

VILLAGE OF BARODA

FINANCIAL REPORT

March 31, 2009

VILLAGE OF BARODA
BERRIEN COUNTY, MICHIGAN

FINANCIAL REPORT

March 31, 2009

CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	I-X
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS:	
Statement of Net Assets	2
Statement of Activities.....	3
Governmental Funds - Balance Sheet.....	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	5
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	7
Proprietary Funds - Statement of Net Assets	8
Proprietary Funds - Statement of Revenues, Expenses, and Changes in Net Assets.....	9
Proprietary Funds - Statement of Cash Flows	10-11
Notes to Financial Statements	12-21
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	22
Major Street Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	23-24

CONTENTS - Continued

REQUIRED SUPPLEMENTARY INFORMATION - Continued

Local Street Fund - Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual 25-26

SUPPLEMENTARY INFORMATION

General Fund:

Statement of Revenues, Compared to Budget 27
Statement of Expenditures, Compared to Budget 28-31

**Village of Baroda
Berrien County, Michigan
Management's Discussion and Analysis
Fiscal Year 2008 – 2009**

Using this Annual Report

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

Government Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, using accounting methods similar to those used by private-sector companies. The Statement of Net Assets and Statement of Activities are designed to be corporate-like in that all the government and business-type activities are consolidated into columns, which add to a total for the Primary Government. These statements should help the reader to answer the questions: Is the Village, as a whole, better off or worse off as a result of this year's activities? The year's revenues and expenses are recognized regardless of when cash is received or paid.

The Statement of Net Assets focus is designed to be similar to the bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources, (short-term spendable resources) with capital assets and long-term obligations (total economic resources). This statement presents all of the Village's assets and liabilities, with the difference between the two reported at "net assets." Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. However, in order to assess the overall health of the Village, non-financial factors such as the Village's property tax base and condition of its infrastructure (water lines, sewer lines and lift stations) may also need to be considered.

The Statement of Activities is focused on both the gross and net cost of the various activities (governmental and business-type activities) that are supported by the Village's property taxes, state revenue sharing, water and sewer user fees, and other revenues. This presentation is intended to summarize and simplify the user's analysis of the cost of the various governmental services and provides information showing how the Village's net assets changed during the 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 taxes).

Both of the government-wide financial statements distinguish functions of the Village of Baroda 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 Village include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the Village include the water and sewer funds.

Both statements report two activities:

1. Governmental Activities – Most of the Village’s basic services (police, park, government operations) are reported under this category. Taxes and intergovernmental revenue generally fund these services. The Village’s governmental activities include legislative, general government, public safety, public works, community and economic development, and recreation and culture.
2. Business-type Activities – The Village charges fees to customers for water and sewer usages to cover all or most of the cost of services provided. The Village operates two business-type activities that reflect private sector type operations: Water and Sewer operating.

Fund Financial Statements

Traditional users of the governmental financial statements will find the fund financial statements’ presentation more familiar. These statements provide more detailed information about the Village’s most significant funds (Major Funds), not the Village as a whole. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Village uses to maintain control over resources that have been segregated for a specific activity or objective. The Village of Baroda, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

State Law requires certain funds be maintained. The Village Council establishes other funds to control and manage money for particular purposes. The Fund Financial Statements allow the demonstration of sources and uses and/or budgetary compliance associated therewith.

All of the funds of the Village of Baroda can be divided into two categories: governmental and proprietary funds. Government Funds include the General Fund, and special revenue funds. The Proprietary Funds include the Water and Sewer Operating 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, the governmental fund statements are presented on a modified accrual basis, which focuses on the near-term sources and uses of available resources. This is the manner in which the budget is typically developed.

Because the focus of the 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 statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Most of the Village's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

The Village of Baroda maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general operating fund, and two special revenue funds - Major Street and Local Street, which are considered major funds.

Proprietary Funds

The Village of Baroda maintains one type of proprietary fund - Enterprise Fund. Enterprise funds are used to report the same functions as presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its Water Operating and Sewer Operating Funds. The Village has no internal service funds.

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 Water Operating and Sewer Operating funds and are considered major funds of the Village.

Notes to Basic 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.

Additional Required Supplementary Information

Following the basic financial statements is additional required supplementary information that further explains and supports the information in the financial statements.

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 Village's case, assets exceeded its liabilities at the end of the fiscal year by \$2,374,447. However, a portion of the Village's net assets (68%) represents its investment in capital assets (e.g. land, buildings, equipment, water and sewer systems). The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Statement of Net Assets

	Governmental Activities		Business- Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Current Assets	\$147,267	\$128,964	\$ 615,303	\$ 536,896	\$ 762,570	\$ 665,860
Non-current Assets	<u>\$847,289</u>	<u>\$845,598</u>	<u>\$ 875,453</u>	<u>\$ 925,090</u>	<u>\$1,722,742</u>	<u>\$1,770,688</u>
Total Assets	<u>\$994,556</u>	<u>\$974,562</u>	<u>\$1,490,756</u>	<u>\$1,461,986</u>	<u>\$2,485,312</u>	<u>\$2,436,548</u>
Long-Term Debt Outstanding	-	-	\$ 100,000	\$110,000	\$100,000	\$110,000
Other Liabilities	<u>\$ 5,255</u>	<u>\$ 2,298</u>	<u>\$ 5,610</u>	<u>\$ 5,360</u>	<u>\$ 10,865</u>	<u>\$ 7,658</u>
Total Liabilities	<u>\$ 5,255</u>	<u>\$ 2,298</u>	<u>\$ 105,610</u>	<u>\$115,360</u>	<u>\$110,865</u>	<u>\$117,658</u>
<i>Net Assets:</i>						
Invested in Capital Assets, Net Of Related Debt	\$847,289	\$845,598	\$ 775,453	\$ 815,090	\$1,622,742	\$1,660,688
Restricted	-	-	\$ 19,059	\$ 19,275	\$ 19,059	\$ 19,275
Unrestricted	<u>\$142,012</u>	<u>\$126,666</u>	<u>\$ 590,634</u>	<u>\$ 512,261</u>	<u>\$ 732,646</u>	<u>\$ 638,927</u>
Total Net Assets	<u>\$989,301</u>	<u>\$972,264</u>	<u>\$1,385,146</u>	<u>\$1,346,626</u>	<u>\$2,374,447</u>	<u>\$2,318,890</u>

