Health and Welfare:			
MSS/ISS 0-3 Secondary Prevent:			
Personal services	70,632	79,785	(9,153)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>General Fund, continued:</b>			
Recreation and Culture:			
Parks/Recreation Maintenance:			
Personal services	\$ 97,219	\$ 103,346	\$ (6,127)
Community Center:			
Supplies	2,248	2,558	(310)
County Market:			
Supplies	-	22	(22)
Other services and charges	11,330	14,879	(3,549)
Fairgrounds:			
Capital outlay	15,750	15,790	(40)
Pinconning Park:			
Personal services	63,903	66,315	(2,412)
Other services and charges	21,275	22,743	(1,468)
Other:			
Retirees Health/Life Insurance:			
Other services and charges	9,007	10,146	(1,139)
Midland-Bay-Saginaw Airport:			
Personal services	1,890	2,205	(315)
Debt Service:			
Principal payments	201,604	204,491	(2,887)
Other Financing Uses:			
Transfer out-other funds-liquor tax	206,434	225,257	(18,823)
<b>Special Revenue Funds:</b>			
<b><i>Mosquito Control Fund:</i></b>			
Health and Welfare:			
Mosquito Control:			
Personal services	524,740	526,768	(2,028)
<b><i>911 Service Fund:</i></b>			
Public Safety:			
Debt Service:			
Principal payments	8,826	8,882	(56)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>Special Revenue Funds, continued:</b>			
<i>Division on Aging Fund:</i>			
Health and Welfare:			
In-Home Respite Care:			
Personal services	\$ 22,088	\$ 28,194	\$ (6,106)
Other services and charges	4,390	4,451	(61)
Administration - Division on Aging:			
Personal services	288,527	289,269	(742)
Case Coordination:			
Personal services	203,089	216,969	(13,880)
Federal C1-Congregate:			
Supplies	117,371	120,262	(2,891)
Millage Meal Sites:			
Personal services	11,162	11,630	(468)
Senior Center Oct-Dec:			
Personal services	(3,055)	-	(3,055)
Supplies	(99)	-	(99)
Other services and charges	(1,024)	-	(1,024)
Home Delivery Meals-Weekend Oct-Dec:			
Personal services	(2,479)	-	(2,479)
Supplies	(2,718)	-	(2,718)
Other services and charges	(99)	-	(99)
Other Financing Uses:			
Transfers out to other funds	-	2,180	(2,180)
<i>Health Department/District Health Fund:</i>			
Health and Welfare:			
Health Department - Administration:			
Personal services	274,144	283,818	(9,674)
Supplies	1,875	1,881	(6)
CSHC-Child Special Health Care:			
Personal services	14,506	16,282	(1,776)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>Special Revenue Funds, continued:</b>			
<i>Health Department/District Health Fund:</i>			
Health and Welfare:			
CSHC-Child Special Health Oct-Dec:			
Personal services	\$ -	\$ 31	\$ (31)
Bioterrorism Preparedness:			
Supplies	13,222	14,734	(1,512)
Bioterrorism Risk Communication:			
Other services and charges	-	3	(3)
Bioterrorism Education/Training:			
Supplies	-	9	(9)
Bioterrorism Pandemic Flu:			
Personal services	11,383	16,698	(5,315)
Capital outlay	1,728	4,769	(3,041)
Bioterrorism-Oct/Dec:			
Supplies	(36)	-	(36)
Other services and charges	(34)	-	(34)
Maternal/Infant Support Services:			
Other services and charges	36,375	40,116	(3,741)
Immunizations:			
Supplies	397,950	539,206	(141,256)
MSS/ISS - Early On:			
Personal services	50,762	50,881	(119)
Hearing and Vision Screening:			
Personal services	29,178	29,432	(254)
Supplies	800	888	(88)
Laboratory:			
Personal services	95,193	96,719	(1,526)
Women, Infants and Children:			
Personal services	287,174	304,233	(17,059)
Substance Abuse:			
Other services and charges	206,434	225,257	(18,823)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>Special Revenue Funds, continued:</b>			
<b><i>Health Department/District Health Fund:</i></b>			
Other Financing Uses:			
Transfers out to other funds	\$ -	\$ 32,553	\$ (32,553)
<b><i>Gypsy Moth Control Fund:</i></b>			
General Government:			
Gypsy Moth Suppression:			
Personal services	56,427	57,465	(1,038)
<b><i>Law Library Fund:</i></b>			
General Government:			
Law Library:			
Other services and charges	20,850	21,301	(451)
<b><i>Community Corrections Fund:</i></b>			
Public Safety:			
Drug Law Enforcement:			
Other services and charges	279,313	294,643	(15,330)
Community Service Work:			
Other services and charges	13,500	14,750	(1,250)
Community Corrections Plan:			
Personal services	54,770	55,529	(759)
<b><i>Home Rehabilitation Fund:</i></b>			
Community/Economic Development:			
Redevelopment and Housing:			
Personal services	6,731	7,023	(292)
<b><i>Social Welfare Fund:</i></b>			
Health and Welfare:			
MI Dept. of Human Services Bd-Arenac County:			
Personal services	2,700	2,950	(250)
<b><i>Child Care Fund:</i></b>			
Health and Welfare:			
Child Care-Probate:			
Other services and charges	616,100	618,576	(2,476)

(continued)

## BAY COUNTY

Excess of Expenditures Over Appropriations at the Legal Level of Control  
General, Special Revenue and Debt Service Funds

For the year ended December 31, 2006

<u>Fund / Activity / Category</u>	<u>Total Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures</u>
<b>Special Revenue Funds, continued:</b>			
<i>Child Care Fund:</i>			
Health and Welfare:			
Institut. Care-Det. Fac. (Juv. Home):			
Personal services	\$ 894,725	\$ 917,521	\$ (22,796)
In-Home Care-Intensive Probat.:			
Personal services	180,283	182,900	(2,617)
Recreation and Culture:			
Juv. Community Based Treatment:			
Personal services	134,805	135,739	(934)
Other services and charges	11,600	13,911	(2,311)
Juv. Gender Specific Services:			
Personal services	95,499	97,731	(2,232)
<i>Veterans' Trust Fund:</i>			
Health and Welfare:			
Veterans' Trust Board:			
Other services and charges	14,416	17,264	(2,848)
<i>Historical Preservation Fund:</i>			
Recreation and Culture:			
Historical Preservation:			
Other services and charges	261,491	261,554	(63)
<b>Capital Projects Fund:</b>			
<i>Building Authority Construction Fund:</i>			
General Government:			
Other Financing Uses:			
Transfers out to other funds	-	26,876	(26,876)

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<b>FINES AND FORFEITS</b>			
CIRCUIT COURT	10,000	0	10,000-
DISTRICT COURT	920,000	931,269	11,269
ANIMAL SHELTER/DOG WARDEN	6,000	6,632	632
<b>TOTAL FINES AND FORFEITS</b>	<b><u>936,000</u></b>	<b><u>937,901</u></b>	<b><u>1,901</u></b>
<b>CHARGES FOR SERVICES</b>			
CIRCUIT COURT	54,100	55,963	1,863
CIRCUIT COURT ADULT PROBATION	82,500	72,085	10,415-
DISTRICT COURT	835,600	914,516	78,916
FRIEND OF THE COURT	112,000	120,298	8,298
JURY/JUDICIAL COUNCIL	64,000	57,989	6,011-
PROBATE COURT	103,800	113,348	9,548
PUBLIC GUARDIAN	35,000	36,326	1,326
PAYROLL, RETIREMENT, INSURANCE CLERK	75	96	21
TREASURER	141,030	157,411	16,381
EQUALIZATION DEPARTMENT	15,100	13,290	1,810-
PROSECUTING ATTORNEY	53,500	51,783	1,717-
CONSUMER PROTECTION	19,000	9,330	9,670-
REGISTER OF DEEDS	0	202	202
OFFICE OF CRIMINAL DEFENSE	745,500	764,156	18,656
OFFICE OF PUBLIC DEFENDER	40	31	9-
DRAIN COMMISSIONER	60	0	60-
COUNTY SURVEY/REMONUMENTATION	5,000	5,750	750
SOIL CONSERVATION	46,000	46,086	86
GEOGRAPHIC INFORMATION SYSTEMS	500	650	150
SHERIFF DEPARTMENT	300	993	693
ANIMAL SHELTER/DOG WARDEN	224,700	203,767	20,933-
MEDICAL EXAMINER	34,500	33,021	1,479-
PLANNING DEPARTMENT	3,000	1,521	1,479-
RECREATION/PARKS DEPARTMENT	150	175	25
VETERANS PARK SOFTBALL	7,020	7,110	90
COMMUNITY CENTER	22,979	17,875	5,104-
SWIMMING POOL	24,000	32,348	8,348
INDEPENDENCE PARK BOAT LAUNCH	22,000	18,100	3,900-
CIVIC/ICE ARENA-ICE/DRY SURFAC	11,000	0	11,000-
CIVIC/ICE ARENA-CONCESSION	111,350	120,404	9,054
CIVIC/ICE ARENA-PRO SHOP	105,000	89,077	15,923-
PINCONNING PARK	96,500	64,737	31,763-
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>3,036,994</u></b>	<b><u>3,063,320</u></b>	<b><u>26,326</u></b>
<b>FEDERAL GRANTS</b>			
FRIEND OF THE COURT	180,000	163,714	16,286-
F.O.C.-MICHIGAN WORKS PROGRAM	0	46,044	46,044
FRND OF CRT-COOP REIMBURSEMENT	935,866	859,403	76,463-
JUV. COMPREHENSIVE STRATEGY	46,834	53,863	7,029
PROSECUTING ATTORNEY	17,191	23,872	6,681
CRIME VICTIMS RIGHTS-VOCA GRNT	57,264	58,694	1,430

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
COOP REIMBURSEMENT-PROSECUTOR	100,000	114,250	14,250
ENVIRONMENTAL AFFAIRS	0	1,123-	1,123-
SHERIFF DEPARTMENT	11,208	24,203	12,995
B.A.Y.A.N.E.T.	32,298	33,352	1,054
SECONDARY ROAD PATROL	0	1,843	1,843
DRIVE MI SAFELY/TASK FORCE	34,949	30,932	4,017-
MARINE LAW ENFORCEMENT GRANT	0	10,000	10,000
OFF OF EMERG SERV-CIVIL DEFENS	20,351	14,669-	5,682-
LOCAL EMERGENCY PLANNING COMM.	664	727	63
SHSGP - CBRNE GRANT	223,504	223,503	1-
SHSGP - CITIZENS CORP GRANT	50,012	38,691	11,321-
SHSGP - LETPP GRANT	1,713	1,713	0
SHSGP - FIRST RESPONDERS	463,135	177,474	285,661-
LETTP-TERRORISM RESPON & RECOV	163,531	113,319	50,212-
2006-2008 SHSGP-REGION 3	31,000	15,126	15,874-
MSS/ISS 0-3 SECONDARY PREVENT	117,944	117,061	883-
TRANSPORTATION PLANNING	150,932	100,593	50,339-
JUVENILE ACCOUNTABILITY GRANT	18,503	2,220	16,283-
COUNTY MARKET	11,000	14,718	3,718
<b>TOTAL FEDERAL GRANTS</b>	<b><u>2,667,899</u></b>	<b><u>2,238,861</u></b>	<b><u>429,038-</u></b>
<b>INTERESTS, RENTS AND ROYALTIES</b>			
DISTRICT COURT	11,000	16,931	5,931
TREASURER	494,000	508,478	14,478
BUILDINGS AND GROUNDS	3,600	10,103	6,503
SHERIFF DEPARTMENT	67,000	77,424	10,424
SECONDARY ROAD PATROL	7,500	6,725	775-
PERE MARQUETTE PARKING	27,000	22,710	4,290-
COMMUNITY CENTER	16,500	14,695	1,805-
COUNTY MARKET	16,818	16,969	151
FAIRGROUNDS	27,000	20,476	6,524-
CIVIC/ICE ARENA-ICE/DRY SURFAC	697,693	599,908	97,785-
PINCONNING PARK	0	14	14
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>1,368,111</u></b>	<b><u>1,294,433</u></b>	<b><u>73,678-</u></b>
<b>LICENSES AND PERMITS</b>			
CIRCUIT COURT	11,000	9,975	1,025-
CLERK	11,670	11,441	229-
TREASURER	141,000	143,853	2,853
SOIL CONSERVATION	40,000	24,800	15,200-
SHERIFF DEPARTMENT	2,500	4,477	1,977
MEDICAL EXAMINER	7,050	8,506	1,456
<b>TOTAL LICENSES AND PERMITS</b>	<b><u>213,220</u></b>	<b><u>203,052</u></b>	<b><u>10,168-</u></b>
<b>STATE GRANTS</b>			
CIRCUIT COURT	0	857	857
DISTRICT COURT	28,300	27,246	1,054-
DIST.COURT OWI TREATMENT GRANT	183,278	196,754	13,476

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
F.O.C.-MICHIGAN WORKS PROGRAM	47,646	0	47,646-
FRND OF CRT-COOP REIMBURSEMENT	15,053	72,352	57,299
PROBATE COURT	52,776	52,776	0
TREASURER	1,064,793	1,120,238	55,445
CRIME VICTIMS RIGHTS	99,950	102,450	2,500
COOP REIMBURSEMENT-PROSECUTOR	0	9,658	9,658
COUNTY SURVEY/REMONUMENTATION	140,000	114,019	25,981-
SECONDARY ROAD PATROL GRANT	219,622	202,020	17,602-
MICHIGAN JUSTICE TRAINING PROG	8,735	6,035	2,700-
MARINE LAW ENFORCEMENT GRANT	28,976	20,258	8,718-
MSS/ISS 0-3 SECONDARY PREVENT	18,469	16,516	1,953-
<b>TOTAL STATE GRANTS</b>	<b>1,907,598</b>	<b>1,941,179</b>	<b>33,581</b>
<b>REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>			
BOARD OF COMMISSIONERS	0	103	103
CIRCUIT COURT	138,672	136,782	1,890-
DISTRICT COURT	137,172	137,168	4-
FRIEND OF THE COURT	0	583	583
JURY/JUDICIAL COUNCIL	40,200	37,208	2,992-
PROBATE COURT	147,593	148,164	571
ACCOUNTING DEPARTMENT	0	101	101
PAYROLL, RETIREMENT, INSURANCE	0	221	221
CLERK	500	801	301
INFORMATION SYSTEMS DIVISION	0	52	52
INFO SYSTEMS TECHNOLOGY TEAM	5,000	0	5,000-
PURCHASING DEPARTMENT	10,000	10,000	0
TREASURER	2,000	1,953	47-
EQUALIZATION DEPARTMENT	21,700	23,338	1,638
ELECTIONS	24,578	24,578	0
BUILDINGS AND GROUNDS	9,338	12,466	3,128
CORPORATION COUNSEL	550	458	92-
PROSECUTING ATTORNEY	2,700	12,964	10,264
CRIME VICTIMS RIGHTS	0	144	144
COOP REIMBURSEMENT-PROSECUTOR	5,500	2,017	3,483-
REGISTER OF DEEDS	0	4	4
PERSONNEL & EMPLOYEE RELATIONS	0	33	33
OFFICE OF PUBLIC DEFENDER	0	2	2
RETIREMENT BOARD	89,688	89,688	0
VOL.EMPLOYEE BENEF.ASSOC.BOARD	2,464	2,464	0
DRAIN COMMISSIONER	159,239	158,728	511-
BLDG AUTH-CIVIC/ICE ARENA	551,984	551,983	1-
M.S.U. EXTENSION	49,500	49,512	12
FAMILY NUTITION PROGRAM	8,350	1,082	7,268-
ENVIRONMENTAL AFFAIRS	0	3,293	3,293
GEOGRAPHIC INFORMATION SYSTEMS	73,695	0	73,695-
SHERIFF DEPARTMENT	804,546	592,509	212,037-
CIRCUIT COURT WARRANT OFFICER	500	454	46-
B.A.Y.A.N.E.T.	1,148	1,148	0
SECONDARY ROAD PATROL	8,130	8,137	7
2ND RD PATR-MONITOR COPS FAST	80,498	73,603	6,895-