Statement of Activities

	Governmental Activities		Business- Type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<i>Program Revenues</i>						
Charges for						
Services	\$ 16,510	\$67,367	\$220,173	\$226,573	\$236,683	\$293,940
Operating						
Grants &						
Contributions	\$ 67,593	\$63,855	-	-	\$ 67,593	\$ 63,855
Capital Grants &						
Contributions	-	\$ 460	-	-	-	\$ 460
<i>General Revenues</i>						
Property Taxes	\$145,821	\$137,599	-	\$ 39,134	\$145,821	\$176,733
State-Shared						
Revenues	\$79,715	\$ 80,430	-	-	\$ 79,715	\$ 80,430
Investment						
Earnings	\$ 26,545	\$ 5,400	\$ 13,150	\$ 28,827	\$ 39,695	\$ 34,227
Other Revenue	<u>\$ 30,329</u>	<u>\$ 2,393</u>	<u>\$ 176</u>	<u>-\$ 5,602</u>	<u>\$ 30,505</u>	<u>-\$ 3,209</u>
Total Revenues	<u>\$366,513</u>	<u>\$357,504</u>	<u>\$233,499</u>	<u>\$288,932</u>	<u>\$600,012</u>	<u>\$646,436</u>
<i>Program Expenses</i>						
General						
Government	\$123,985	\$129,016	-	-	\$123,985	\$129,016
Public Safety	\$ 13,732	\$ 17,655	-	-	\$ 13,732	\$ 17,655
Public Works	\$176,860	\$165,266	-	-	\$176,860	\$165,266
Community &						
Economic						
Development	\$ 9,775	\$ 8,460	-	-	\$ 9,775	\$ 8,460
Recreation &						
Culture	\$ 25,124	\$ 33,287	-	-	\$ 25,124	\$ 33,287
Interest on						
Long-Term						
Debt	-	-	-	-	-	-
Water & Sewer	-	-	<u>\$194,979</u>	<u>\$234,666</u>	<u>\$194,979</u>	<u>\$234,666</u>
Total Expenses	<u>\$349,476</u>	<u>\$353,684</u>	<u>\$194,979</u>	<u>\$234,666</u>	<u>\$544,455</u>	<u>\$588,350</u>
Change in Net Assets	<u>\$ 17,037</u>	<u>\$ 3,820</u>	<u>\$ 38,520</u>	<u>\$54,266</u>	<u>\$ 55,557</u>	<u>\$ 58,086</u>

Governmental Activities Net Assets increased \$17,037. Highlights are listed below:

- Experienced an increase of \$8,222 in Tax Revenues.
- Experienced a decrease in State Revenue Sharing of \$715
- Experienced an increase in Other Revenue of \$30,497.
- Experienced an increase of \$3,738 in Operating Grants and Contributions.
- Did not receive any Capital Grants and Contributions this fiscal year.
- Experienced a \$5,031 decrease in General Government Expenditures.
- Experienced a \$3,923 decrease in Public Safety Expenditures.
- Experienced an \$11,594 increase in Public Works Expenditures due to a realignment in the expense accounts/funds.

Business-Type Activities Net Assets increased by \$38,520. Highlights are listed below:

- Water Charge for Services decreased by \$3,971 from last year.
- Experienced a \$22,870 decrease in overall Water Fund Expenses.
- Sewer Charge for Services decreased by \$2,429 from last year.
- Experienced a \$16,817 decrease in overall Sewer Fund Expenses.
- Total Net Assets at the fiscal year-end is \$1,385,146 (an increase of \$38,520).

Enterprise Fund Operations

The Village's business-type activities consist of the Water and Sewer Funds. We provide water to 99% of the Village and to some of the surrounding Township homes. We purchase our water from the Lake Charter Township Water Department. Sewer service is provided to 98% of the Village and no sewer service is provided to the Township residents.

Overall, we saw a decrease of \$22,870 in Water Fund Operating Expenses and a \$3,971 decrease in Charges for Services. The Sewer Fund Operating Expenses experienced a decrease of \$16,817 and a decrease of \$2,429 in Sewer Charges for Services.

As we look at the business-type activities separately from the governmental activities, we see that the business-type activities has \$395,845 more in net assets than the governmental activities even though the business-type activities has a much larger amount of liabilities. The business-type activities have water bonds that need to be paid off in the amount of \$100,000.

Financial Analysis of Governmental Funds

General Fund Highlights

The General Fund Revenue was up by \$6,606 from the 2007-08 fiscal year. This was due to an increase in Property Taxes and a contribution from the Component Unit this year.

Most of the Village's expenses are paid out of the General Fund. Our Total Expenditures for the year were up by \$51,899 from the 2007-08 year. However, we did experience a slight decrease in General Government expenses and Public Safety expenses. We experienced a large increase in expenses in the area of Public Works (due to a realignment of expense accounts) and Recreation and Cultural (due to the amount of work done at the Village Park).

Employee Benefits - The Village continues to contribute 6% of the employees' wages to the Pension Plan. Health insurance benefits are paid for the three full-time employees. The Health Plan is now a Health Savings Account. However, employees will be paying 10% of the health insurance premiums in the next fiscal year.

Major and Local Street Highlights

The Major Street Fund Revenue for 2008-2009 was \$47,748 (a decrease of \$1,564 from the 2007-08 fiscal year). We experienced a decrease of \$1,655 in Act 51 monies received from the State. Winter Maintenance Expenses increased due to snowy weather over the previous winter. The Major Street Fund Balance at the end of the year was \$11,892, which was an increase of \$5,466 over last year's Fund Balance.

The Local Street Fund Revenue for 2008-2009 was \$15,844 which is a slight increase of \$828. We experienced an increase in Act 51 monies of \$763. There was a decrease in Local Street Operating Expenses of \$19,692. The Local Street Fund Balance at the end of the year was \$4,085, which was \$1,757 less than last year's Fund Balance.

General Fund Budgetary Highlights

Actual revenues came in at \$11,632 higher than budgeted and expenses came in at \$49,375 less than the budgeted amount and can be briefly summarized as follows:

- Most Revenue Accounts actual amounts were slightly more than budgeted for a variance of +\$11,632.
- Total Expenses of the Trustees, President, Clerk and Treasurer came in \$6,767 less than budgeted.
- Administrative and Office Expenses came in at \$14,115 less than budgeted.
- Total Buildings and Grounds Expenses came in at \$5,329 less than budgeted.
- Total Public Safety Expenses came in at \$2,768 less than budgeted.
- Total Public Works Expenses came in at \$6,201 less than budgeted.
- Total Highway and Streets Expenses came in at \$5,810 less than budgeted.
- Total Community and Economic Development Expenses came in at \$6,255 less than budgeted.
- Total Recreation and Cultural Expenses came in at \$1,568 less than budgeted.

Capital Asset and Debt Administration

Capital Assets

The Governmental Activities Total Nondepreciable Assets at the Fiscal Year End 2008-2009 was \$116,270.

The Total Capital Assets Other Than Nondepreciable at the Fiscal Year End 2008-2009 was \$731,019. This includes current year deletion of machinery and equipment in the amount of \$5,000 and the addition of Accumulated Depreciation in the amount of \$31,837 for office equipment and machinery and equipment.

Statement of Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Land	\$116,270	\$116,270	\$ 81,110	\$ 81,110	\$197,380	\$197,380
Construction in Progress	-	-	-	-	-	-
Buildings	\$ 24,720	\$ 25,808	-	-	\$ 24,720	\$ 25,808
Land Improvements	\$ 93,865	\$ 98,700	-	-	\$ 93,865	\$ 98,700
Machinery & Equipment	\$ 83,631	\$ 62,414	\$ 3,489	\$ 6,078	\$ 87,120	\$ 68,492
Vehicles	-	-	-	-	-	-
Infrastructure	\$525,074	\$538,923	-	-	\$525,074	\$538,923
Office Equipment	\$ 3,729	\$ 3,483	-	-	\$ 3,729	\$ 3,483
Utility System	-	-	<u>\$790,854</u>	<u>\$837,902</u>	<u>\$790,854</u>	<u>\$837,902</u>
Total	<u>\$847,289</u>	<u>\$845,598</u>	<u>\$875,453</u>	<u>\$925,090</u>	<u>\$1,722,742</u>	<u>\$1,770,688</u>

Additional information on capital assets can be found in note 3 of the Financial Statements.

Long-Term Debt

The Water Fund has a balance of \$100,000 in bonds and \$27,500 in interest to be paid to Berrien County. These bonds should be paid off by 2019.

Investments

At the end of the fiscal year, the balance of funds invested by the Treasurer in Certificates of Deposit was \$117,742.36 (not including DDA). The following funds had money invested in CD's during the fiscal year: General Fund, Centennial, Sewer O & M, Sewer Improvement and Water O & M. The DDA had \$120,000 invested in Certificate of Deposits.

At the end of the fiscal year, the balance of funds invested by the Treasurer in Saving Accounts was \$247,791.41. The DDA had \$131,988.54 in Saving Accounts.

Economic Factors and Next Year's Budgets and Rates

The Downtown Development Authority voted to dissolve the Tax Increment Financing Plan at the end of the fiscal year. This will mean that the DDA will no longer capture property taxes; therefore, the General Fund will now be able to retain all property tax revenue for operating expenses.

The Village had an Economic Enhancement Study done by Charles Eckenstahler of Public Consulting Team and Wightman & Associates, Inc. in 2005. To summarize the report, the Village is really early in the growth cycle. Mr. Eckenstahler stated that he believes that with everything that is happening with the current economics in the Twin Cities area and in Berrien County, Baroda is in the position for growth and development in about five years. With the country's current economic status, we do not expect to see many homes being built in the coming year.

The Village has applied for a Rural Development Grant to create a revolving loan fund so that the Village can loan money to businesses to either invest/upgrade current businesses or to locate in the Village.

We continue to advertise property in the Industrial Park for development. The Village has applied for stimulus funds for the development of this property.

Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

Gerbel & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Fifth Third Bank Building ■ 4th Floor ■ 830 Pleasant Street ■ P.O. Box 44 ■ St. Joseph, Michigan 49085-0044

May 9, 2009

INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Baroda
Baroda, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Village of Baroda, as of and for the year ended March 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages I through X and 23 through 27, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Village of Baroda's basic financial statements. The combining and individual nonmajor fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gerbel & Company, P.C.

Right. On time.