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
2ND RD PATROL-BANGOR TWP	304,414	279,135	25,279-
2ND RD PATR-PORTSMOUTH	88,508	79,889	8,619-
2ND RD PTRL-WILLIAMS TWP	161,765	166,958	5,193
2ND RD PATROL-MONITOR TWP	72,557	72,290	267-
2ND RD.PAT-BAY CITY SCHOOLS	88,784	81,876	6,908-
TOWNSHIP ROAD PATROL	34,018	34,664	646
D.A.R.E.	250	0	250-
CORRECTIONS DEPARTMENT / JAIL	3,000	3,895	895
INMATE TETHERING	13,391	930	12,461-
OFF OF EMERG SERV-CIVIL DEFENS	0	175	175
SHSGP - CBRNE GRANT	0	1	1
ANIMAL SHELTER/DOG WARDEN	1,200	3,258	2,058
MSS/ISS 0-3 SECONDARY PREVENT	5,500	5,500	0
MEDICAL EXAMINER	150	0	150-
SOCIAL SERVICES-MED CARE FACIL	10,939	10,939	0
CENTER RIDGE ARMS	25,048	25,048	0
TRANSPORTATION PLANNING	0	5,814	5,814
PARKS/RECREATION MAINTENANCE	2,820	1,360	1,460-
PUBLIC GOLF COURSE	58,911	58,911	0
COMMUNITY CENTER	2,750	3,262	512
COUNTY MARKET	0	184	184
FAIRGROUNDS	21,550	20,227	1,323-
INDEPENDENCE PARK BOAT LAUNCH	25	1	24-
CIVIC/ICE ARENA	11,600	7,107	4,493-
CIVIC/ICE ARENA-ICE/DRY SURFAC	3,000	3,566	566
CIVIC/ICE ARENA-CONCESSION	4,400	1,997	2,403-
CIVIC/ICE ARENA-PRO SHOP	50	59-	109-
PINCONNING PARK	500	392	108-
LIBRARY	11,669	11,669	0
RISK MANAGEMENT	0	15,240	15,240
SELF INSURANCE CLAIMS	206	206	0
SELF INSURANCE ADMINISTRATION	9,824	9,824	0
RETIREEES HEALTH/LIFE INSURANCE	44,656	50,631	5,975
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<b><u>3,356,730</u></b>	<b><u>3,036,631</u></b>	<b><u>320,099-</u></b>
PROPERTY AND OTHER TAXES			
TREASURER	<u>15,196,573</u>	<u>15,906,633</u>	<u>710,060</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<b><u>15,196,573</u></b>	<b><u>15,906,633</u></b>	<b><u>710,060</u></b>
<b>TOTAL REVENUES</b>	<b><u>28,683,125</u></b>	<b><u>28,622,010</u></b>	<b><u>61,115-</u></b>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
BOARD OF COMMISSIONERS			
PERSONAL SERVICES	661,134	331,624	329,510
SUPPLIES	3,750	1,929	1,821
OTHER SERVICES AND CHARGES	<u>167,750</u>	<u>144,493</u>	<u>23,257</u>
TOTAL BOARD OF COMMISSIONERS	<u>832,634</u>	<u>478,046</u>	<u>354,588</u>
CIRCUIT COURT			
PERSONAL SERVICES	1,002,134	975,185	26,949
SUPPLIES	20,225	21,164	939-
OTHER SERVICES AND CHARGES	82,939	87,054	4,115-
CAPITAL OUTLAY	<u>0</u>	<u>5,240</u>	<u>5,240-</u>
TOTAL CIRCUIT COURT	<u>1,105,298</u>	<u>1,088,643</u>	<u>16,655</u>
CIRCUIT COURT ADULT PROBATION			
SUPPLIES	6,225	5,197	1,028
OTHER SERVICES AND CHARGES	<u>6,700</u>	<u>6,246</u>	<u>454</u>
TOTAL CIRCUIT COURT ADULT PROBATION	<u>12,925</u>	<u>11,443</u>	<u>1,482</u>
DISTRICT COURT			
PERSONAL SERVICES	1,043,863	1,036,274	7,589
SUPPLIES	51,697	48,252	3,445
OTHER SERVICES AND CHARGES	143,634	121,826	21,808
CAPITAL OUTLAY	<u>5,000</u>	<u>7,286</u>	<u>2,286-</u>
TOTAL DISTRICT COURT	<u>1,244,194</u>	<u>1,213,638</u>	<u>30,556</u>
DISTRICT COURT ADULT PROBATION			
PERSONAL SERVICES	301,668	301,709	41-
SUPPLIES	4,850	5,395	545-
OTHER SERVICES AND CHARGES	<u>20,000</u>	<u>19,186</u>	<u>814</u>
TOTAL DISTRICT COURT ADULT PROBATION	<u>326,518</u>	<u>326,290</u>	<u>228</u>
DIST.COURT OWI TREATMENT GRANT			
PERSONAL SERVICES	94,095	108,516	14,421-
SUPPLIES	1,080	361	719
OTHER SERVICES AND CHARGES	<u>150,938</u>	<u>120,839</u>	<u>30,099</u>
TOTAL DIST.COURT OWI TREATMENT GRANT	<u>246,113</u>	<u>229,716</u>	<u>16,397</u>
FRIEND OF THE COURT			
PERSONAL SERVICES	749,739	716,098	33,641
SUPPLIES	35,550	20,729	14,821
OTHER SERVICES AND CHARGES	<u>31,915</u>	<u>24,603</u>	<u>7,312</u>
TOTAL FRIEND OF THE COURT	<u>817,204</u>	<u>761,430</u>	<u>55,774</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
F.O.C.-MICHIGAN WORKS PROGRAM			
PERSONAL SERVICES	44,603	44,658	55-
SUPPLIES	2,246	1,547	699
OTHER SERVICES AND CHARGES	<u>797</u>	<u>764</u>	<u>33</u>
TOTAL F.O.C.-MICHIGAN WORKS PROGRAM	<u>47,646</u>	<u>46,969</u>	<u>677</u>
FRND OF CRT-COOP REIMBURSEMENT			
PERSONAL SERVICES	534,946	536,072	1,126-
SUPPLIES	15,400	11,339	4,061
OTHER SERVICES AND CHARGES	<u>32,020</u>	<u>22,186</u>	<u>9,834</u>
TOTAL FRND OF CRT-COOP REIMBURSEMENT	<u>582,366</u>	<u>569,597</u>	<u>12,769</u>
JURY/JUDICIAL COUNCIL			
PERSONAL SERVICES	139,665	138,382	1,283
SUPPLIES	17,700	13,963	3,737
OTHER SERVICES AND CHARGES	<u>117,550</u>	<u>105,935</u>	<u>11,615</u>
TOTAL JURY/JUDICIAL COUNCIL	<u>274,915</u>	<u>258,280</u>	<u>16,635</u>
PROBATE COURT			
PERSONAL SERVICES	926,853	938,137	11,284-
SUPPLIES	17,730	15,694	2,036
OTHER SERVICES AND CHARGES	<u>75,150</u>	<u>71,694</u>	<u>3,456</u>
TOTAL PROBATE COURT	<u>1,019,733</u>	<u>1,025,525</u>	<u>5,792-</u>
JUV. COMPREHENSIVE STRATEGY			
SUPPLIES	2,040	148	1,892
OTHER SERVICES AND CHARGES	<u>44,794</u>	<u>48,507</u>	<u>3,713-</u>
TOTAL JUV. COMPREHENSIVE STRATEGY	<u>46,834</u>	<u>48,655</u>	<u>1,821-</u>
PUBLIC GUARDIAN			
OTHER SERVICES AND CHARGES	<u>160,250</u>	<u>169,842</u>	<u>9,592-</u>
TOTAL PUBLIC GUARDIAN	<u>160,250</u>	<u>169,842</u>	<u>9,592-</u>
COUNTY EXECUTIVE			
PERSONAL SERVICES	150,609	139,091	11,518
SUPPLIES	4,875	3,934	941
OTHER SERVICES AND CHARGES	<u>10,516</u>	<u>9,382</u>	<u>1,134</u>
TOTAL COUNTY EXECUTIVE	<u>166,000</u>	<u>152,407</u>	<u>13,593</u>
ACCOUNTING DEPARTMENT			
PERSONAL SERVICES	301,870	296,694	5,176
SUPPLIES	8,137	6,679	1,458
OTHER SERVICES AND CHARGES	<u>27,167</u>	<u>27,297</u>	<u>130-</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL ACCOUNTING DEPARTMENT	<u>337,174</u>	<u>330,670</u>	<u>6,504</u>
PAYROLL, RETIREMENT, INSURANCE			
PERSONAL SERVICES	137,575	133,797	3,778
SUPPLIES	4,792	3,699	1,093
OTHER SERVICES AND CHARGES	<u>9,540</u>	<u>5,261</u>	<u>4,279</u>
TOTAL PAYROLL, RETIREMENT, INSURANCE	<u>151,907</u>	<u>142,757</u>	<u>9,150</u>
BUDGET DEPARTMENT			
PERSONAL SERVICES	127,461	123,982	3,479
SUPPLIES	5,929	3,513	2,416
OTHER SERVICES AND CHARGES	<u>5,150</u>	<u>3,551</u>	<u>1,599</u>
TOTAL BUDGET DEPARTMENT	<u>138,540</u>	<u>131,046</u>	<u>7,494</u>
CLERK			
PERSONAL SERVICES	282,715	289,663	6,948-
SUPPLIES	36,425	25,761	10,664
OTHER SERVICES AND CHARGES	<u>13,455</u>	<u>9,688</u>	<u>3,767</u>
TOTAL CLERK	<u>332,595</u>	<u>325,112</u>	<u>7,483</u>
INFORMATION SYSTEMS DIVISION			
PERSONAL SERVICES	474,790	471,356	3,434
SUPPLIES	15,335	9,607	5,728
OTHER SERVICES AND CHARGES	306,572	236,980	69,592
CAPITAL OUTLAY	<u>33,065</u>	<u>30,936</u>	<u>2,129</u>
TOTAL INFORMATION SYSTEMS DIVISION	<u>829,762</u>	<u>748,879</u>	<u>80,883</u>
INFO SYSTEMS TECHNOLOGY TEAM			
OTHER SERVICES AND CHARGES	<u>5,728</u>	<u>0</u>	<u>5,728</u>
TOTAL INFO SYSTEMS TECHNOLOGY TEAM	<u>5,728</u>	<u>0</u>	<u>5,728</u>
PURCHASING DEPARTMENT			
PERSONAL SERVICES	69,635	47,257	22,378
SUPPLIES	1,655	1,330	325
OTHER SERVICES AND CHARGES	<u>6,719</u>	<u>7,361</u>	<u>642-</u>
TOTAL PURCHASING DEPARTMENT	<u>78,009</u>	<u>55,948</u>	<u>22,061</u>
TREASURER			
PERSONAL SERVICES	284,925	288,177	3,252-
SUPPLIES	17,800	17,278	522
OTHER SERVICES AND CHARGES	<u>29,249</u>	<u>31,996</u>	<u>2,747-</u>
TOTAL TREASURER	<u>331,974</u>	<u>337,451</u>	<u>5,477-</u>
EQUALIZATION DEPARTMENT			
PERSONAL SERVICES	196,735	198,696	1,961-

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES	30,110	25,989	4,121
OTHER SERVICES AND CHARGES	<u>31,950</u>	<u>24,760</u>	<u>7,190</u>
TOTAL EQUALIZATION DEPARTMENT	<u>258,795</u>	<u>249,445</u>	<u>9,350</u>
ELECTIONS			
PERSONAL SERVICES	2,600	2,500	100
SUPPLIES	70,646	77,478	6,832-
OTHER SERVICES AND CHARGES	<u>14,932</u>	<u>10,766</u>	<u>4,166</u>
TOTAL ELECTIONS	<u>88,178</u>	<u>90,744</u>	<u>2,566-</u>
BOARD OF CANVASSERS			
PERSONAL SERVICES	11,900	10,900	1,000
OTHER SERVICES AND CHARGES	<u>800</u>	<u>633</u>	<u>167</u>
TOTAL BOARD OF CANVASSERS	<u>12,700</u>	<u>11,533</u>	<u>1,167</u>
BUILDINGS AND GROUNDS			
PERSONAL SERVICES	920,372	931,947	11,575-
SUPPLIES	51,225	43,861	7,364
OTHER SERVICES AND CHARGES	360,895	355,592	5,303
CAPITAL OUTLAY	<u>24,727</u>	<u>24,727</u>	<u>0</u>
TOTAL BUILDINGS AND GROUNDS	<u>1,357,219</u>	<u>1,356,127</u>	<u>1,092</u>
CORPORATION COUNSEL			
PERSONAL SERVICES	169,179	172,344	3,165-
SUPPLIES	1,500	1,036	464
OTHER SERVICES AND CHARGES	<u>28,000</u>	<u>18,759</u>	<u>9,241</u>
TOTAL CORPORATION COUNSEL	<u>198,679</u>	<u>192,139</u>	<u>6,540</u>
PROSECUTING ATTORNEY			
PERSONAL SERVICES	1,109,151	1,114,369	5,218-
SUPPLIES	23,025	23,008	17
OTHER SERVICES AND CHARGES	<u>74,705</u>	<u>75,663</u>	<u>958-</u>
TOTAL PROSECUTING ATTORNEY	<u>1,206,881</u>	<u>1,213,040</u>	<u>6,159-</u>
CRIME VICTIMS RIGHTS			
PERSONAL SERVICES	99,364	103,733	4,369-
SUPPLIES	2,055	1,807	248
OTHER SERVICES AND CHARGES	<u>2,325</u>	<u>2,194</u>	<u>131</u>
TOTAL CRIME VICTIMS RIGHTS	<u>103,744</u>	<u>107,734</u>	<u>3,990-</u>
CRIME VICTIMS RIGHTS-VOCA GRNT			
PERSONAL SERVICES	54,198	54,843	645-
SUPPLIES	4,000	3,659	341
OTHER SERVICES AND CHARGES	<u>2,200</u>	<u>2,011</u>	<u>189</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL CRIME VICTIMS RIGHTS-VOCA GRNT	<u>60,398</u>	<u>60,513</u>	<u>115-</u>
COOP REIMBURSEMENT-PROSECUTOR			
PERSONAL SERVICES	188,183	200,631	12,448-
SUPPLIES	6,080	4,647	1,433
OTHER SERVICES AND CHARGES	<u>15,750</u>	<u>11,231</u>	<u>4,519</u>
TOTAL COOP REIMBURSEMENT-PROSECUTOR	<u>210,013</u>	<u>216,509</u>	<u>6,496-</u>
REGISTER OF DEEDS			
PERSONAL SERVICES	259,799	259,744	55
SUPPLIES	11,795	10,287	1,508
OTHER SERVICES AND CHARGES	<u>9,400</u>	<u>10,543</u>	<u>1,143-</u>
TOTAL REGISTER OF DEEDS	<u>280,994</u>	<u>280,574</u>	<u>420</u>
PERSONNEL & EMPLOYEE RELATIONS			
PERSONAL SERVICES	173,102	173,884	782-
SUPPLIES	5,820	4,682	1,138
OTHER SERVICES AND CHARGES	<u>74,707</u>	<u>76,648</u>	<u>1,941-</u>
TOTAL PERSONNEL & EMPLOYEE RELATIONS	<u>253,629</u>	<u>255,214</u>	<u>1,585-</u>
ADMINISTRATIVE SERVICES			
PERSONAL SERVICES	141,240	139,074	2,166
SUPPLIES	5,470	2,618	2,852
OTHER SERVICES AND CHARGES	<u>57,305</u>	<u>38,873</u>	<u>18,432</u>
TOTAL ADMINISTRATIVE SERVICES	<u>204,015</u>	<u>180,565</u>	<u>23,450</u>
OFFICE OF CRIMINAL DEFENSE			
PERSONAL SERVICES	233,526	235,452	1,926-
SUPPLIES	2,159	2,589	430-
OTHER SERVICES AND CHARGES	<u>7,714</u>	<u>7,982</u>	<u>268-</u>
TOTAL OFFICE OF CRIMINAL DEFENSE	<u>243,399</u>	<u>246,023</u>	<u>2,624-</u>
INDIGENT ATTORNEY			
OTHER SERVICES AND CHARGES	<u>468,000</u>	<u>580,501</u>	<u>112,501-</u>
TOTAL INDIGENT ATTORNEY	<u>468,000</u>	<u>580,501</u>	<u>112,501-</u>
OFFICE OF PUBLIC DEFENDER			
PERSONAL SERVICES	325,615	315,507	10,108
SUPPLIES	2,400	2,719	319-
OTHER SERVICES AND CHARGES	<u>8,547</u>	<u>9,292</u>	<u>745-</u>
TOTAL OFFICE OF PUBLIC DEFENDER	<u>336,562</u>	<u>327,518</u>	<u>9,044</u>
DRAIN COMMISSIONER			
PERSONAL SERVICES	427,580	421,364	6,216
SUPPLIES	6,500	4,784	1,716