VILLAGE OF BARODA
Statement of Net Assets
March 31, 2009

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
ASSETS				
Cash	\$ 113,728	\$ 595,524	\$ 709,252	\$ 366,963
Receivables	12,414	19,779	32,193	-
Prepaid expenses	21,125	-	21,125	-
Non-depreciable assets:				
Land	116,270	81,110	197,380	13,620
Capital assets (net of related depreciation):				
Buildings	24,720	-	24,720	-
Land improvements	93,865	-	93,865	-
Machinery and equipment	83,631	3,489	87,120	10,083
Infrastructure	525,074	-	525,074	-
Office equipment	3,729	-	3,729	-
Utility systems	-	790,854	790,854	37,021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 994,556</u>	<u>\$ 1,490,756</u>	<u>\$ 2,485,312</u>	<u>\$ 427,687</u>
LIABILITIES				
Accounts payable	\$ 5,239	\$ -	\$ 5,239	\$ -
Escrow	16	-	16	-
Accrued interest	-	2,500	2,500	-
Customer deposits	-	3,110	3,110	-
Noncurrent liabilities:				
Due within one year	-	10,000	10,000	-
Due in more than one year	-	90,000	90,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 5,255</u>	<u>\$ 105,610</u>	<u>\$ 110,865</u>	<u>\$ -</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 847,289	\$ 775,453	\$ 1,622,742	\$ 60,724
Restricted	-	19,059	19,059	-
Unrestricted	142,012	590,634	732,646	366,963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL NET ASSETS	<u>\$ 989,301</u>	<u>\$ 1,385,146</u>	<u>\$ 2,374,447</u>	<u>\$ 427,687</u>

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

VILLAGE OF BARODA
Statement of Activities
For the Year Ended March 31, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>
		<u>Services</u>	<u>Grants and</u>	<u>and</u>
			<u>Contributions</u>	<u>Contributions</u>
Primary government:				
Governmental Activities:				
General government	\$ 123,985	\$ 13,723	\$ -	\$ -
Public safety	13,732	2,787	-	-
Public works	176,860	-	67,593	-
Community and economic development	9,775	-	-	-
Recreation and cultural	25,124	-	-	-
Total Governmental Activities	<u>\$ 349,476</u>	<u>\$ 16,510</u>	<u>\$ 67,593</u>	<u>\$ -</u>
Business-type Activities:				
Sewer Fund	\$ 92,271	\$ 105,505	\$ -	\$ -
Water Fund	102,708	114,668	-	-
Total Business-type Activities	<u>\$ 194,979</u>	<u>\$ 220,173</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 544,455</u>	<u>\$ 236,683</u>	<u>\$ 67,593</u>	<u>\$ -</u>
Component Unit:				
Downtown Development Authority	<u>\$ 61,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes
State revenue sharing
Interest
Gain/loss on sale of asset
Other revenue

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

NET ASSETS - END OF YEAR

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

**Net (Expense) Revenue and
Changes in Net Assets**

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business- Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
\$ (110,262)	\$ -	\$ (110,262)	\$ -
(10,945)	-	(10,945)	-
(109,267)	-	(109,267)	-
(9,775)	-	(9,775)	-
(25,124)	-	(25,124)	-
<u>\$ (265,373)</u>	<u>\$ -</u>	<u>\$ (265,373)</u>	<u>\$ -</u>
\$ -	\$ 13,234	\$ 13,234	\$ -
-	11,960	11,960	-
<u>\$ -</u>	<u>\$ 25,194</u>	<u>\$ 25,194</u>	<u>\$ -</u>
<u>\$ (265,373)</u>	<u>\$ 25,194</u>	<u>\$ (240,179)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,667)</u>
\$ 145,821	\$ -	\$ 145,821	\$ 112,488
79,715	-	79,715	-
26,545	13,150	39,695	6,105
(861)	-	(861)	-
<u>31,190</u>	<u>176</u>	<u>31,366</u>	<u>785</u>
<u>\$ 282,410</u>	<u>\$ 13,326</u>	<u>\$ 295,736</u>	<u>\$ 119,378</u>
\$ 17,037	\$ 38,520	\$ 55,557	\$ 57,711
<u>972,264</u>	<u>1,346,626</u>	<u>2,318,890</u>	<u>306,963</u>
<u>\$ 989,301</u>	<u>\$ 1,385,146</u>	<u>\$ 2,374,447</u>	<u>\$ 364,674</u>

**VILLAGE OF BARODA
GOVERNMENTAL FUNDS
Balance Sheet
March 31, 2009**

	<u>General Fund</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Total Governmental Funds</u>
Assets				
Current Assets:				
Cash and cash equivalents	\$ 97,751	\$ 11,892	\$ 4,085	\$ 113,728
Taxes receivable	12,414	-	-	12,414
Prepaid expenses	<u>21,125</u>	<u>-</u>	<u>-</u>	<u>21,125</u>
Total Current Assets	<u>\$ 131,290</u>	<u>\$ 11,892</u>	<u>\$ 4,085</u>	<u>\$ 147,267</u>
TOTAL ASSETS	<u><u>\$ 131,290</u></u>	<u><u>\$ 11,892</u></u>	<u><u>\$ 4,085</u></u>	<u><u>\$ 147,267</u></u>
Liabilities and Fund Balances				
Current Liabilities:				
Accounts payable	\$ 5,239	\$ -	\$ -	\$ 5,239
Escrow	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
Total Current Liabilities	<u>\$ 5,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,255</u>
Total Liabilities	<u>\$ 5,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,255</u>
Fund Balances:				
Unreserved				
Undesignated, reported in				
General Fund	\$ 126,035	\$ -	\$ -	\$ 126,035
Special Revenue	<u>-</u>	<u>11,892</u>	<u>4,085</u>	<u>15,977</u>
Total Fund Balances	<u>\$ 126,035</u>	<u>\$ 11,892</u>	<u>\$ 4,085</u>	<u>\$ 142,012</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 131,290</u></u>	<u><u>\$ 11,892</u></u>	<u><u>\$ 4,085</u></u>	<u><u>\$ 147,267</u></u>

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

VILLAGE OF BARODA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
March 31, 2009