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	28,538	22,605	5,933
TOTAL DRAIN COMMISSIONER	<u>462,618</u>	<u>448,753</u>	<u>13,865</u>
DRAIN - COUNTY AT LARGE			
OTHER SERVICES AND CHARGES	90,058	90,056	2
TOTAL DRAIN - COUNTY AT LARGE	<u>90,058</u>	<u>90,056</u>	<u>2</u>
COUNTY SURVEY/REMONUMENTATION			
PERSONAL SERVICES	11,728	13,113	1,385-
SUPPLIES	13,008	8,606	4,402
OTHER SERVICES AND CHARGES	171,498	148,608	22,890
TOTAL COUNTY SURVEY/REMONUMENTATION	<u>196,234</u>	<u>170,327</u>	<u>25,907</u>
BUILDING AUTHORITY			
PERSONAL SERVICES	1,000	811	189
SUPPLIES	400	387	13
OTHER SERVICES AND CHARGES	3,871	2,994	877
TOTAL BUILDING AUTHORITY	<u>5,271</u>	<u>4,192</u>	<u>1,079</u>
BLDG AUTH-MH GRP HOME, PARKER			
OTHER SERVICES AND CHARGES	3,250	2,389	861
TOTAL BLDG AUTH-MH GRP HOME, PARKER	<u>3,250</u>	<u>2,389</u>	<u>861</u>
BLDG AUTH-MH GRP HOME, ZIELINSK			
OTHER SERVICES AND CHARGES	1,050	681	369
TOTAL BLDG AUTH-MH GRP HOME, ZIELINSK	<u>1,050</u>	<u>681</u>	<u>369</u>
BLDG AUTH-MH GRP HOME, BANGOR			
OTHER SERVICES AND CHARGES	1,050	0	1,050
TOTAL BLDG AUTH-MH GRP HOME, BANGOR	<u>1,050</u>	<u>0</u>	<u>1,050</u>
BLDG AUTH-MH GRP HOME, FISHER			
OTHER SERVICES AND CHARGES	1,050	0	1,050
TOTAL BLDG AUTH-MH GRP HOME, FISHER	<u>1,050</u>	<u>0</u>	<u>1,050</u>
BLDG AUTH-MH GRP HOME, HICKORY			
OTHER SERVICES AND CHARGES	1,050	36	1,014
TOTAL BLDG AUTH-MH GRP HOME, HICKORY	<u>1,050</u>	<u>36</u>	<u>1,014</u>
BLDG AUTH-MH GRP HOME, MCNALLY			
OTHER SERVICES AND CHARGES	1,050	628	422

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL BLDG AUTH-MH GRP HOME,MCNALLY	<u>1,050</u>	<u>628</u>	<u>422</u>
BLDG AUTH-MH GRP HOME,GROVE OTHER SERVICES AND CHARGES	<u>1,050</u>	<u>169</u>	<u>881</u>
TOTAL BLDG AUTH-MH GRP HOME,GROVE	<u>1,050</u>	<u>169</u>	<u>881</u>
BLDG AUTH-MH GRP HOME,ALMONT 1 OTHER SERVICES AND CHARGES	<u>2,174</u>	<u>1,518</u>	<u>656</u>
TOTAL BLDG AUTH-MH GRP HOME,ALMONT 1	<u>2,174</u>	<u>1,518</u>	<u>656</u>
BLDG AUTH-MH GRP HOME,ALMONT 2 OTHER SERVICES AND CHARGES	<u>1,050</u>	<u>0</u>	<u>1,050</u>
TOTAL BLDG AUTH-MH GRP HOME,ALMONT 2	<u>1,050</u>	<u>0</u>	<u>1,050</u>
SOIL CONSERVATION			
PERSONAL SERVICES	20,288	11,598	8,690
SUPPLIES	835	363	472
OTHER SERVICES AND CHARGES	<u>5,900</u>	<u>3,418</u>	<u>2,482</u>
TOTAL SOIL CONSERVATION	<u>27,023</u>	<u>15,379</u>	<u>11,644</u>
M.S.U. EXTENSION			
PERSONAL SERVICES	143,814	139,848	3,966
SUPPLIES	6,376	6,280	96
OTHER SERVICES AND CHARGES	<u>136,750</u>	<u>112,469</u>	<u>24,281</u>
TOTAL M.S.U. EXTENSION	<u>286,940</u>	<u>258,597</u>	<u>28,343</u>
FAMILY NUTITION PROGRAM			
SUPPLIES	3,800	446	3,354
OTHER SERVICES AND CHARGES	<u>3,550</u>	<u>637</u>	<u>2,913</u>
TOTAL FAMILY NUTITION PROGRAM	<u>7,350</u>	<u>1,083</u>	<u>6,267</u>
ENVIRONMENTAL AFFAIRS			
PERSONAL SERVICES	67,054	73,306	6,252-
SUPPLIES	2,625	975	1,650
OTHER SERVICES AND CHARGES	<u>13,150</u>	<u>4,961</u>	<u>8,189</u>
TOTAL ENVIRONMENTAL AFFAIRS	<u>82,829</u>	<u>79,242</u>	<u>3,587</u>
EUCLID LINEAR PARK			
OTHER SERVICES AND CHARGES	<u>1,500</u>	<u>1,299</u>	<u>201</u>
TOTAL EUCLID LINEAR PARK	<u>1,500</u>	<u>1,299</u>	<u>201</u>
GEOGRAPHIC INFORMATION SYSTEMS			
PERSONAL SERVICES	40,276	40,384	108-
SUPPLIES	<u>1,025</u>	<u>735</u>	<u>290</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	83,200	72,902	10,298
TOTAL GEOGRAPHIC INFORMATION SYSTEMS	<u>124,501</u>	<u>114,021</u>	<u>10,480</u>
RISOGRAPH PRINTING/POSTAGE			
PERSONAL SERVICES	19,433	19,330	103
SUPPLIES	16,297	7,168	9,129
OTHER SERVICES AND CHARGES	5,580	2,843	2,737
CAPITAL OUTLAY	<u>22,000</u>	<u>0</u>	<u>22,000</u>
TOTAL RISOGRAPH PRINTING/POSTAGE	<u>63,310</u>	<u>29,341</u>	<u>33,969</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<b><u>15,731,933</u></b>	<b><u>15,038,234</u></b>	<b><u>693,699</u></b>
PUBLIC SAFETY			
SHERIFF DEPARTMENT			
PERSONAL SERVICES	2,935,117	3,050,051	114,934-
SUPPLIES	366,600	366,806	206-
OTHER SERVICES AND CHARGES	967,160	956,192	10,968
CAPITAL OUTLAY	<u>206,054</u>	<u>71,956</u>	<u>134,098</u>
TOTAL SHERIFF DEPARTMENT	<u>4,474,931</u>	<u>4,445,005</u>	<u>29,926</u>
CIRCUIT COURT WARRANT OFFICER			
PERSONAL SERVICES	61,732	61,213	519
SUPPLIES	2,520	1,966	554
OTHER SERVICES AND CHARGES	<u>9,950</u>	<u>8,684</u>	<u>1,266</u>
TOTAL CIRCUIT COURT WARRANT OFFICER	<u>74,202</u>	<u>71,863</u>	<u>2,339</u>
B.A.Y.A.N.E.T.			
PERSONAL SERVICES	62,362	67,187	4,825-
SUPPLIES	<u>200</u>	<u>0</u>	<u>200</u>
TOTAL B.A.Y.A.N.E.T.	<u>62,562</u>	<u>67,187</u>	<u>4,625-</u>
SECONDARY ROAD PATROL			
PERSONAL SERVICES	1,170,136	1,166,889	3,247
SUPPLIES	53,215	50,041	3,174
OTHER SERVICES AND CHARGES	73,291	70,952	2,339
CAPITAL OUTLAY	<u>149,317</u>	<u>73,856</u>	<u>75,461</u>
TOTAL SECONDARY ROAD PATROL	<u>1,445,959</u>	<u>1,361,738</u>	<u>84,221</u>
2ND RD PATR-MONITOR COPS FAST			
PERSONAL SERVICES	58,027	62,198	4,171-
SUPPLIES	3,110	3,250	140-
OTHER SERVICES AND CHARGES	<u>4,480</u>	<u>884</u>	<u>3,596</u>
TOTAL 2ND RD PATR-MONITOR COPS FAST	<u>65,617</u>	<u>66,332</u>	<u>715-</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
2ND RD PATROL-BANGOR TWP			
PERSONAL SERVICES	238,783	248,009	9,226-
SUPPLIES	8,700	11,452	2,752-
OTHER SERVICES AND CHARGES	<u>7,500</u>	<u>3,351</u>	<u>4,149</u>
TOTAL 2ND RD PATROL-BANGOR TWP	<u>254,983</u>	<u>262,812</u>	<u>7,829-</u>
2ND RD PATR-PORTSMOUTH			
PERSONAL SERVICES	65,833	68,760	2,927-
SUPPLIES	2,878	1,843	1,035
OTHER SERVICES AND CHARGES	<u>3,700</u>	<u>1,292</u>	<u>2,408</u>
TOTAL 2ND RD PATR-PORTSMOUTH	<u>72,411</u>	<u>71,895</u>	<u>516</u>
2ND RD PTRL-WILLIAMS TWP			
PERSONAL SERVICES	127,670	143,777	16,107-
SUPPLIES	5,300	6,413	1,113-
OTHER SERVICES AND CHARGES	<u>2,800</u>	<u>2,079</u>	<u>721</u>
TOTAL 2ND RD PTRL-WILLIAMS TWP	<u>135,770</u>	<u>152,269</u>	<u>16,499-</u>
2ND RD PATROL-MONITOR TWP			
PERSONAL SERVICES	57,081	62,053	4,972-
SUPPLIES	2,750	3,120	370-
OTHER SERVICES AND CHARGES	<u>1,825</u>	<u>512</u>	<u>1,313</u>
TOTAL 2ND RD PATROL-MONITOR TWP	<u>61,656</u>	<u>65,685</u>	<u>4,029-</u>
2ND RD.PAT-BAY CITY SCHOOLS			
PERSONAL SERVICES	67,374	71,457	4,083-
SUPPLIES	2,910	2,112	798
OTHER SERVICES AND CHARGES	<u>4,530</u>	<u>247</u>	<u>4,283</u>
TOTAL 2ND RD.PAT-BAY CITY SCHOOLS	<u>74,814</u>	<u>73,816</u>	<u>998</u>
SECONDARY ROAD PATROL GRANT			
PERSONAL SERVICES	200,778	205,024	4,246-
SUPPLIES	10,300	10,929	629-
OTHER SERVICES AND CHARGES	16,137	12,243	3,894
CAPITAL OUTLAY	<u>37,964</u>	<u>18,464</u>	<u>19,500</u>
TOTAL SECONDARY ROAD PATROL GRANT	<u>265,179</u>	<u>246,660</u>	<u>18,519</u>
ROAD PATROL GRANT OCT-DEC			
PERSONAL SERVICES	<u>1,145-</u>	<u>0</u>	<u>1,145-</u>
TOTAL ROAD PATROL GRANT OCT-DEC	<u>1,145-</u>	<u>0</u>	<u>1,145-</u>
TOWNSHIP ROAD PATROL			
PERSONAL SERVICES	<u>29,991</u>	<u>31,555</u>	<u>1,564-</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL TOWNSHIP ROAD PATROL	<u>29,991</u>	<u>31,555</u>	<u>1,564-</u>
DRIVE MI SAFELY/TASK FORCE			
PERSONAL SERVICES	18,031	15,771	2,260
OTHER SERVICES AND CHARGES	<u>16,918</u>	<u>15,497</u>	<u>1,421</u>
TOTAL DRIVE MI SAFELY/TASK FORCE	<u>34,949</u>	<u>31,268</u>	<u>3,681</u>
MICHIGAN JUSTICE TRAINING PROG			
SUPPLIES	1,600	0	1,600
OTHER SERVICES AND CHARGES	<u>9,000</u>	<u>5,185</u>	<u>3,815</u>
TOTAL MICHIGAN JUSTICE TRAINING PROG	<u>10,600</u>	<u>5,185</u>	<u>5,415</u>
MARINE LAW ENFORCEMENT GRANT			
PERSONAL SERVICES	28,252	26,816	1,436
SUPPLIES	5,150	4,281	869
OTHER SERVICES AND CHARGES	<u>8,454</u>	<u>7,887</u>	<u>567</u>
TOTAL MARINE LAW ENFORCEMENT GRANT	<u>41,856</u>	<u>38,984</u>	<u>2,872</u>
MARINE SAFETY			
OTHER SERVICES AND CHARGES	<u>500</u>	<u>0</u>	<u>500</u>
TOTAL MARINE SAFETY	<u>500</u>	<u>0</u>	<u>500</u>
SNOWMOBILE LAW ENFORCEMENT			
PERSONAL SERVICES	5,718	83	5,635
SUPPLIES	500	17	483
OTHER SERVICES AND CHARGES	<u>500</u>	<u>910</u>	<u>410-</u>
TOTAL SNOWMOBILE LAW ENFORCEMENT	<u>6,718</u>	<u>1,010</u>	<u>5,708</u>
D.A.R.E.			
OTHER SERVICES AND CHARGES	<u>250</u>	<u>225</u>	<u>25</u>
TOTAL D.A.R.E.	<u>250</u>	<u>225</u>	<u>25</u>
CORRECTIONS DEPARTMENT / JAIL			
SUPPLIES	8,302	7,890	412
OTHER SERVICES AND CHARGES	<u>11,000</u>	<u>11,934</u>	<u>934-</u>
TOTAL CORRECTIONS DEPARTMENT / JAIL	<u>19,302</u>	<u>19,824</u>	<u>522-</u>
INMATE TETHERING			
SUPPLIES	1,391	0	1,391
OTHER SERVICES AND CHARGES	<u>12,000</u>	<u>507</u>	<u>11,493</u>
TOTAL INMATE TETHERING	<u>13,391</u>	<u>507</u>	<u>12,884</u>
OFF OF EMERG SERV-CIVIL DEFENS			
PERSONAL SERVICES	57,510	52,330	5,180

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES	2,300	1,725	575
OTHER SERVICES AND CHARGES	<u>8,073</u>	<u>8,268</u>	<u>195-</u>
TOTAL OFF OF EMERG SERV-CIVIL DEFENS	<u>67,883</u>	<u>62,323</u>	<u>5,560</u>
LOCAL EMERGENCY PLANNING COMM.			
SUPPLIES	275	272	3
OTHER SERVICES AND CHARGES	<u>476</u>	<u>311</u>	<u>165</u>
TOTAL LOCAL EMERGENCY PLANNING COMM.	<u>751</u>	<u>583</u>	<u>168</u>
SHSGP - CBRNE GRANT			
PERSONAL SERVICES	341	348	7-
SUPPLIES	720	720	0
OTHER SERVICES AND CHARGES	206,972	200,389	6,583
CAPITAL OUTLAY	<u>23,976</u>	<u>23,975</u>	<u>1</u>
TOTAL SHSGP - CBRNE GRANT	<u>232,009</u>	<u>225,432</u>	<u>6,577</u>
SHSGP - CITIZENS CORP GRANT			
PERSONAL SERVICES	1,842	849	993
SUPPLIES	7,834	7,737	97
OTHER SERVICES AND CHARGES	39,807	30,312	9,495
CAPITAL OUTLAY	<u>1,500</u>	<u>0</u>	<u>1,500</u>
TOTAL SHSGP - CITIZENS CORP GRANT	<u>50,983</u>	<u>38,898</u>	<u>12,085</u>
SHSGP - LETPP GRANT			
SUPPLIES	220	220	0
OTHER SERVICES AND CHARGES	<u>1,493</u>	<u>1,493</u>	<u>0</u>
TOTAL SHSGP - LETPP GRANT	<u>1,713</u>	<u>1,713</u>	<u>0</u>
SHSGP - FIRST RESPONDERS			
PERSONAL SERVICES	60,568	50,635	9,933
SUPPLIES	8,517	558	7,959
OTHER SERVICES AND CHARGES	210,308	47,646	162,662
CAPITAL OUTLAY	<u>183,742</u>	<u>77,278</u>	<u>106,464</u>
TOTAL SHSGP - FIRST RESPONDERS	<u>463,135</u>	<u>176,117</u>	<u>287,018</u>
LETPP-TERRORISM RESPON & RECOV			
OTHER SERVICES AND CHARGES	147,607	113,319	34,288
CAPITAL OUTLAY	<u>15,924</u>	<u>0</u>	<u>15,924</u>
TOTAL LETPP-TERRORISM RESPON & RECOV	<u>163,531</u>	<u>113,319</u>	<u>50,212</u>
2006-2008 SHSGP-REGION 3			
PERSONAL SERVICES	0	1,028	1,028-
SUPPLIES	1,000	44	956
OTHER SERVICES AND CHARGES	<u>30,000</u>	<u>13,606</u>	<u>16,394</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL 2006-2008 SHSGP-REGION 3	<u>31,000</u>	<u>14,678</u>	<u>16,322</u>
ANIMAL SHELTER/DOG WARDEN			
PERSONAL SERVICES	311,577	301,557	10,020
SUPPLIES	25,950	22,351	3,599
OTHER SERVICES AND CHARGES	70,809	55,984	14,825
CAPITAL OUTLAY	<u>17,151</u>	<u>11,089</u>	<u>6,062</u>
TOTAL ANIMAL SHELTER/DOG WARDEN	<u>425,487</u>	<u>390,981</u>	<u>34,506</u>
<b>TOTAL PUBLIC SAFETY</b>	<b><u>8,580,988</u></b>	<b><u>8,037,864</u></b>	<b><u>543,124</u></b>
PUBLIC WORKS			
PERE MARQUETTE PARKING			
SUPPLIES	550	504	46
OTHER SERVICES AND CHARGES	<u>6,300</u>	<u>5,194</u>	<u>1,106</u>
TOTAL PERE MARQUETTE PARKING	<u>6,850</u>	<u>5,698</u>	<u>1,152</u>
<b>TOTAL PUBLIC WORKS</b>	<b><u>6,850</u></b>	<b><u>5,698</u></b>	<b><u>1,152</u></b>
HEALTH AND WELFARE			
MSS/ISS 0-3 SECONDARY PREVENT			
PERSONAL SERVICES	70,632	79,785	9,153-
SUPPLIES	7,943	4,799	3,144
OTHER SERVICES AND CHARGES	<u>57,100</u>	<u>51,028</u>	<u>6,072</u>
TOTAL MSS/ISS 0-3 SECONDARY PREVENT	<u>135,675</u>	<u>135,612</u>	<u>63</u>
MEDICAL EXAMINER			
SUPPLIES	200	146	54
OTHER SERVICES AND CHARGES	<u>101,119</u>	<u>99,672</u>	<u>1,447</u>
TOTAL MEDICAL EXAMINER	<u>101,319</u>	<u>99,818</u>	<u>1,501</u>
MENTAL HEALTH			
OTHER SERVICES AND CHARGES	<u>682,242</u>	<u>682,242</u>	<u>0</u>
TOTAL MENTAL HEALTH	<u>682,242</u>	<u>682,242</u>	<u>0</u>
AMBULANCE			
OTHER SERVICES AND CHARGES	<u>8,751</u>	<u>7,180</u>	<u>1,571</u>
TOTAL AMBULANCE	<u>8,751</u>	<u>7,180</u>	<u>1,571</u>
SAG.MID.BAY-JOB TRAIN.CONSORT.			
PERSONAL SERVICES	<u>1,890</u>	<u>1,080</u>	<u>810</u>
TOTAL SAG.MID.BAY-JOB TRAIN.CONSORT.	<u>1,890</u>	<u>1,080</u>	<u>810</u>
VETERANS' BURIAL			
SUPPLIES	112	60	52

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER SERVICES AND CHARGES	95,553	90,879	4,674
TOTAL VETERANS' BURIAL	<u>95,665</u>	<u>90,939</u>	<u>4,726</u>
VETERANS CONVENTIONS			
OTHER SERVICES AND CHARGES	<u>2,000</u>	<u>0</u>	<u>2,000</u>
TOTAL VETERANS CONVENTIONS	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<b>TOTAL HEALTH AND WELFARE</b>	<b><u>1,027,542</u></b>	<b><u>1,016,871</u></b>	<b><u>10,671</u></b>
COMMUNITY/ECONOMIC DEVELOPMENT			
PLANNING DEPARTMENT			
SUPPLIES	250	0	250
OTHER SERVICES AND CHARGES	<u>300</u>	<u>58</u>	<u>242</u>
TOTAL PLANNING DEPARTMENT	<u>550</u>	<u>58</u>	<u>492</u>
TRANSPORTATION PLANNING			
PERSONAL SERVICES	117,641	103,058	14,583
SUPPLIES	1,680	299	1,381
OTHER SERVICES AND CHARGES	<u>18,952</u>	<u>7,116</u>	<u>11,836</u>
TOTAL TRANSPORTATION PLANNING	<u>138,273</u>	<u>110,473</u>	<u>27,800</u>
BOUNDARY COMMISSION			
PERSONAL SERVICES	300	0	300
OTHER SERVICES AND CHARGES	<u>450</u>	<u>0</u>	<u>450</u>
TOTAL BOUNDARY COMMISSION	<u>750</u>	<u>0</u>	<u>750</u>
<b>TOTAL COMMUNITY/ECONOMIC DEVELOPMENT</b>	<b><u>139,573</u></b>	<b><u>110,531</u></b>	<b><u>29,042</u></b>
RECREATION AND CULTURE			
RECREATION/PARKS DEPARTMENT			
PERSONAL SERVICES	44,688	42,133	2,555
SUPPLIES	4,730	3,862	868
OTHER SERVICES AND CHARGES	<u>18,927</u>	<u>16,751</u>	<u>2,176</u>
TOTAL RECREATION/PARKS DEPARTMENT	<u>68,345</u>	<u>62,746</u>	<u>5,599</u>
JUV.JUSTICE-AFTER SCHOOL			
OTHER SERVICES AND CHARGES	<u>35,225</u>	<u>33,866</u>	<u>1,359</u>
TOTAL JUV.JUSTICE-AFTER SCHOOL	<u>35,225</u>	<u>33,866</u>	<u>1,359</u>
VETERANS PARK SOFTBALL			
PERSONAL SERVICES	15,324	9,133	6,191
SUPPLIES	1,500	991	509
OTHER SERVICES AND CHARGES	<u>9,050</u>	<u>7,914</u>	<u>1,136</u>

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL VETERANS PARK SOFTBALL	<u>25,874</u>	<u>18,038</u>	<u>7,836</u>
JUVENILE ACCOUNTABILITY GRANT			
SUPPLIES	2,500	270	2,230
OTHER SERVICES AND CHARGES	<u>18,058</u>	<u>4,969</u>	<u>13,089</u>
TOTAL JUVENILE ACCOUNTABILITY GRANT	<u>20,558</u>	<u>5,239</u>	<u>15,319</u>
PARKS/RECREATION MAINTENANCE			
PERSONAL SERVICES	97,219	103,346	6,127-
SUPPLIES	10,700	9,703	997
OTHER SERVICES AND CHARGES	<u>21,515</u>	<u>13,214</u>	<u>8,301</u>
TOTAL PARKS/RECREATION MAINTENANCE	<u>129,434</u>	<u>126,263</u>	<u>3,171</u>
COMMUNITY CENTER			
PERSONAL SERVICES	56,915	55,249	1,666
SUPPLIES	2,248	2,558	310-
OTHER SERVICES AND CHARGES	<u>76,577</u>	<u>68,711</u>	<u>7,866</u>
TOTAL COMMUNITY CENTER	<u>135,740</u>	<u>126,518</u>	<u>9,222</u>
SWIMMING POOL			
PERSONAL SERVICES	38,473	32,908	5,565
SUPPLIES	8,850	5,984	2,866
OTHER SERVICES AND CHARGES	18,234	10,342	7,892
CAPITAL OUTLAY	<u>2,451</u>	<u>0</u>	<u>2,451</u>
TOTAL SWIMMING POOL	<u>68,008</u>	<u>49,234</u>	<u>18,774</u>
COUNTY MARKET			
SUPPLIES	0	22	22-
OTHER SERVICES AND CHARGES	<u>11,330</u>	<u>14,879</u>	<u>3,549-</u>
TOTAL COUNTY MARKET	<u>11,330</u>	<u>14,901</u>	<u>3,571-</u>
FAIRGROUNDS			
PERSONAL SERVICES	9,893	2,429	7,464
SUPPLIES	3,098	2,540	558
OTHER SERVICES AND CHARGES	29,752	26,801	2,951
CAPITAL OUTLAY	<u>15,750</u>	<u>15,790</u>	<u>40-</u>
TOTAL FAIRGROUNDS	<u>58,493</u>	<u>47,560</u>	<u>10,933</u>
INDEPENDENCE PARK BOAT LAUNCH			
PERSONAL SERVICES	4,947	0	4,947
SUPPLIES	450	0	450
OTHER SERVICES AND CHARGES	<u>1,315</u>	<u>105</u>	<u>1,210</u>
TOTAL INDEPENDENCE PARK BOAT LAUNCH	<u>6,712</u>	<u>105</u>	<u>6,607</u>
CIVIC/ICE ARENA			

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES	223,832	213,438	10,394
SUPPLIES	12,888	10,131	2,757
OTHER SERVICES AND CHARGES	<u>244,390</u>	<u>244,244</u>	<u>146</u>
TOTAL CIVIC/ICE ARENA	<u>481,110</u>	<u>467,813</u>	<u>13,297</u>
CIVIC/ICE ARENA-ICE/DRY SURFAC			
PERSONAL SERVICES	97,413	59,727	37,686
SUPPLIES	6,000	5,752	248
OTHER SERVICES AND CHARGES	106,416	100,438	5,978
CAPITAL OUTLAY	<u>14,475</u>	<u>14,475</u>	<u>0</u>
TOTAL CIVIC/ICE ARENA-ICE/DRY SURFAC	<u>224,304</u>	<u>180,392</u>	<u>43,912</u>
CIVIC/ICE ARENA-CONCESSION			
PERSONAL SERVICES	28,139	23,890	4,249
SUPPLIES	49,060	29,230	19,830
OTHER SERVICES AND CHARGES	<u>2,300</u>	<u>1,220</u>	<u>1,080</u>
TOTAL CIVIC/ICE ARENA-CONCESSION	<u>79,499</u>	<u>54,340</u>	<u>25,159</u>
CIVIC/ICE ARENA-PRO SHOP			
PERSONAL SERVICES	11,965	3,721	8,244
SUPPLIES	51,324	36,631	14,693
OTHER SERVICES AND CHARGES	<u>1,250</u>	<u>488</u>	<u>762</u>
TOTAL CIVIC/ICE ARENA-PRO SHOP	<u>64,539</u>	<u>40,840</u>	<u>23,699</u>
PINCONNING PARK			
PERSONAL SERVICES	63,903	66,315	2,412-
SUPPLIES	7,615	6,571	1,044
OTHER SERVICES AND CHARGES	<u>21,275</u>	<u>22,743</u>	<u>1,468-</u>
TOTAL PINCONNING PARK	<u>92,793</u>	<u>95,629</u>	<u>2,836-</u>
<b>TOTAL RECREATION AND CULTURE</b>	<b><u>1,501,964</u></b>	<b><u>1,323,484</u></b>	<b><u>178,480</u></b>
OTHER			
RISK MANAGEMENT			
OTHER SERVICES AND CHARGES	<u>753,401</u>	<u>528,619</u>	<u>224,782</u>
TOTAL RISK MANAGEMENT	<u>753,401</u>	<u>528,619</u>	<u>224,782</u>
401(K) SAVINGS PLAN ADMIN COMM			
SUPPLIES	435	69	366
OTHER SERVICES AND CHARGES	<u>1,990</u>	<u>748</u>	<u>1,242</u>
TOTAL 401(K) SAVINGS PLAN ADMIN COMM	<u>2,425</u>	<u>817</u>	<u>1,608</u>
RETIREES HEALTH/LIFE INSURANCE			
PERSONAL SERVICES	763,856	751,270	12,586