Fund balances of governmental funds	\$ 142,012
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Governmental funds report capital outlay as expenditures, but they are recorded as capital assets in the government-wide statements and depreciated over their useful lives.	<u>847,289</u>
Net assets of governmental activities	<u>\$ 989,301</u>

VILLAGE OF BARODA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended March 31, 2009

	<u>General Fund</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 145,821	\$ -	\$ -	\$ 145,821
Licenses and permits	8,304	-	-	8,304
State revenue	79,715	47,235	15,728	142,678
Graves	1,206	-	-	1,206
Administration cost recovery	7,000	-	-	7,000
Interest and rents	26,253	176	116	26,545
Contributions	4,630	-	-	4,630
Other revenue	<u>30,853</u>	<u>337</u>	<u>-</u>	<u>31,190</u>
 Total Revenues	 <u>\$ 303,782</u>	 <u>\$ 47,748</u>	 <u>\$ 15,844</u>	 <u>\$ 367,374</u>
Expenditures:				
General government	\$ 116,249	\$ 3,600	\$ 3,183	\$ 123,032
Public safety	13,732	-	-	13,732
Public works	115,947	44,682	21,418	182,047
Community and economic development	9,775	-	-	9,775
Recreation and cultural	<u>23,442</u>	<u>-</u>	<u>-</u>	<u>23,442</u>
 Total Expenditures	 <u>\$ 279,145</u>	 <u>\$ 48,282</u>	 <u>\$ 24,601</u>	 <u>\$ 352,028</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 24,637</u>	 <u>\$ (534)</u>	 <u>\$ (8,757)</u>	 <u>\$ 15,346</u>
Other Financing Sources (Uses):				
Operating transfer in (out)	<u>\$ (13,000)</u>	<u>\$ 6,000</u>	<u>\$ 7,000</u>	<u>\$ -</u>
 Total Other Financing Sources (Uses)	 <u>\$ (13,000)</u>	 <u>\$ 6,000</u>	 <u>\$ 7,000</u>	 <u>\$ -</u>
 Net Change in Fund Balances	 \$ 11,637	 \$ 5,466	 \$ (1,757)	 \$ 15,346
Fund Balances, Beginning of Year	<u>114,398</u>	<u>6,426</u>	<u>5,842</u>	<u>126,666</u>
 FUND BALANCES, END OF YEAR	 <u>\$ 126,035</u>	 <u>\$ 11,892</u>	 <u>\$ 4,085</u>	 <u>\$ 142,012</u>

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

VILLAGE OF BARODA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended March 31, 2009

Net change in fund balances - total governmental funds \$ 15,346

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

Governmental funds report capital outlay as expenditures, but they are recorded as capital assets in the government-wide statements and depreciated over their useful lives. This is the amount by which capital outlays exceeded depreciation in the current period. 2,552

The net effect of trade-ins and sales involving capital assets is to decrease net assets. (861)

Change in net assets of governmental activities \$ 17,037

**VILLAGE OF BARODA
 PROPRIETARY FUNDS
 Statement of Net Assets
 March 31, 2009**

	Business-Type Activities Enterprise Funds		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 421,292	\$ 152,063	\$ 573,355
Billings receivable	5,745	5,794	11,539
Assessments	8,240	-	8,240
Total Current Assets	\$ 435,277	\$ 157,857	\$ 593,134
Noncurrent Assets:			
Restricted Cash:			
Revenue bond interest	\$ -	\$ 19,059	\$ 19,059
Meter deposits	-	3,110	3,110
Total Restricted Cash	\$ -	\$ 22,169	\$ 22,169
Capital Assets:			
Land	\$ 81,110	\$ -	\$ 81,110
Machinery and equipment	56,048	-	56,048
Water supply system	-	718,857	718,857
Sanitary sewer system	1,201,916	-	1,201,916
Plant additions	1,105	-	1,105
Accumulated depreciation	(750,073)	(433,510)	(1,183,583)
Total Capital Assets	\$ 590,106	\$ 285,347	\$ 875,453
Total Noncurrent Assets	\$ 590,106	\$ 307,516	\$ 897,622
TOTAL ASSETS	\$ 1,025,383	\$ 465,373	\$ 1,490,756

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

**Business-Type Activities
Enterprise Funds**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Liabilities and Net Assets			
Current Liabilities:			
Accrued interest	\$ -	\$ 2,500	\$ 2,500
Current portion of debt	-	10,000	10,000
Customer meter deposits	-	<u>3,110</u>	<u>3,110</u>
Total Current Liabilities	\$ -	\$ 15,610	\$ 15,610
Noncurrent Liabilities:			
Bonds payable, net of current portion	-	<u>90,000</u>	<u>90,000</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 105,610</u>	<u>\$ 105,610</u>
Nets Assets:			
Invested in capital assets, net of related debt	\$ 590,106	\$ 185,347	\$ 775,453
Restricted for debt service	-	19,059	19,059
Unrestricted:			
Undesignated	<u>435,277</u>	<u>155,357</u>	<u>590,634</u>
Total Net Assets	<u>\$ 1,025,383</u>	<u>\$ 359,763</u>	<u>\$ 1,385,146</u>
Total Liabilities and Net Assets	<u>\$ 1,025,383</u>	<u>\$ 465,373</u>	<u>\$ 1,490,756</u>

**VILLAGE OF BARODA
 PROPRIETARY FUNDS
 Statement of Revenues, Expenses and Changes in Net Assets
 For the Year Ended March 31, 2009**