BAY COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	<u>9,007</u>	<u>10,146</u>	<u>1,139-</u>
TOTAL RETIREES HEALTH/LIFE INSURANCE	<u>772,863</u>	<u>761,416</u>	<u>11,447</u>
MIDLAND-BAY-SAGINAW AIRPORT PERSONAL SERVICES	<u>1,890</u>	<u>2,205</u>	<u>315-</u>
TOTAL MIDLAND-BAY-SAGINAW AIRPORT	<u>1,890</u>	<u>2,205</u>	<u>315-</u>
<b>TOTAL OTHER</b>	<b><u>1,530,579</u></b>	<b><u>1,293,057</u></b>	<b><u>237,522</u></b>
DEBT SERVICE			
PRINCIPAL PAYMENTS	201,604	204,491	2,887-
INTEREST PAYMENT	<u>10,140</u>	<u>9,703</u>	<u>437</u>
<b>TOTAL DEBT SERVICE</b>	<b><u>211,744</u></b>	<b><u>214,194</u></b>	<b><u>2,450-</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>28,731,173</u></b>	<b><u>27,039,933</u></b>	<b><u>1,691,240</u></b>
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BAY COUNTY  
GENERAL FUND  
SCHEDULE OF OTHER FINANCING SOURCES AND USES  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
INSURANCE RECOVERIES/PROCEEDS	15,161	15,161	0
TRANSFERS IN FROM OTHER FUNDS	113,612	145,077	31,465
TRANSFERS IN FROM DIV ON AGING	0	2,180	2,180
TRANSFERS IN FROM 100% TX COLL	689,288	689,288	0
TRSF IN-OTHER FND-INDIRECT CST	1,830,952	1,857,828	26,876
TRF IN-REVENUE SHARING RES FND	1,717,783	1,717,783	0
TRF IN-REV SHARE RES FND-SBT	<u>297,816</u>	<u>297,816</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>4,664,612</u></b>	<b><u>4,725,133</u></b>	<b><u>60,521</u></b>
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	5,006,434	4,991,913	14,521
TRANSFERS OUT TO HEALTH FUND	4,000	4,000	0
TRF OUT-OTHER FND-CIGARETTE TX	64,676	64,286	390
TRF OUT-OTHER FUNDS-LIQUOR TAX	206,434	225,257	18,823-
TRF OUT-GENERL FD-INDIRECT CST	<u>605,007</u>	<u>605,007</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<b><u>5,886,551</u></b>	<b><u>5,890,463</u></b>	<b><u>3,912-</u></b>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b><u>1,221,939-</u></b>	<b><u>1,165,330-</u></b>	<b><u>56,609</u></b>
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BAY COUNTY  
MOSQUITO CONTROL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
MOSQUITO CONTROL	<u>0</u>	<u>21</u>	<u>21</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<u>0</u>	<u>21</u>	<u>21</u>
FEDERAL GRANTS			
MOSQUITO CONTROL	<u>5,000</u>	<u>0</u>	<u>5,000-</u>
<b>TOTAL FEDERAL GRANTS</b>	<u>5,000</u>	<u>0</u>	<u>5,000-</u>
INTERESTS, RENTS AND ROYALTIES			
MOSQUITO CONTROL	<u>7,650</u>	<u>18,153</u>	<u>10,503</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<u>7,650</u>	<u>18,153</u>	<u>10,503</u>
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MOSQUITO CONTROL	<u>100</u>	<u>159</u>	<u>59</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<u>100</u>	<u>159</u>	<u>59</u>
PROPERTY AND OTHER TAXES			
MOSQUITO CONTROL	<u>1,228,507</u>	<u>1,229,814</u>	<u>1,307</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<u>1,228,507</u>	<u>1,229,814</u>	<u>1,307</u>
<b>TOTAL REVENUES</b>	<u>1,241,257</u>	<u>1,248,147</u>	<u>6,890</u>
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BAY COUNTY  
MOSQUITO CONTROL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MOSQUITO CONTROL			
PERSONAL SERVICES	524,740	526,768	2,028-
SUPPLIES	408,000	401,603	6,397
OTHER SERVICES AND CHARGES	261,126	213,475	47,651
CAPITAL OUTLAY	<u>17,500</u>	<u>5,439</u>	<u>12,061</u>
TOTAL MOSQUITO CONTROL	<u>1,211,366</u>	<u>1,147,285</u>	<u>64,081</u>
TOTAL HEALTH AND WELFARE	<u>1,211,366</u>	<u>1,147,285</u>	<u>64,081</u>
 TOTAL EXPENDITURES	 <u>1,211,366</u>	 <u>1,147,285</u>	 <u>64,081</u>
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BAY COUNTY  
MOSQUITO CONTROL FUND  
SCHEDULE OF OTHER FINANCING SOURCES AND USES  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
INSURANCE RECOVERIES/PROCEEDS	<u>3,327</u>	<u>9,010</u>	<u>5,683</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>3,327</u></b>	<b><u>9,010</u></b>	<b><u>5,683</u></b>
OTHER FINANCING USES			
TRF OUT-GENERL FD-INDIRECT CST	<u>110,366</u>	<u>110,366</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<b><u>110,366</u></b>	<b><u>110,366</u></b>	<b><u>0</u></b>
 <b>NET OTHER FINANCING SOURCES (USES)</b>	 <b>107,039-</b>	 <b>101,356-</b>	 <b>5,683</b>
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BAY COUNTY  
 911 SERVICE FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
INTERESTS, RENTS AND ROYALTIES			
911 CENTRAL DISPATCH	<u>32,200</u>	<u>103,242</u>	<u>71,042</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>32,200</u></b>	<b><u>103,242</u></b>	<b><u>71,042</u></b>
STATE GRANTS			
911 CENTRAL DISPATCH	<u>177,000</u>	<u>219,638</u>	<u>42,638</u>
<b>TOTAL STATE GRANTS</b>	<b><u>177,000</u></b>	<b><u>219,638</u></b>	<b><u>42,638</u></b>
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
911 CENTRAL DISPATCH	<u>2,150</u>	<u>10,272</u>	<u>8,122</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<b><u>2,150</u></b>	<b><u>10,272</u></b>	<b><u>8,122</u></b>
PROPERTY AND OTHER TAXES			
911 CENTRAL DISPATCH	<u>1,913,061</u>	<u>1,913,116</u>	<u>55</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<b><u>1,913,061</u></b>	<b><u>1,913,116</u></b>	<b><u>55</u></b>
<b>TOTAL REVENUES</b>	<b><u>2,124,411</u></b>	<b><u>2,246,268</u></b>	<b><u>121,857</u></b>
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BAY COUNTY  
 911 SERVICE FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
PUBLIC SAFETY			
911 CENTRAL DISPATCH			
PERSONAL SERVICES	1,432,182	1,392,223	39,959
SUPPLIES	23,200	17,765	5,435
OTHER SERVICES AND CHARGES	463,634	272,496	191,138
CAPITAL OUTLAY	<u>201,526</u>	<u>59,926</u>	<u>141,600</u>
TOTAL 911 CENTRAL DISPATCH	<u>2,120,542</u>	<u>1,742,410</u>	<u>378,132</u>
<b>TOTAL PUBLIC SAFETY</b>	<b><u>2,120,542</u></b>	<b><u>1,742,410</u></b>	<b><u>378,132</u></b>
DEBT SERVICE			
PRINCIPAL PAYMENTS	8,826	8,882	56-
INTEREST PAYMENT	<u>1,775</u>	<u>1,718</u>	<u>57</u>
<b>TOTAL DEBT SERVICE</b>	<b><u>10,601</u></b>	<b><u>10,600</u></b>	<b><u>1</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>2,131,143</u></b>	<b><u>1,753,010</u></b>	<b><u>378,133</u></b>
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BAY COUNTY  
 911 SERVICE FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	77,324	77,324	0
TRF OUT-GENERL FD-INDIRECT CST	<u>151,772</u>	<u>151,772</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<u><b>229,096</b></u>	<u><b>229,096</b></u>	<u><b>0</b></u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u><b>229,096-</b></u>	<u><b>229,096-</b></u>	<u><b>0</b></u>
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BAY COUNTY  
 DIVISION ON AGING FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>CHARGES FOR SERVICES</b>			
ADMINISTRATION - DIV. ON AGING	6,500	4,795	1,705-
HEALTH PROMOTION	1,900	1,372	528-
FEDERAL C1-CONGREGATE	2,000	1,129	871-
HOME DELIVERED MEALS	<u>0</u>	<u>171</u>	<u>171</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>10,400</u></b>	<b><u>7,467</u></b>	<b><u>2,933-</u></b>
<b>FEDERAL GRANTS</b>			
PERSONAL CARE - PRIVATE PAY	3,000	0	3,000-
PERSONAL CARE - GRANTS	3,000	2,282	718-
ADMINISTRATION - DIV. ON AGING	0	1,332	1,332
HOMEMAKING	72,746	73,203	457
HEALTH PROMOTION	6,779	9,258	2,479
CASE COORDINATION	53,344	52,088	1,256-
CAREGIVING TRAINING	19,885	19,056	829-
HOME DELIVERED MEALS-WEEKEND	4,925	0	4,925-
FEDERAL C1-CONGREGATE	128,896	119,068	9,828-
MILLAGE MEAL SITES	1,185	1,213	28
HOME DELIVERED MEALS	329,731	328,672	1,059-
SENIOR CENTER	2,856	0	2,856-
SENIOR CENTER OCT-DEC	2,855-	0	2,855
HOMEMAKING OCT-DEC	127-	0	127
HEALTH PROMOTION OCT-DEC	851	0	851-
CAREGIVING TRAINING-OCT/DEC	75	0	75-
HOME DEL. MEALS-WEEKEND OCT-DEC	4,924-	0	4,924
FEDERAL C1-CONGREGATE OCT-DEC	4,729-	0	4,729
HOME DELIVERED MEALS OCT-DEC	<u>11,697</u>	<u>0</u>	<u>11,697-</u>
<b>TOTAL FEDERAL GRANTS</b>	<b><u>626,335</u></b>	<b><u>606,172</u></b>	<b><u>20,163-</u></b>
<b>INTERESTS, RENTS AND ROYALTIES</b>			
ADMINISTRATION - DIV. ON AGING	<u>16,250</u>	<u>43,535</u>	<u>27,285</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>16,250</u></b>	<b><u>43,535</u></b>	<b><u>27,285</u></b>
<b>STATE GRANTS</b>			
IN-HOME RESPITE CARE	12,719	15,928	3,209
IN-HOME RESPITE CARE OCT-DEC	1,183-	0	1,183
PERSONAL CARE - PRIVATE PAY	1,500	1,104	396-
ADMINISTRATION - DIV. ON AGING	3,322	3,536	214
HOMEMAKING	2,580	1,893	687-
HOME DELIVERED MEALS	<u>50,607</u>	<u>50,661</u>	<u>54</u>
<b>TOTAL STATE GRANTS</b>	<b><u>69,545</u></b>	<b><u>73,122</u></b>	<b><u>3,577</u></b>
<b>REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>			
IN-HOME RESPITE CARE	4,085	9,650	5,565
PERSONAL CARE - PRIVATE PAY	28,600	28,919	319
PERSONAL CARE - GRANTS	350	822	472
ADMINISTRATION - DIV. ON AGING	2,241	3,433	1,192

BAY COUNTY  
 DIVISION ON AGING FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
HOMEMAKING	38,652	37,799	853-
HEALTH PROMOTION	0	135	135
CASE COORDINATION	0	25	25
CAREGIVING TRAINING	340	310	30-
HOME DELIVERED MEALS-WEEKEND	1,200	0	1,200-
FEDERAL C1-CONGREGATE	89,200	89,138	62-
MILLAGE MEAL SITES	6,715	3,743	2,972-
HOME DELIVERED MEALS	174,664	198,996	24,332
HOMEMAKING OCT-DEC	128	0	128-
HOME DEL. MEALS-WEEKEND OCT-DEC	1,199-	0	1,199
HOME DELIVERED MEALS OCT-DEC	<u>200</u>	<u>0</u>	<u>200-</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<b><u>345,176</u></b>	<b><u>372,970</u></b>	<b><u>27,794</u></b>
PROPERTY AND OTHER TAXES			
IN-HOME RESPITE CARE	9,974	7,112	2,862-
IN-HOME RESPITE CARE OCT-DEC	1,184	0	1,184-
PERSONAL CARE - PRIVATE PAY	282,725	249,233	33,492-
PERSONAL CARE - GRANTS	1,508	1,004	504-
ADMINISTRATION - DIV. ON AGING	341,706	503,598	161,892
HOMEMAKING	131,304	109,629	21,675-
CASE COORDINATION	161,519	170,926	9,407
CAREGIVING TRAINING	29,599	24,986	4,613-
FEDERAL C1-CONGREGATE	224,308	205,553	18,755-
MILLAGE MEAL SITES	15,272	16,542	1,270
HOME DELIVERED MEALS	155,081	78,040	77,041-
SENIOR CENTER	1,325	34	1,291-
SENIOR CENTER OCT-DEC	1,324-	0	1,324
CAREGIVING TRAINING-OCT/DEC	74-	0	74
FEDERAL C1-CONGREGATE OCT-DEC	9,388	0	9,388-
HOME DELIVERED MEALS OCT-DEC	<u>3,776-</u>	<u>0</u>	<u>3,776</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<b><u>1,359,719</u></b>	<b><u>1,366,657</u></b>	<b><u>6,938</u></b>
<b>TOTAL REVENUES</b>	<b><u>2,427,425</u></b>	<b><u>2,469,923</u></b>	<b><u>42,498</u></b>
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BAY COUNTY  
 DIVISION ON AGING FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
HEALTH AND WELFARE			
IN-HOME RESPITE CARE			
PERSONAL SERVICES	22,088	28,194	6,106-
SUPPLIES	300	47	253
OTHER SERVICES AND CHARGES	<u>4,390</u>	<u>4,451</u>	<u>61-</u>
TOTAL IN-HOME RESPITE CARE	<u>26,778</u>	<u>32,692</u>	<u>5,914-</u>
PERSONAL CARE - PRIVATE PAY			
PERSONAL SERVICES	286,090	265,566	20,524
SUPPLIES	4,372	2,611	1,761
OTHER SERVICES AND CHARGES	<u>17,928</u>	<u>16,279</u>	<u>1,649</u>
TOTAL PERSONAL CARE - PRIVATE PAY	<u>308,390</u>	<u>284,456</u>	<u>23,934</u>
PERSONAL CARE - GRANTS			
PERSONAL SERVICES	3,858	3,442	416
SUPPLIES	100	0	100
OTHER SERVICES AND CHARGES	<u>900</u>	<u>666</u>	<u>234</u>
TOTAL PERSONAL CARE - GRANTS	<u>4,858</u>	<u>4,108</u>	<u>750</u>
PERSONAL CARE-PRIVATE/OCT-DEC.			
PERSONAL SERVICES	<u>3,785</u>	<u>0</u>	<u>3,785</u>
TOTAL PERSONAL CARE-PRIVATE/OCT-DEC.	<u>3,785</u>	<u>0</u>	<u>3,785</u>
ADMINISTRATION - DIV. ON AGING			
PERSONAL SERVICES	288,527	289,269	742-
SUPPLIES	43,438	36,377	7,061
OTHER SERVICES AND CHARGES	54,975	40,359	14,616
CAPITAL OUTLAY	<u>34,170</u>	<u>33,966</u>	<u>204</u>
TOTAL ADMINISTRATION - DIV. ON AGING	<u>421,110</u>	<u>399,971</u>	<u>21,139</u>
HOMEMAKING			
PERSONAL SERVICES	225,090	206,297	18,793
SUPPLIES	2,150	1,242	908
OTHER SERVICES AND CHARGES	<u>18,024</u>	<u>14,984</u>	<u>3,040</u>
TOTAL HOMEMAKING	<u>245,264</u>	<u>222,523</u>	<u>22,741</u>
HEALTH PROMOTION			
SUPPLIES	425	0	425
OTHER SERVICES AND CHARGES	<u>8,254</u>	<u>5,527</u>	<u>2,727</u>
TOTAL HEALTH PROMOTION	<u>8,679</u>	<u>5,527</u>	<u>3,152</u>
CASE COORDINATION			
PERSONAL SERVICES	203,089	216,969	13,880-
SUPPLIES	2,850	881	1,969

BAY COUNTY  
 DIVISION ON AGING FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	8,924	5,190	3,734
TOTAL CASE COORDINATION	<u>214,863</u>	<u>223,040</u>	<u>8,177-</u>
CAREGIVING TRAINING			
PERSONAL SERVICES	40,714	39,448	1,266
SUPPLIES	983	117	866
OTHER SERVICES AND CHARGES	<u>7,020</u>	<u>4,788</u>	<u>2,232</u>
TOTAL CAREGIVING TRAINING	<u>48,717</u>	<u>44,353</u>	<u>4,364</u>
HOME DELIVERED MEALS-WEEKEND			
PERSONAL SERVICES	2,480	0	2,480
SUPPLIES	2,719	0	2,719
OTHER SERVICES AND CHARGES	<u>100</u>	<u>0</u>	<u>100</u>
TOTAL HOME DELIVERED MEALS-WEEKEND	<u>5,299</u>	<u>0</u>	<u>5,299</u>
FEDERAL C1-CONGREGATE			
PERSONAL SERVICES	254,809	236,468	18,341
SUPPLIES	117,371	120,262	2,891-
OTHER SERVICES AND CHARGES	<u>72,224</u>	<u>57,712</u>	<u>14,512</u>
TOTAL FEDERAL C1-CONGREGATE	<u>444,404</u>	<u>414,442</u>	<u>29,962</u>
MILLAGE MEAL SITES			
PERSONAL SERVICES	11,162	11,630	468-
SUPPLIES	8,900	7,315	1,585
OTHER SERVICES AND CHARGES	<u>3,110</u>	<u>2,553</u>	<u>557</u>
TOTAL MILLAGE MEAL SITES	<u>23,172</u>	<u>21,498</u>	<u>1,674</u>
HOME DELIVERED MEALS			
PERSONAL SERVICES	360,788	346,752	14,036
SUPPLIES	313,696	287,603	26,093
OTHER SERVICES AND CHARGES	<u>35,599</u>	<u>22,185</u>	<u>13,414</u>
TOTAL HOME DELIVERED MEALS	<u>710,083</u>	<u>656,540</u>	<u>53,543</u>
SENIOR CENTER			
PERSONAL SERVICES	3,056	0	3,056
SUPPLIES	100	0	100
OTHER SERVICES AND CHARGES	<u>1,025</u>	<u>34</u>	<u>991</u>
TOTAL SENIOR CENTER	<u>4,181</u>	<u>34</u>	<u>4,147</u>
SENIOR CENTER OCT-DEC			
PERSONAL SERVICES	3,055-	0	3,055-
SUPPLIES	99-	0	99-
OTHER SERVICES AND CHARGES	<u>1,024-</u>	<u>0</u>	<u>1,024-</u>

BAY COUNTY  
 DIVISION ON AGING FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL SENIOR CENTER OCT-DEC	4,178-	0	4,178-
HEALTH PROMOTION OCT-DEC			
SUPPLIES	356	0	356
OTHER SERVICES AND CHARGES	495	0	495
TOTAL HEALTH PROMOTION OCT-DEC	851	0	851
HOME DEL. MEALS-WEEKEND OCT-DEC			
PERSONAL SERVICES	2,479-	0	2,479-
SUPPLIES	2,718-	0	2,718-
OTHER SERVICES AND CHARGES	99-	0	99-
TOTAL HOME DEL. MEALS-WEEKEND OCT-DEC	5,296-	0	5,296-
FEDERAL C1-CONGREGATE OCT-DEC			
PERSONAL SERVICES	3,056	0	3,056
SUPPLIES	100	0	100
OTHER SERVICES AND CHARGES	1,502	0	1,502
TOTAL FEDERAL C1-CONGREGATE OCT-DEC	4,658	0	4,658
HOME DELIVERED MEALS OCT-DEC			
PERSONAL SERVICES	2,821	0	2,821
SUPPLIES	5,199	0	5,199
OTHER SERVICES AND CHARGES	100	0	100
TOTAL HOME DELIVERED MEALS OCT-DEC	8,120	0	8,120
<b>TOTAL HEALTH AND WELFARE</b>	<b>2,473,738</b>	<b>2,309,184</b>	<b>164,554</b>
<b>TOTAL EXPENDITURES</b>	<b>2,473,738</b>	<b>2,309,184</b>	<b>164,554</b>