**Business-Type Activities
 Enterprise Funds**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues:			
Metered sales	\$ 73,972	\$ 97,760	\$ 171,732
Tap installation fees	5,160	1,608	6,768
Hydrant rentals	26,373	15,000	41,373
Turn on/off fees	-	300	300
Other	176	-	176
	<u>\$ 105,681</u>	<u>\$ 114,668</u>	<u>\$ 220,349</u>
Total Operating Revenues			
Operating Expenses:			
Water purchased	\$ -	\$ 56,154	\$ 56,154
Salaries and wages	28,249	8,824	37,073
Payroll taxes	2,161	675	2,836
Retirement	977	330	1,307
Supplies	776	776	1,552
Professional services	2,280	2,520	4,800
Insurance	8,949	2,867	11,816
Utilities	1,746	182	1,928
Contractual services	3,373	500	3,873
Depreciation	32,637	17,000	49,637
Repairs and maintenance	1,744	3,212	4,956
Equipment rental	5,937	1,933	7,870
Sampling	2,502	120	2,622
Miscellaneous	940	1,188	2,128
Permits and fees	-	927	927
	<u>\$ 92,271</u>	<u>\$ 97,208</u>	<u>\$ 189,479</u>
Total Operating Expenses			
Operating Income	<u>\$ 13,410</u>	<u>\$ 17,460</u>	<u>\$ 30,870</u>
Nonoperating Revenue (Expense):			
Interest income	\$ 9,894	\$ 3,256	\$ 13,150
Interest expense	-	(5,500)	(5,500)
	<u>\$ 9,894</u>	<u>\$ (2,244)</u>	<u>\$ 7,650</u>
Total Net Nonoperating Expenses			
Change in Net Assets	<u>\$ 23,304</u>	<u>\$ 15,216</u>	<u>\$ 38,520</u>
Total Net Assets, Beginning of Year	<u>1,002,079</u>	<u>344,547</u>	<u>1,346,626</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 1,025,383</u>	<u>\$ 359,763</u>	<u>\$ 1,385,146</u>

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

**VILLAGE OF BARODA
 PROPRIETARY FUNDS
 Statement of Cash Flows
 For the Year Ended March 31, 2009**

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
Cash Flows From Operating Activities:			
Cash receipts from customers	\$ 80,955	\$ 99,918	\$ 180,873
Cash receipts from interfund services provided	26,373	15,000	41,373
Payments to employees	(28,249)	(8,824)	(37,073)
Payments of benefits on behalf of employees	(12,087)	(3,872)	(15,959)
Payments for interfund services used	(5,937)	(1,933)	(7,870)
Payments to suppliers	(13,361)	(65,579)	(78,940)
 Net cash provided (used) by operating activities	 \$ 47,694	 \$ 34,710	 \$ 82,404
Cash Flows From Capital and Related Financing Activities:			
Payment of debt principal	\$ -	\$ (10,000)	\$ (10,000)
Payment of debt related interest	-	(5,500)	(5,500)
	-	(15,500)	(15,500)
 Net cash provided (used) by capital and related financing activities	 \$ -	 \$ (15,500)	 \$ (15,500)
Cash Flows From Investing Activities:			
Interest income	\$ 9,894	\$ 3,256	\$ 13,150
 Net cash provided (used) by investing activities	 \$ 9,894	 \$ 3,256	 \$ 13,150
 Net increase (decrease) in cash and cash equivalents	 \$ 57,588	 \$ 22,466	 \$ 80,054
 Cash Balance, Beginning of Year	 363,704	 151,766	 515,470
 CASH BALANCE, END OF YEAR	 \$ 421,292	 \$ 174,232	 \$ 595,524

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

**VILLAGE OF BARODA
 PROPRIETARY FUNDS
 Statement of Cash Flows
 For the Year Ended March 31, 2009**

	Business-Type Activities Enterprise Funds		
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 13,410	\$ 17,460	\$ 30,870
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 32,637	\$ 17,000	\$ 49,637
(Increase) decrease in:			
Assessments	1,647	-	1,647
Increase (decrease) in:			
Customer meter deposits	-	250	250
Total adjustments	\$ 34,284	\$ 17,250	\$ 51,534
Net cash provided (used) by operating activities	\$ 47,694	\$ 34,710	\$ 82,404

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting methods and procedures adopted by Village of Baroda, Michigan, conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant government accounting policies are described below:

A. Reporting Entity

In evaluating how to define the Village's reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Village's reporting entity.

Village of Baroda Downtown Development Authority. The members of the governing board of the Downtown Development Authority are appointed by the Village of Baroda. The Authority's operational budget, including its tax levy, is subject to the approval or modification by the Village Board. Also, surplus funds existing at termination of the Authority rest with the Village

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statements of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government of the Village. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a 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 and proprietary funds. Major individual funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. In the individual fund statements and schedules, the proprietary funds and fiduciary fund financial statements are also reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenues 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 Village.

Village of Baroda reports the following major governmental funds:

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

The **Major Street Fund** is used to account for the upkeep and maintenance of major streets within the Village.

The **Local Street Fund** is used to account for the upkeep and maintenance of local streets within the Village.

Village of Baroda reports the following major proprietary funds:

The **Water Operating Fund** accounts for the activities related to the Village's share of the Lake Charter Township's water production, purification, distribution, and billing.

The **Sewer Operating Fund** accounts for the activities related to the operation of the sanitary collections system serving the Village.

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 Village has elected not to follow subsequent private-sector guidance.

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statements - Continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the Water Fund, Sewer Fund, and other functions and segments. Elimination of these charges would distort the direct costs and program revenues for the 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. All taxes are reported as general taxes.

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. Operating expense for enterprise funds and internal service funds includes 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 Village's policy to use restricted resources first. Unrestricted resources are used as they are needed.

D. Budgetary Data

Prior to an annual meeting, the President submits, to the Board of Trustees, a proposed operating budget for the fiscal year commencing April 1. The budget includes proposed expenditures and the means of financing them.

A public hearing is conducted before final adoption by the Board of Trustees.

The budget is formally accepted in summary form at the annual budget meeting.

The Board of Trustees must approve any revisions to the budget whether it is a revision of budgeted amounts between departments within a fund or a revision that alters the total expenditures of any fund.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by Village of Baroda as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years.