BAY COUNTY  
 DIVISION ON AGING FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES			
INSURANCE RECOVERIES/PROCEEDS	0	2,186	2,186
TRANSFERS IN FROM GENERAL FUND	<u>5,200</u>	<u>5,200</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u><b>5,200</b></u>	<u><b>7,386</b></u>	<u><b>2,186</b></u>
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	0	2,180	2,180-
TRF OUT-GENERL FD-INDIRECT CST	<u>254,293</u>	<u>254,293</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<u><b>254,293</b></u>	<u><b>256,473</b></u>	<u><b>2,180-</b></u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u><b>249,093-</b></u>	<u><b>249,087-</b></u>	<u><b>6</b></u>
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BAY COUNTY  
 REVENUE SHARING RESERVE FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
INTERESTS, RENTS AND ROYALTIES TREASURER	<u>160,000</u>	<u>193,831</u>	<u>33,831</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>160,000</u></b>	<b><u>193,831</u></b>	<b><u>33,831</u></b>
PROPERTY AND OTHER TAXES TREASURER	<u>5,566,515</u>	<u>5,574,834</u>	<u>8,319</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<b><u>5,566,515</u></b>	<b><u>5,574,834</u></b>	<b><u>8,319</u></b>
<b>TOTAL REVENUES</b>	<b><u>5,726,515</u></b>	<b><u>5,768,665</u></b>	<b><u>42,150</u></b>
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BAY COUNTY  
 REVENUE SHARING RESERVE FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING USES			
TRF OUT-REVENUE SHARING RES FD	1,717,783	1,717,783	0
TRF OUT-REV SHARE RES FND-SBT	<u>297,816</u>	<u>297,816</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<u><b>2,015,599</b></u>	<u><b>2,015,599</b></u>	<u><b>0</b></u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u><b>2,015,599-</b></u>	<u><b>2,015,599-</b></u>	<u><b>0</b></u>
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BAY COUNTY  
 FRIEND OF THE COURT FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CHARGES FOR SERVICES			
FOTC-MEDIATION DUTIES PA294-82	<u>37,000</u>	<u>38,701</u>	<u>1,701</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>37,000</u></b>	<b><u>38,701</u></b>	<b><u>1,701</u></b>
FEDERAL GRANTS			
FOTC-MEDIATION DUTIES PA294-82	<u>57,500</u>	<u>49,844</u>	<u>7,656-</u>
<b>TOTAL FEDERAL GRANTS</b>	<b><u>57,500</u></b>	<b><u>49,844</u></b>	<b><u>7,656-</u></b>
<b>TOTAL REVENUES</b>	<b><u>94,500</u></b>	<b><u>88,545</u></b>	<b><u>5,955-</u></b>

BAY COUNTY  
 FRIEND OF THE COURT FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
GENERAL GOVERNMENT			
FOTC-MEDIATION DUTIES PA294-82			
PERSONAL SERVICES	94,688	78,607	16,081
SUPPLIES	100	0	100
OTHER SERVICES AND CHARGES	1,000	736	264
CAPITAL OUTLAY	<u>350</u>	<u>0</u>	<u>350</u>
TOTAL FOTC-MEDIATION DUTIES PA294-82	<u>96,138</u>	<u>79,343</u>	<u>16,795</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u><b>96,138</b></u>	<u><b>79,343</b></u>	<u><b>16,795</b></u>
<b>TOTAL EXPENDITURES</b>	<u><b>96,138</b></u>	<u><b>79,343</b></u>	<u><b>16,795</b></u>
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BAY COUNTY  
HEALTH DEPT - DIST HEALTH FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
CONTAGIOUS DISEASE	7,000	4,594	2,406-
MATERNAL/INFANT SUPPORT SERVIC	0	413	413
IMMUNIZATIONS	45,949	31,924	14,025-
LABORATORY	50,100	43,200	6,900-
ENVIRONMENTAL HEALTH	4,750	1,535	3,215-
FAMILY PLANNING	27,587	22,513	5,074-
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>135,386</u></b>	<b><u>104,179</u></b>	<b><u>31,207-</u></b>
FEDERAL GRANTS			
IMMUNIZATIONS	360,000	477,080	117,080
MSS/ISS - EARLY ON	55,314	54,987	327-
ENVIRONMENTAL HEALTH	0	7,627	7,627
DEQ WATER QUALITY GRANT	7,500	0	7,500-
<b>TOTAL FEDERAL GRANTS</b>	<b><u>422,814</u></b>	<b><u>539,694</u></b>	<b><u>116,880</u></b>
INTERESTS, RENTS AND ROYALTIES			
HEALTH DEPART.- ADMINISTRATION	1,100	1,100	0
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>1,100</u></b>	<b><u>1,100</u></b>	<b><u>0</u></b>
LICENSES AND PERMITS			
ENVIRONMENTAL HEALTH	170,900	170,332	568-
<b>TOTAL LICENSES AND PERMITS</b>	<b><u>170,900</u></b>	<b><u>170,332</u></b>	<b><u>568-</u></b>
STATE GRANTS			
HEALTH DEPART.- ADMINISTRATION	110,304	95,289	15,015-
CSHC-CHILD SPECIAL HEALTH CARE	30,141	18,890	11,251-
BIOTERRORISM PREPAREDNESS	184,641	178,844	5,797-
BIOTERRORISM RISK COMMUNICATIO	0	3	3
BIOTERRORISM EDUCATION/TRAIN	0	9	9
BIOTERRORISM PANDEMIC FLU	31,370	31,523	153
BIOTERRORISM-OCT/DEC	2,251	0	2,251-
BIOTERROR/ PANDEMIC FLU/OCT-DEC	153	0	153-
MATERNAL/INFANT SUPPORT SERVIC	66,200	65,160	1,040-
IMMUNIZATIONS	53,756	50,573	3,183-
HEARING AND VISION SCREENING	26,533	26,396	137-
LABORATORY	1,500	1,998	498
ENVIRONMENTAL HEALTH	182,248	181,639	609-
FAMILY PLANNING	61,281	82,800	21,519
WOMEN, INFANTS, & CHILDREN	388,920	342,074	46,846-
E.P.S.D.T.	33,104	18,097	15,007-
<b>TOTAL STATE GRANTS</b>	<b><u>1,172,402</u></b>	<b><u>1,093,295</u></b>	<b><u>79,107-</u></b>
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
HEALTH DEPART.- ADMINISTRATION	6,493	8,058	1,565
CSHC-CHILD SPECIAL HEALTH CARE	3,500	0	3,500-

BAY COUNTY  
 HEALTH DEPT - DIST HEALTH FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CONTAGIOUS DISEASE	500	6,097	5,597
BIOTERRORISM PREPAREDNESS	0	6	6
BIOTERRORISM PANDEMIC FLU	0	4	4
MATERNAL/INFANT SUPPORT SERVIC	231,758	207,358	24,400-
IMMUNIZATIONS	43,400	129,992	86,592
HEARING AND VISION SCREENING	1,200	8,413	7,213
LABORATORY	3,250	3,581	331
ENVIRONMENTAL HEALTH	11,475	3,189	8,286-
FAMILY PLANNING	60,300	60,249	51-
WOMEN, INFANTS, & CHILDREN	600	304	296-
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<b><u>362,476</u></b>	<b><u>427,251</u></b>	<b><u>64,775</u></b>
<b>TOTAL REVENUES</b>	<b><u>2,265,078</u></b>	<b><u>2,335,851</u></b>	<b><u>70,773</u></b>
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BAY COUNTY  
HEALTH DEPT - DIST HEALTH FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
HEALTH DEPART.- ADMINISTRATION			
PERSONAL SERVICES	274,144	283,818	9,674-
SUPPLIES	1,875	1,881	6-
OTHER SERVICES AND CHARGES	214,481	76,819	137,662
CAPITAL OUTLAY	<u>55,993</u>	<u>41,571</u>	<u>14,422</u>
TOTAL HEALTH DEPART.- ADMINISTRATION	<u>546,493</u>	<u>404,089</u>	<u>142,404</u>
CSHC-CHILD SPECIAL HEALTH CARE			
PERSONAL SERVICES	14,506	16,282	1,776-
SUPPLIES	1,350	692	658
OTHER SERVICES AND CHARGES	<u>2,482</u>	<u>1,917</u>	<u>565</u>
TOTAL CSHC-CHILD SPECIAL HEALTH CARE	<u>18,338</u>	<u>18,891</u>	<u>553-</u>
CSHC-CHILD SPEC HLTH OCT-DEC			
PERSONAL SERVICES	<u>0</u>	<u>31</u>	<u>31-</u>
TOTAL CSHC-CHILD SPEC HLTH OCT-DEC	<u>0</u>	<u>31</u>	<u>31-</u>
CONTAGIOUS DISEASE			
PERSONAL SERVICES	109,848	96,265	13,583
SUPPLIES	6,100	4,823	1,277
OTHER SERVICES AND CHARGES	<u>7,477</u>	<u>7,165</u>	<u>312</u>
TOTAL CONTAGIOUS DISEASE	<u>123,425</u>	<u>108,253</u>	<u>15,172</u>
BIOTERRORISM PREPAREDNESS			
PERSONAL SERVICES	178,874	160,742	18,132
SUPPLIES	13,222	14,734	1,512-
OTHER SERVICES AND CHARGES	14,800	14,338	462
CAPITAL OUTLAY	<u>825</u>	<u>767</u>	<u>58</u>
TOTAL BIOTERRORISM PREPAREDNESS	<u>207,721</u>	<u>190,581</u>	<u>17,140</u>
BIOTERRORISM RISK COMMUNICATIO			
OTHER SERVICES AND CHARGES	<u>0</u>	<u>3</u>	<u>3-</u>
TOTAL BIOTERRORISM RISK COMMUNICATIO	<u>0</u>	<u>3</u>	<u>3-</u>
BIOTERRORISM EDUCATION/TRAIN			
SUPPLIES	<u>0</u>	<u>9</u>	<u>9-</u>
TOTAL BIOTERRORISM EDUCATION/TRAIN	<u>0</u>	<u>9</u>	<u>9-</u>
BIOTERRORISM PANDEMIC FLU			
PERSONAL SERVICES	11,383	16,698	5,315-
SUPPLIES	2,017	1,269	748
OTHER SERVICES AND CHARGES	16,242	15,470	772
CAPITAL OUTLAY	<u>1,728</u>	<u>4,769</u>	<u>3,041-</u>

BAY COUNTY  
HEALTH DEPT - DIST HEALTH FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL BIOTERRORISM PANDEMIC FLU	<u>31,370</u>	<u>38,206</u>	<u>6,836-</u>
BIOTERRORISM-OCT/DEC			
PERSONAL SERVICES	2,250	0	2,250
SUPPLIES	36-	0	36-
OTHER SERVICES AND CHARGES	<u>34-</u>	<u>0</u>	<u>34-</u>
TOTAL BIOTERRORISM-OCT/DEC	<u>2,180</u>	<u>0</u>	<u>2,180</u>
BIOTERROR/PANDEMIC FLU/OCT-DEC			
PERSONAL SERVICES	<u>153</u>	<u>0</u>	<u>153</u>
TOTAL BIOTERROR/PANDEMIC FLU/OCT-DEC	<u>153</u>	<u>0</u>	<u>153</u>
MATERNAL/CHILD SERVICES			
PERSONAL SERVICES	141,490	134,656	6,834
OTHER SERVICES AND CHARGES	<u>3,789</u>	<u>3,789</u>	<u>0</u>
TOTAL MATERNAL/CHILD SERVICES	<u>145,279</u>	<u>138,445</u>	<u>6,834</u>
MATERNAL/INFANT SUPPORT SERVIC			
PERSONAL SERVICES	236,046	230,777	5,269
SUPPLIES	2,850	2,037	813
OTHER SERVICES AND CHARGES	<u>36,375</u>	<u>40,116</u>	<u>3,741-</u>
TOTAL MATERNAL/INFANT SUPPORT SERVIC	<u>275,271</u>	<u>272,930</u>	<u>2,341</u>
IMMUNIZATIONS			
PERSONAL SERVICES	148,480	139,397	9,083
SUPPLIES	397,950	539,206	141,256-
OTHER SERVICES AND CHARGES	<u>14,520</u>	<u>10,965</u>	<u>3,555</u>
TOTAL IMMUNIZATIONS	<u>560,950</u>	<u>689,568</u>	<u>128,618-</u>
MSS/ISS - EARLY ON			
PERSONAL SERVICES	50,762	50,881	119-
SUPPLIES	625	231	394
OTHER SERVICES AND CHARGES	<u>3,927</u>	<u>3,876</u>	<u>51</u>
TOTAL MSS/ISS - EARLY ON	<u>55,314</u>	<u>54,988</u>	<u>326</u>
HEARING AND VISION SCREENING			
PERSONAL SERVICES	29,178	29,432	254-
SUPPLIES	800	888	88-
OTHER SERVICES AND CHARGES	<u>5,800</u>	<u>4,489</u>	<u>1,311</u>
TOTAL HEARING AND VISION SCREENING	<u>35,778</u>	<u>34,809</u>	<u>969</u>
LABORATORY			
PERSONAL SERVICES	95,193	96,719	1,526-
SUPPLIES	20,025	19,170	855
OTHER SERVICES AND CHARGES	<u>8,605</u>	<u>6,323</u>	<u>2,282</u>

BAY COUNTY  
HEALTH DEPT - DIST HEALTH FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
TOTAL LABORATORY	<u>123,823</u>	<u>122,212</u>	<u>1,611</u>
ENVIRONMENTAL HEALTH			
PERSONAL SERVICES	343,564	340,770	2,794
SUPPLIES	6,750	3,032	3,718
OTHER SERVICES AND CHARGES	<u>46,090</u>	<u>38,570</u>	<u>7,520</u>
TOTAL ENVIRONMENTAL HEALTH	<u>396,404</u>	<u>382,372</u>	<u>14,032</u>
DEQ WATER QUALITY GRANT			
PERSONAL SERVICES	1,758	0	1,758
OTHER SERVICES AND CHARGES	<u>5,909</u>	<u>0</u>	<u>5,909</u>
TOTAL DEQ WATER QUALITY GRANT	<u>7,667</u>	<u>0</u>	<u>7,667</u>
FAMILY PLANNING			
PERSONAL SERVICES	144,776	117,797	26,979
SUPPLIES	35,318	34,331	987
OTHER SERVICES AND CHARGES	<u>15,084</u>	<u>13,435</u>	<u>1,649</u>
TOTAL FAMILY PLANNING	<u>195,178</u>	<u>165,563</u>	<u>29,615</u>
FAMILY PLANNING OCT-DEC			
OTHER SERVICES AND CHARGES	<u>2,575</u>	<u>0</u>	<u>2,575</u>
TOTAL FAMILY PLANNING OCT-DEC	<u>2,575</u>	<u>0</u>	<u>2,575</u>
WOMEN, INFANTS, & CHILDREN			
PERSONAL SERVICES	287,174	304,233	17,059-
SUPPLIES	12,842	7,617	5,225
OTHER SERVICES AND CHARGES	37,525	20,670	16,855
CAPITAL OUTLAY	<u>13,309</u>	<u>9,858</u>	<u>3,451</u>
TOTAL WOMEN, INFANTS, & CHILDREN	<u>350,850</u>	<u>342,378</u>	<u>8,472</u>
E.P.S.D.T.			
PERSONAL SERVICES	31,738	20,147	11,591
SUPPLIES	3,666	1,585	2,081
OTHER SERVICES AND CHARGES	<u>1,700</u>	<u>365</u>	<u>1,335</u>
TOTAL E.P.S.D.T.	<u>37,104</u>	<u>22,097</u>	<u>15,007</u>
MEDICAID OUTREACH/ADVOCACY			
PERSONAL SERVICES	14,887	8,976	5,911
SUPPLIES	550	308	242
OTHER SERVICES AND CHARGES	<u>2,200</u>	<u>1,183</u>	<u>1,017</u>
TOTAL MEDICAID OUTREACH/ADVOCACY	<u>17,637</u>	<u>10,467</u>	<u>7,170</u>
SUBSTANCE ABUSE			
OTHER SERVICES AND CHARGES	<u>206,434</u>	<u>225,257</u>	<u>18,823-</u>

BAY COUNTY  
 HEALTH DEPT - DIST HEALTH FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL SUBSTANCE ABUSE	<u>206,434</u>	<u>225,257</u>	<u>18,823-</u>
TOTAL HEALTH AND WELFARE	<u>3,339,944</u>	<u>3,221,149</u>	<u>118,795</u>
TOTAL EXPENDITURES	<u>3,339,944</u> =====	<u>3,221,149</u> =====	<u>118,795</u> =====

BAY COUNTY  
HEALTH DEPT - DIST HEALTH FUND  
SCHEDULE OF OTHER FINANCING SOURCES AND USES  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	1,266,228	1,266,228	0
TRSF IN-GEN FUND-CIGARETTE TAX	45,654	45,378	276-
TRSF IN-GEN'L FUND-LIQUOR TAX	<u>206,434</u>	<u>225,257</u>	<u>18,823</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u><b>1,518,316</b></u>	<u><b>1,536,863</b></u>	<u><b>18,547</b></u>
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	0	32,553	32,553-
TRF OUT-GENERL FD-INDIRECT CST	<u>520,700</u>	<u>520,700</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<u><b>520,700</b></u>	<u><b>553,253</b></u>	<u><b>32,553-</b></u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u><b>997,616</b></u>	<u><b>983,610</b></u>	<u><b>14,006-</b></u>
	=====	=====	=====

BAY COUNTY  
 GYPSY MOTH CONTROL FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
FEDERAL GRANTS			
GYPSY MOTH SUPPRESSION	<u>14,393</u>	<u>14,394</u>	<u>1</u>
<b>TOTAL FEDERAL GRANTS</b>	<u>14,393</u>	<u>14,394</u>	<u>1</u>
INTERESTS, RENTS AND ROYALTIES			
GYPSY MOTH SUPPRESSION	<u>6,900</u>	<u>16,921</u>	<u>10,021</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<u>6,900</u>	<u>16,921</u>	<u>10,021</u>
PROPERTY AND OTHER TAXES			
GYPSY MOTH SUPPRESSION	<u>0</u>	<u>156</u>	<u>156</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<u>0</u>	<u>156</u>	<u>156</u>
<b>TOTAL REVENUES</b>	<u>21,293</u>	<u>31,471</u>	<u>10,178</u>
	=====	=====	=====

BAY COUNTY  
 GYPSY MOTH CONTROL FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
GYPSY MOTH SUPPRESSION			
PERSONAL SERVICES	56,427	57,465	1,038-
SUPPLIES	2,600	1,761	839
OTHER SERVICES AND CHARGES	<u>64,350</u>	<u>19,000</u>	<u>45,350</u>
TOTAL GYPSY MOTH SUPPRESSION	<u>123,377</u>	<u>78,226</u>	<u>45,151</u>
TOTAL GENERAL GOVERNMENT	<u>123,377</u>	<u>78,226</u>	<u>45,151</u>
 TOTAL EXPENDITURES	 <u>123,377</u>	 <u>78,226</u>	 <u>45,151</u>
	=====	=====	=====

BAY COUNTY  
 GYPSY MOTH CONTROL FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING USES			
TRF OUT-GENERL FD-INDIRECT CST	15,844	15,844	0
<b>TOTAL OTHER FINANCING USES</b>	<b>15,844</b>	<b>15,844</b>	<b>0</b>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>15,844-</b>	<b>15,844-</b>	<b>0</b>

BAY COUNTY  
PUBLIC IMPROVEMENT FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
INTERESTS, RENTS AND ROYALTIES			
MAINT KAWKAWLIN RIVER DREDGING	500	840	340
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<u>500</u>	<u>840</u>	<u>340</u>
<b>TOTAL REVENUES</b>	<u>500</u>	<u>840</u>	<u>340</u>
	=====	=====	=====

BAY COUNTY  
 REGIST.OF DEEDS AUTOMATION FND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
INTERESTS, RENTS AND ROYALTIES			
REGISTER OF DEEDS	6,000	8,926	2,926
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<u>6,000</u>	<u>8,926</u>	<u>2,926</u>
<b>TOTAL REVENUES</b>	<u>6,000</u>	<u>8,926</u>	<u>2,926</u>
	=====	=====	=====

BAY COUNTY  
 REGIST.OF DEEDS AUTOMATION FND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
REGISTER OF DEEDS			
SUPPLIES	10,500	9,957	543
OTHER SERVICES AND CHARGES	57,200	30,159	27,041
CAPITAL OUTLAY	<u>15,000</u>	<u>15,000</u>	<u>0</u>
TOTAL REGISTER OF DEEDS	<u>82,700</u>	<u>55,116</u>	<u>27,584</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>82,700</u>	<u>55,116</u>	<u>27,584</u>
<b>TOTAL EXPENDITURES</b>	<u>82,700</u>	<u>55,116</u>	<u>27,584</u>
	=====	=====	=====

BAY COUNTY  
 REGIST.OF DEEDS AUTOMATION FND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	<u>125,000</u>	<u>113,525</u>	<u>11,475-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u><b>125,000</b></u>	<u><b>113,525</b></u>	<u><b>11,475-</b></u>
OTHER FINANCING USES			
TRF OUT-GENERL FD-INDIRECT CST	<u>14,962</u>	<u>14,962</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<u><b>14,962</b></u>	<u><b>14,962</b></u>	<u><b>0</b></u>
 <b>NET OTHER FINANCING SOURCES (USES)</b>	 <u><b>110,038</b></u>	 <u><b>98,563</b></u>	 <u><b>11,475-</b></u>
	=====	=====	=====

BAY COUNTY  
 LOCAL C.F.O. TRAINING FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
LOCAL C.F.O. TRAINING	<u>20,000</u>	<u>24,255</u>	<u>4,255</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<u><b>20,000</b></u>	<u><b>24,255</b></u>	<u><b>4,255</b></u>
<b>TOTAL REVENUES</b>	<u><b>20,000</b></u>	<u><b>24,255</b></u>	<u><b>4,255</b></u>

BAY COUNTY  
 LOCAL C.F.O. TRAINING FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY			
LOCAL C.F.O. TRAINING			
PERSONAL SERVICES	10,310	199	10,111
SUPPLIES	5,000	0	5,000
OTHER SERVICES AND CHARGES	<u>13,999</u>	<u>5,687</u>	<u>8,312</u>
TOTAL LOCAL C.F.O. TRAINING	<u>29,309</u>	<u>5,886</u>	<u>23,423</u>
TOTAL PUBLIC SAFETY	<u>29,309</u>	<u>5,886</u>	<u>23,423</u>
 TOTAL EXPENDITURES	 <u>29,309</u>	 <u>5,886</u>	 <u>23,423</u>
	=====	=====	=====

BAY COUNTY  
 DRUG LAW ENFORCEMENT FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
FINES AND FORFEITS SHERIFF DEPARTMENT	<u>1,500</u>	<u>3,780</u>	<u>2,280</u>
<b>TOTAL FINES AND FORFEITS</b>	<u><b>1,500</b></u>	<u><b>3,780</b></u>	<u><b>2,280</b></u>
<b>TOTAL REVENUES</b>	<u><b>1,500</b></u> =====	<u><b>3,780</b></u> =====	<u><b>2,280</b></u> =====

BAY COUNTY  
 DRUG LAW ENFORCEMENT FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY			
SHERIFF DEPARTMENT			
CAPITAL OUTLAY	1,500	0	1,500
TOTAL SHERIFF DEPARTMENT	<u>1,500</u>	<u>0</u>	<u>1,500</u>
SECONDARY ROAD PATROL			
CAPITAL OUTLAY	21,435	0	21,435
TOTAL SECONDARY ROAD PATROL	<u>21,435</u>	<u>0</u>	<u>21,435</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>22,935</u>	<u>0</u>	<u>22,935</u>
<b>TOTAL EXPENDITURES</b>	<u>22,935</u>	<u>0</u>	<u>22,935</u>
	=====	=====	=====

BAY COUNTY  
LAW LIBRARY FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
FINES AND FORFEITS			
LAW LIBRARY	6,500	3,250	3,250-
<b>TOTAL FINES AND FORFEITS</b>	<u>6,500</u>	<u>3,250</u>	<u>3,250-</u>
<b>TOTAL REVENUES</b>	<u>6,500</u>	<u>3,250</u>	<u>3,250-</u>

BAY COUNTY  
LAW LIBRARY FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
LAW LIBRARY			
SUPPLIES	300	0	300
OTHER SERVICES AND CHARGES	<u>20,850</u>	<u>21,301</u>	<u>451-</u>
TOTAL LAW LIBRARY	<u>21,150</u>	<u>21,301</u>	<u>151-</u>
TOTAL GENERAL GOVERNMENT	<u>21,150</u>	<u>21,301</u>	<u>151-</u>
TOTAL EXPENDITURES	<u>21,150</u> =====	<u>21,301</u> =====	<u>151-</u> =====

BAY COUNTY  
LAW LIBRARY FUND  
SCHEDULE OF OTHER FINANCING SOURCES AND USES  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	<u>14,650</u>	<u>14,650</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>14,650</u></b>	<b><u>14,650</u></b>	<b><u>0</u></b>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>14,650</b>	<b>14,650</b>	<b>0</b>
	=====	=====	=====

BAY COUNTY  
 COMMUNITY CORRECTIONS FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
COMMUNITY SERVICE WORK	<u>12,000</u>	<u>15,750</u>	<u>3,750</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>12,000</u></b>	<b><u>15,750</u></b>	<b><u>3,750</u></b>
STATE GRANTS			
DRUG LAW ENFORCEMENT	279,313	305,393	26,080
COMMUNITY CORRECTIONS PLAN	<u>155,157</u>	<u>148,652</u>	<u>6,505</u>
<b>TOTAL STATE GRANTS</b>	<b><u>434,470</u></b>	<b><u>454,045</u></b>	<b><u>19,575</u></b>
<b>TOTAL REVENUES</b>	<b><u>446,470</u></b>	<b><u>469,795</u></b>	<b><u>23,325</u></b>
	=====	=====	=====

BAY COUNTY  
COMMUNITY CORRECTIONS FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
PUBLIC SAFETY			
DRUG LAW ENFORCEMENT			
OTHER SERVICES AND CHARGES	<u>279,313</u>	<u>294,643</u>	<u>15,330-</u>
TOTAL DRUG LAW ENFORCEMENT	<u>279,313</u>	<u>294,643</u>	<u>15,330-</u>
COMMUNITY SERVICE WORK			
OTHER SERVICES AND CHARGES	<u>13,500</u>	<u>14,750</u>	<u>1,250-</u>
TOTAL COMMUNITY SERVICE WORK	<u>13,500</u>	<u>14,750</u>	<u>1,250-</u>
COMMUNITY CORRECTIONS PLAN			
PERSONAL SERVICES	54,770	55,529	759-
SUPPLIES	940	560	380
OTHER SERVICES AND CHARGES	<u>118,241</u>	<u>106,564</u>	<u>11,677</u>
TOTAL COMMUNITY CORRECTIONS PLAN	<u>173,951</u>	<u>162,653</u>	<u>11,298</u>
<b>TOTAL PUBLIC SAFETY</b>	<u><b>466,764</b></u>	<u><b>472,046</b></u>	<u><b>5,282-</b></u>
<b>TOTAL EXPENDITURES</b>	<u><b>466,764</b></u>	<u><b>472,046</b></u>	<u><b>5,282-</b></u>
	=====	=====	=====

BAY COUNTY  
 COMMUNITY CORRECTIONS FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	10,263	10,263	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>10,263</b>	<b>10,263</b>	<b>0</b>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>10,263</b>	<b>10,263</b>	<b>0</b>

BAY COUNTY  
HOME REHABILITATION FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CHARGES FOR SERVICES			
REDEVELOPMENT AND HOUSING	<u>315</u>	<u>240</u>	<u>75-</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<b><u>315</u></b>	<b><u>240</u></b>	<b><u>75-</u></b>
FEDERAL GRANTS			
REDEVELOPMENT AND HOUSING	<u>150,000</u>	<u>114,759</u>	<u>35,241-</u>
<b>TOTAL FEDERAL GRANTS</b>	<b><u>150,000</u></b>	<b><u>114,759</u></b>	<b><u>35,241-</u></b>
INTERESTS, RENTS AND ROYALTIES			
REDEVELOPMENT AND HOUSING	<u>1,100</u>	<u>1,375</u>	<u>275</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>1,100</u></b>	<b><u>1,375</u></b>	<b><u>275</u></b>
 <b>TOTAL REVENUES</b>	 <b><u>151,415</u></b>	 <b><u>116,374</u></b>	 <b><u>35,041-</u></b>
	=====	=====	=====

BAY COUNTY  
HOME REHABILITATION FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
COMMUNITY/ECONOMIC DEVELOPMENT			
REDEVELOPMENT AND HOUSING			
PERSONAL SERVICES	6,731	7,023	292-
SUPPLIES	549	132	417
OTHER SERVICES AND CHARGES	<u>146,970</u>	<u>44,752-</u>	<u>191,722</u>
TOTAL REDEVELOPMENT AND HOUSING	<u>154,250</u>	<u>37,597-</u>	<u>191,847</u>
REDEVELOP/HOUSING RECAPTURED			
SUPPLIES	50	0	50
OTHER SERVICES AND CHARGES	<u>123,950</u>	<u>55,696</u>	<u>68,254</u>
TOTAL REDEVELOP/HOUSING RECAPTURED	<u>124,000</u>	<u>55,696</u>	<u>68,304</u>
<b>TOTAL COMMUNITY/ECONOMIC DEVELOPMENT</b>	<u><b>278,250</b></u>	<u><b>18,099</b></u>	<u><b>260,151</b></u>
<b>TOTAL EXPENDITURES</b>	<b>278,250</b>	<b>18,099</b>	<b>260,151</b>
	=====	=====	=====

BAY COUNTY  
 SOCIAL WELFARE FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MI DEPT HUMAN SERV-BAY COUNTY	493,000	171,159	321,841-
MI DEPT HUMAN SERV-ARENAC CTY	131,000	85,757	45,243-
MI DEPT HUMAN SRV BD-ARENAC CT	<u>9,353</u>	<u>5,583</u>	<u>3,770-</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<u>633,353</u>	<u>262,499</u>	<u>370,854-</u>
<b>TOTAL REVENUES</b>	<u>633,353</u>	<u>262,499</u>	<u>370,854-</u>
	=====	=====	=====

BAY COUNTY  
SOCIAL WELFARE FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MI DEPT HUMAN SERV-BAY COUNTY			
OTHER SERVICES AND CHARGES	<u>545,546</u>	<u>196,410</u>	<u>349,136</u>
TOTAL MI DEPT HUMAN SERV-BAY COUNTY	<u>545,546</u>	<u>196,410</u>	<u>349,136</u>
MI DEPT HUMAN SERV BRD-BAY CTY			
PERSONAL SERVICES	2,025	1,755	270
OTHER SERVICES AND CHARGES	<u>5,375</u>	<u>2,842</u>	<u>2,533</u>
TOTAL MI DEPT HUMAN SERV BRD-BAY CTY	<u>7,400</u>	<u>4,597</u>	<u>2,803</u>
MI DEPT HUMAN SERV-ARENAC CTY			
OTHER SERVICES AND CHARGES	<u>131,000</u>	<u>88,464</u>	<u>42,536</u>
TOTAL MI DEPT HUMAN SERV-ARENAC CTY	<u>131,000</u>	<u>88,464</u>	<u>42,536</u>
MI DEPT HUMAN SRV BD-ARENAC CT			
PERSONAL SERVICES	2,700	2,950	250-
OTHER SERVICES AND CHARGES	<u>6,653</u>	<u>2,513</u>	<u>4,140</u>
TOTAL MI DEPT HUMAN SRV BD-ARENAC CT	<u>9,353</u>	<u>5,463</u>	<u>3,890</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u><b>693,299</b></u>	<u><b>294,934</b></u>	<u><b>398,365</b></u>
<b>TOTAL EXPENDITURES</b>	<u><b>693,299</b></u>	<u><b>294,934</b></u>	<u><b>398,365</b></u>
	=====	=====	=====