All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Capital Assets - Continued

Depreciation of all exhaustible capital assets used is charged as an expense against their operations in government-wide statements and all proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statements of net assets. The straight-line depreciation method is applied over the estimated useful life of fixed assets.

The straight-line depreciation method is used for all depreciable capital assets. The estimated useful lives for capital assets are displayed in the table below:

<u>Asset Class</u>	<u>Depreciable Life</u>
Land	N/A
Buildings	25-50 years
Equipment	5-15 years
Vehicles	7-10 years
Utility Systems	10-40 years
Land Improvements	15-20 years
Infrastructure	20-30 years

F. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statements of net assets. Bonds premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using straight-line amortization. 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. Bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt received, are reported as debt service.

G. Property Taxes

Property taxes are assessed on December 31, and are billed and become a lien on July 1 of the following year. Real property taxes not collected by September 14 of each year are returned delinquent to the Berrien County Treasurer. Berrien County has a revolving fund that purchases the delinquent real taxes and special assessments from the local units in May of each year. Thus, all real property taxes and special assessments are realized within sixty days after the end of the Village's fiscal year and are attributed to that year.

The Village levied 9.9 mills for general operations in 2008. Taxable value of real and personal property for the 2008 tax levy was \$18,024,151 at the full millage rate and \$2,032,949 of I.F.T. property taxed at fifty percent of the millage rate.

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Prepaid Items

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.

I. Restricted Cash

Certain resources in the Village's enterprise funds have been set aside for specific future expenditures and repayments, including monies held for meter deposits, amounts to be used for improvements and amounts to be used for interest expense on bonds payable.

J. Cash and cash equivalents

The Village considers all highly liquid investments (including restricted assets) with a maturity of one year or less when purchased to be defined as cash equivalents.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

L. Restricted and Designated Net Assets

The Village's water and sewer enterprise funds have restricted net assets to account for the cash restricted for bond debt interest. The designated unrestricted net assets are intended for improvements to the water and sewer systems.

NOTE 2 - CASH AND CASH INVESTMENTS

Cash and Short-term Investments - The Village is authorized to invest in certificates of deposit, savings accounts and deposit accounts. The Village is also authorized to invest in bonds, securities, and other obligations of the United States, or an agency whose principal and interest is fully guaranteed by the United States. The Village is authorized to invest in commercial paper within the two highest classifications and maturities not more than 270 days after the date of purchase. Act 217, PA 1982 states that the Village's deposits, which include cash and certificates of deposit, are carried at cost and must be invested in accounts of federally insured banks, insured credit unions, savings and loan associations and bonds and other direct obligations of the associations and bonds and other direct obligations of the United States. Michigan law prohibits security in the form of collateral, surety bond, or other forms for the deposit of public money. An Attorney General's opinion states that public funds may not be deposited in financial institutions that do not have a branch location in Michigan. The Village's deposits are in accordance with statutory authority at March 31, 2009.

Long-term Investments - The Village's policy does not address investments other than short-term highly liquid assets.

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 2 - CASH AND CASH INVESTMENTS - Continued

Interest Rate Risk - It is the objective of the Village to maintain safety of principal of its funds, maintain a diversified portfolio, maintain sufficient liquidity to meet operating requirements, and to obtain a market average rate of return. The village is not exposed to interest rate risk.

All certificates of deposit with maturities less than one year are classified as cash and cash equivalents.

Custodial Credit Risk - The Village is authorized to invest in pre-qualifying financial institutions, brokers, dealers, intermediaries, and advisors with whom the Village will do business. The portfolio will be diversified so that the impact on the investment portfolio resulting from losses on individual securities will be minimized. As of March 31, 2009, the Village's funds were deposited in five institutions meeting the above requirements. As of March 31, 2009, the Village had a book balance of \$1,076,217 with a bank balance of \$1,288,883. None of the government's bank balance was exposed to custodial credit risk.

Uninsured and Uncollateralized \$ -

NOTE 3 - CAPITAL ASSETS

Capital assets activities for the year ended March 31, 2009 were as follows:

	Balance April 1, 2008	Additions	Deletions	Balance March 31, 2009
Governmental Activities				
Nondepreciable assets:				
Land	\$ 116,270	\$ -	\$ -	\$ 116,270
Total Nondepreciable Assets	<u>\$ 116,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,270</u>
Buildings	\$ 58,390	\$ -	\$ -	\$ 58,390
Land improvements	123,891	-	-	123,891
Machinery and equipment	197,339	33,322	(5,000)	225,661
Infrastructure	553,925	-	-	553,925
Vehicles	24,872	-	-	24,872
Office equipment	<u>10,864</u>	<u>1,067</u>	<u>-</u>	<u>11,931</u>
Subtotal	\$ 969,281	\$ 34,389	\$ (5,000)	\$ 998,670
Less: Accumulated Depreciation	<u>(239,953)</u>	<u>(31,837)</u>	<u>4,139</u>	<u>(267,651)</u>
Total Capital Assets Other Than Nondepreciable	<u>\$ 729,328</u>	<u>\$ 2,552</u>	<u>\$ (861)</u>	<u>\$ 731,019</u>

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 3 - CAPITAL ASSETS - Continued