BAY COUNTY  
 SOCIAL WELFARE FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	<u>34,946</u>	<u>33,400</u>	<u>1,546-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u><b>34,946</b></u>	<u><b>33,400</b></u>	<u><b>1,546-</b></u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u><b>34,946</b></u>	<u><b>33,400</b></u>	<u><b>1,546-</b></u>
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BAY COUNTY  
 SOC. WELF.-PROTECTIVE SERVICES  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MI DEPT HUMAN SERV-BAY COUNTY	500	0	500-
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<b>500</b>	<b>0</b>	<b>500-</b>
<b>TOTAL REVENUES</b>	<b>500</b>	<b>0</b>	<b>500-</b>

BAY COUNTY  
 SOC. WELF.-PROTECTIVE SERVICES  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MI DEPT HUMAN SERV-BAY COUNTY			
OTHER SERVICES AND CHARGES	500	0	500
TOTAL MI DEPT HUMAN SERV-BAY COUNTY	500	0	500
TOTAL HEALTH AND WELFARE	500	0	500
TOTAL EXPENDITURES	500	0	500
	=====	=====	=====

BAY COUNTY  
CHILD CARE FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
FEDERAL GRANTS			
INSTIT. CARE-DET. FAC (JUV. HOME)	17,000	21,421	4,421
JUVENILE HOME SUBSTANCE ABUSE	<u>12,000</u>	<u>7,252</u>	<u>4,748-</u>
<b>TOTAL FEDERAL GRANTS</b>	<b><u>29,000</u></b>	<b><u>28,673</u></b>	<b><u>327-</u></b>
INTERESTS, RENTS AND ROYALTIES			
INSTIT. CARE-DET. FAC (JUV. HOME)	<u>3,000</u>	<u>3,600</u>	<u>600</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<b><u>3,000</u></b>	<b><u>3,600</u></b>	<b><u>600</u></b>
STATE GRANTS			
JUV. COMMUNITY BASED TREATMENT	17,796	19,608	1,812
JUV. GENDER SPECIFIC SERVICES	<u>17,996</u>	<u>19,277</u>	<u>1,281</u>
<b>TOTAL STATE GRANTS</b>	<b><u>35,792</u></b>	<b><u>38,885</u></b>	<b><u>3,093</u></b>
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
CHILD CARE-PROBATE (CHILD IN C	317,800	335,481	17,681
INSTIT. CARE-DET. FAC (JUV. HOME)	703,363	720,833	17,470
JUVENILE HOME SUBSTANCE ABUSE	300,650	92,026	208,624-
IN-HOME CARE-INTENSIVE PROBAT.	107,700	113,398	5,698
JUV. COMMUNITY BASED TREATMENT	77,179	77,855	676
JUV. GENDER SPECIFIC SERVICES	<u>52,764</u>	<u>53,297</u>	<u>533</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<b><u>1,559,456</u></b>	<b><u>1,392,890</u></b>	<b><u>166,566-</u></b>
<b>TOTAL REVENUES</b>	<b><u>1,627,248</u></b>	<b><u>1,464,048</u></b>	<b><u>163,200-</u></b>
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BAY COUNTY  
CHILD CARE FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
HEALTH AND WELFARE			
CHILD CARE-PROBATE (CHILD IN C OTHER SERVICES AND CHARGES	616,100	618,576	2,476-
TOTAL CHILD CARE-PROBATE (CHILD IN C	<u>616,100</u>	<u>618,576</u>	<u>2,476-</u>
INSTIT. CARE-DET. FAC (JUV. HOME)			
PERSONAL SERVICES	894,725	917,521	22,796-
SUPPLIES	42,350	38,071	4,279
OTHER SERVICES AND CHARGES	163,170	147,396	15,774
CAPITAL OUTLAY	15,500	0	15,500
TOTAL INSTIT. CARE-DET. FAC (JUV. HOME)	<u>1,115,745</u>	<u>1,102,988</u>	<u>12,757</u>
JUVENILE HOME SUBSTANCE ABUSE			
PERSONAL SERVICES	256,356	147,775	108,581
SUPPLIES	17,589	6,625	10,964
OTHER SERVICES AND CHARGES	33,530	16,317	17,213
TOTAL JUVENILE HOME SUBSTANCE ABUSE	<u>307,475</u>	<u>170,717</u>	<u>136,758</u>
CHILD CARE-D.S.S. (STATE WARDS			
OTHER SERVICES AND CHARGES	225,000	219,823	5,177
TOTAL CHILD CARE-D.S.S. (STATE WARDS	<u>225,000</u>	<u>219,823</u>	<u>5,177</u>
IN-HOME CARE-INTENSIVE PROBAT.			
PERSONAL SERVICES	180,283	182,900	2,617-
SUPPLIES	125	0	125
OTHER SERVICES AND CHARGES	8,135	6,837	1,298
TOTAL IN-HOME CARE-INTENSIVE PROBAT.	<u>188,543</u>	<u>189,737</u>	<u>1,194-</u>
<b>TOTAL HEALTH AND WELFARE</b>	<b><u>2,452,863</u></b>	<b><u>2,301,841</u></b>	<b><u>151,022</u></b>
RECREATION AND CULTURE			
JUV. COMMUNITY BASED TREATMENT			
PERSONAL SERVICES	134,805	135,739	934-
SUPPLIES	2,510	858	1,652
OTHER SERVICES AND CHARGES	11,600	13,911	2,311-
TOTAL JUV. COMMUNITY BASED TREATMENT	<u>148,915</u>	<u>150,508</u>	<u>1,593-</u>
JUV. GENDER SPECIFIC SERVICES			
PERSONAL SERVICES	95,499	97,731	2,232-
SUPPLIES	2,225	1,864	361
OTHER SERVICES AND CHARGES	8,220	7,768	452
CAPITAL OUTLAY	400	0	400
TOTAL JUV. GENDER SPECIFIC SERVICES	<u>106,344</u>	<u>107,363</u>	<u>1,019-</u>

BAY COUNTY  
CHILD CARE FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>TOTAL RECREATION AND CULTURE</b>	<u>255,259</u>	<u>257,871</u>	<u>2,612-</u>
DEBT SERVICE			
PRINCIPAL PAYMENTS	99,171	99,035	136
INTEREST PAYMENT	<u>3,456</u>	<u>3,200</u>	<u>256</u>
<b>TOTAL DEBT SERVICE</b>	<u>102,627</u>	<u>102,235</u>	<u>392</u>
<b>TOTAL EXPENDITURES</b>	<u>2,810,749</u>	<u>2,661,947</u>	<u>148,802</u>
	=====	=====	=====

BAY COUNTY  
CHILD CARE FUND  
SCHEDULE OF OTHER FINANCING SOURCES AND USES  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	1,321,940	1,321,940	0
TRSF IN-GEN FUND-CIGARETTE TAX	<u>19,022</u>	<u>18,907</u>	<u>115-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>1,340,962</u></b>	<b><u>1,340,847</u></b>	<b><u>115-</u></b>
OTHER FINANCING USES			
TRF OUT-GENERL FD-INDIRECT CST	<u>158,008</u>	<u>158,008</u>	<u>0</u>
<b>TOTAL OTHER FINANCING USES</b>	<b><u>158,008</u></b>	<b><u>158,008</u></b>	<b><u>0</u></b>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b><u>1,182,954</u></b>	<b><u>1,182,839</u></b>	<b><u>115-</u></b>
	=====	=====	=====

BAY COUNTY  
CHILD CARE/SOCIAL SERVICES  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MI DEPT HUMAN SERV-BAY COUNTY	<u>3,750</u>	<u>640</u>	<u>3,110-</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<u>3,750</u>	<u>640</u>	<u>3,110-</u>
<b>TOTAL REVENUES</b>	<u>3,750</u>	<u>640</u>	<u>3,110-</u>
	=====	=====	=====

BAY COUNTY  
CHILD CARE/SOCIAL SERVICES  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
HEALTH AND WELFARE			
MI DEPT HUMAN SERV-BAY COUNTY			
OTHER SERVICES AND CHARGES	<u>7,500</u>	<u>1,280</u>	<u>6,220</u>
TOTAL MI DEPT HUMAN SERV-BAY COUNTY	<u>7,500</u>	<u>1,280</u>	<u>6,220</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u><b>7,500</b></u>	<u><b>1,280</b></u>	<u><b>6,220</b></u>
<b>TOTAL EXPENDITURES</b>	<u><b>7,500</b></u>	<u><b>1,280</b></u>	<u><b>6,220</b></u>
	=====	=====	=====

BAY COUNTY  
SOLDIERS' RELIEF FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
HEALTH AND WELFARE			
SOLDIERS AND SAILORS RELIEF			
PERSONAL SERVICES	800	300	500
SUPPLIES	80	63	17
OTHER SERVICES AND CHARGES	<u>31,475</u>	<u>29,440</u>	<u>2,035</u>
TOTAL SOLDIERS AND SAILORS RELIEF	<u>32,355</u>	<u>29,803</u>	<u>2,552</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>32,355</u>	<u>29,803</u>	<u>2,552</u>
<b>TOTAL EXPENDITURES</b>	<u>32,355</u>	<u>29,803</u>	<u>2,552</u>
	=====	=====	=====

BAY COUNTY  
 SOLDIERS' RELIEF FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM OTHER FUNDS	30,830	30,830	0
TRANSFERS IN FROM GENERAL FUND	<u>1,525</u>	<u>1,525</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u><b>32,355</b></u>	<u><b>32,355</b></u>	<u><b>0</b></u>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>32,355</b>	<b>32,355</b>	<b>0</b>
	=====	=====	=====

BAY COUNTY  
 VETERANS' TRUST FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
VETERANS' TRUST BOARD	<u>40,000</u>	<u>33,632</u>	<u>6,368-</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<u><b>40,000</b></u>	<u><b>33,632</b></u>	<u><b>6,368-</b></u>
<b>TOTAL REVENUES</b>	<b>40,000</b>	<b>33,632</b>	<b>6,368-</b>
	=====	=====	=====

BAY COUNTY  
 VETERANS' TRUST FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
HEALTH AND WELFARE			
VETERANS' TRUST BOARD			
PERSONAL SERVICES	14,544	13,626	918
SUPPLIES	11,040	3,105	7,935
OTHER SERVICES AND CHARGES	<u>14,416</u>	<u>17,264</u>	<u>2,848-</u>
TOTAL VETERANS' TRUST BOARD	<u>40,000</u>	<u>33,995</u>	<u>6,005</u>
TOTAL HEALTH AND WELFARE	<u>40,000</u>	<u>33,995</u>	<u>6,005</u>
 TOTAL EXPENDITURES	 <u>40,000</u>	 <u>33,995</u>	 <u>6,005</u>
	=====	=====	=====

BAY COUNTY  
WILDLIFE RESTORATION FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
RECREATION AND CULTURE			
WILDLIFE RESTORATION			
SUPPLIES	100	0	100
OTHER SERVICES AND CHARGES	<u>9,501</u>	<u>8,101</u>	<u>1,400</u>
TOTAL WILDLIFE RESTORATION	<u>9,601</u>	<u>8,101</u>	<u>1,500</u>
TOTAL RECREATION AND CULTURE	<u>9,601</u>	<u>8,101</u>	<u>1,500</u>
 TOTAL EXPENDITURES	 <u>9,601</u>	 <u>8,101</u>	 <u>1,500</u>
	=====	=====	=====

BAY COUNTY  
WILDLIFE RESTORATION FUND  
SCHEDULE OF OTHER FINANCING SOURCES AND USES  
YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	<u>1,500</u>	<u>0</u>	<u>1,500-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u><b>1,500</b></u>	<u><b>0</b></u>	<u><b>1,500-</b></u>
 <b>NET OTHER FINANCING SOURCES (USES)</b>	 <u><b>1,500</b></u>	 <u><b>0</b></u>	 <u><b>1,500-</b></u>
	=====	=====	=====

BAY COUNTY  
HISTORICAL PRESERVATION FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES HISTORICAL PRESERVATION	<u>25</u>	<u>26</u>	<u>1</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<u>25</u>	<u>26</u>	<u>1</u>
PROPERTY AND OTHER TAXES HISTORICAL PRESERVATION	<u>261,466</u>	<u>261,527</u>	<u>61</u>
<b>TOTAL PROPERTY AND OTHER TAXES</b>	<u>261,466</u>	<u>261,527</u>	<u>61</u>
<b>TOTAL REVENUES</b>	<u>261,491</u>	<u>261,553</u>	<u>62</u>
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BAY COUNTY  
HISTORICAL PRESERVATION FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
RECREATION AND CULTURE			
HISTORICAL PRESERVATION			
OTHER SERVICES AND CHARGES	<u>261,491</u>	<u>261,554</u>	<u>63-</u>
TOTAL HISTORICAL PRESERVATION	<u>261,491</u>	<u>261,554</u>	<u>63-</u>
<b>TOTAL RECREATION AND CULTURE</b>	<u>261,491</u>	<u>261,554</u>	<u>63-</u>
<b>TOTAL EXPENDITURES</b>	<u>261,491</u>	<u>261,554</u>	<u>63-</u>
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BAY COUNTY  
 BLDG AUTHORITY DEBT FUND  
 SCHEDULE OF REVENUES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
BLDG AUTH-L.E.C. RENOVATION	230	294	64
BLDG AUTH-COURT FACILITIES	25	21	4-
BLDG AUTH-LIBRARY PROJECT	9,000	19,462	10,462
BLDG AUTH-DEBT SRV,MH GRP HOME	<u>286,800</u>	<u>297,253</u>	<u>10,453</u>
<b>TOTAL INTERESTS, RENTS AND ROYALTIES</b>	<u><b>296,055</b></u>	<u><b>317,030</b></u>	<u><b>20,975</b></u>
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
BLDG AUTH-LIBRARY PROJECT	<u>1,298,239</u>	<u>1,298,239</u>	<u>0</u>
<b>TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES</b>	<u><b>1,298,239</b></u>	<u><b>1,298,239</b></u>	<u><b>0</b></u>
 <b>TOTAL REVENUES</b>	 <u><b>1,594,294</b></u>	 <u><b>1,615,269</b></u>	 <u><b>20,975</b></u>
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BAY COUNTY  
 BLDG AUTHORITY DEBT FUND  
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
 YEAR ENDED DECEMBER 31, 2006

	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
BLDG AUTH-COURT FACILITIES			
OTHER SERVICES AND CHARGES	<u>39,123</u>	<u>39,122</u>	<u>1</u>
TOTAL BLDG AUTH-COURT FACILITIES	<u>39,123</u>	<u>39,122</u>	<u>1</u>
BLDG AUTH-CIVIC/ICE ARENA			
OTHER SERVICES AND CHARGES	<u>31,412</u>	<u>31,411</u>	<u>1</u>
TOTAL BLDG AUTH-CIVIC/ICE ARENA	<u>31,412</u>	<u>31,411</u>	<u>1</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u><b>70,535</b></u>	<u><b>70,533</b></u>	<u><b>2</b></u>
DEBT SERVICE			
PRINCIPAL PAYMENTS	2,504,375	2,504,375	0
PYMT-REFUNDED DBT ESCROW AGENT	7,393,707	7,393,705	2
INTEREST PAYMENT	1,240,347	1,240,347	0
UNDERWRITER'S DISCOUNT	40,315	40,314	1
PAYING AGENT & CREMATION FEES	<u>300</u>	<u>300</u>	<u>0</u>
<b>TOTAL DEBT SERVICE</b>	<u><b>11,179,044</b></u>	<u><b>11,179,041</b></u>	<u><b>3</b></u>
<b>TOTAL EXPENDITURES</b>	<u><b>11,249,579</b></u>	<u><b>11,249,574</b></u>	<u><b>5</b></u>
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BAY COUNTY  
 BLDG AUTHORITY DEBT FUND  
 SCHEDULE OF OTHER FINANCING SOURCES AND USES  
 YEAR ENDED DECEMBER 31, 2006

	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
BOND PREMIUM	299,553	299,552	1-
PROCEEDS OF REFUNDING DEBT	7,205,000	7,205,000	0
TRANSFERS IN FROM GENERAL FUND	<u>2,198,352</u>	<u>2,198,352</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>9,702,905</u></b>	<b><u>9,702,904</u></b>	<b><u>1-</u></b>
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b><u>9,702,905</u></b>	<b><u>9,702,904</u></b>	<b><u>1-</u></b>
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