	Balance April 1, 2008	Additions	Deletions	Balance March 31, 2009
Business Activities				
Nondepreciable assets:				
Land	\$ 81,110	\$ -	\$ -	\$ 81,110
Total Nondepreciable Assets	<u>\$ 81,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,110</u>
Machinery and equipment	\$ 56,048	\$ -	\$ -	\$ 56,048
Utility systems	<u>1,921,878</u>	<u>-</u>	<u>-</u>	<u>1,921,878</u>
Subtotal	\$ 1,977,926	\$ -	\$ -	\$ 1,977,926
Less: Accumulated Depreciation	<u>(1,133,946)</u>	<u>(49,367)</u>	<u>-</u>	<u>(1,183,313)</u>
Total Capital Assets Other Than Nondepreciable	<u>\$ 843,980</u>	<u>\$ (49,367)</u>	<u>\$ -</u>	<u>\$ 794,613</u>
Component Unit				
Nondepreciable assets:				
Land	\$ 13,620	\$ -	\$ -	\$ 13,620
Total Nondepreciable Assets	<u>\$ 13,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,620</u>
Equipment	\$ 13,273	\$ 590	\$ -	\$ 13,863
Utility systems	<u>38,884</u>	<u>-</u>	<u>-</u>	<u>38,884</u>
Less: Accumulated depreciation	<u>(2,764)</u>	<u>(2,879)</u>	<u>-</u>	<u>(5,643)</u>
Total Capital Assets Other Than Nondepreciable	<u>\$ 49,393</u>	<u>\$ (2,289)</u>	<u>\$ -</u>	<u>\$ 47,104</u>

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 3 - CAPITAL ASSETS - Continued

Depreciation expense was charged in the following functions in the statement of activities:

Governmental functions:

General government	\$ 2,020
Public works	24,813
Recreation and cultural	<u>5,004</u>
Total	<u>\$ 31,837</u>

Business-type functions:

Water	\$ 17,000
Sewer	<u>32,637</u>
Total	<u>\$ 49,637</u>

Component Unit:

Public works	\$ 972
Recreation and cultural	<u>1,907</u>
Total	<u>\$ 2,879</u>

NOTE 4 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the primary government for the year ended March 31, 2009:

	Bonds
	<u>Payable</u>
As of April 1, 2008	\$ 110,000
Additions	-
(Reductions)	<u>(10,000)</u>
As of March 31, 2009	<u>\$ 100,000</u>

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 4 - CHANGES IN LONG-TERM DEBT - Continued

Long-term debt at March 31, 2009 is comprised of the following individual issues:

	Balance April 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance March 31, <u>2009</u>	<u>Due Within One Year</u>
Business-type Activities:					
\$300,000 bond due in annual installments of \$10,000 through January 1, 2019; interest at 5.00% - Water Fund.	\$ 110,000	\$ -	\$ (10,000)	\$ 100,000	\$ 10,000
Total Business-Type Activities	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ 100,000</u>	<u>\$ 10,000</u>

Schedule of Indebtedness - Bonds Payable (Water Fund)

The County of Berrien issued revenue bonds in the amount of \$300,000 on October 2, 1979, for the purpose of assisting the Village in acquiring and constructing improvements to its water supply system. Schedule of outstanding bonds is as follows:

<u>Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Annual Principal Requirement</u>	<u>Annual Interest Payable</u>
10/2/1979	\$ 300,000	5.00%	1/1/2010	\$ 10,000	\$ 5,000
		5.00%	1/1/2011	10,000	4,500
		5.00%	1/1/2012	10,000	4,000
		5.00%	1/1/2013	10,000	3,500
		5.00%	1/1/2014	10,000	3,000
		5.00%	1/1/2015	10,000	2,500
		5.00%	1/1/2016	10,000	2,000
		5.00%	1/1/2017	10,000	1,500
		5.00%	1/1/2018	10,000	1,000
		5.00%	1/1/2019	<u>10,000</u>	<u>500</u>
			TOTAL	<u>\$ 100,000</u>	<u>\$ 27,500</u>

VILLAGE OF BARODA
Notes to Financial Statements
March 31, 2009

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the year, the following transfer was made between funds:

From General Fund	
To Major Street Fund	\$ 6,000
To Local Street Fund	<u>7,000</u>
 Total Transfers Between Funds	 <u>\$ 13,000</u>

Funds were transferred to the Major Street Fund from the General Fund for operating costs incurred during the year.

Funds were transferred to the Local Street Fund from the General Fund for operating costs incurred during the year.

NOTE 6 - PENSION PLAN

The Village participates in a 401(k) plan in which employees can make elective deferrals to the plan regardless of full or part-time status; however, the Village contributes 6% for those employees considered full-time. Under this plan three employees are considered full-time. The Village's pension cost for the fiscal year ending March 31, 2009, is \$4,166. The current year contribution was based on covered payroll of \$69,438.

NOTE 7 - SCHEDULE OF BUILDING DEPARTMENT REVENUE AND EXPENDITURES

Public Act 245 of 1999 requires that the legislative bodies of the local government establish reasonable fees which bear a reasonable relationship to the cost of operating the enforcing agency. The Act provides that a separate fund be established to track these costs, unless the local unit's fee structure is not intended to recover the full cost of the enforcing agency and the local unit has the ability to track the full costs and revenues of this activity without creating a separate fund. In that case, the local unit may continue accounting for building department activities within the General Fund. The following is a schedule of building department revenues and expenditures:

Revenues	
Building and mechanical permits	\$ 2,787
Expenditures	
Building and mechanical inspector	<u>2,371</u>
 Revenues in Excess of Expenditures	 <u>\$ 416</u>

NOTE 8 - RISK MANAGEMENT

The Village carries insurance for risks of loss, including torts; theft of, damage to, and destruction of assets; error and omissions; workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded insurance coverage in the past fiscal year.

**VILLAGE OF BARODA
GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 138,100	\$ 144,100	\$ 145,821	\$ 1,721
Licenses and permits	7,000	7,000	8,304	1,304
State revenue	79,500	79,500	79,715	215
Graves	1,300	1,300	1,206	(94)
Administration cost recovery	7,000	7,000	7,000	-
Interest and rents	46,450	22,450	26,253	3,803
Contributions	30,200	30,200	4,630	(25,570)
Other revenue	<u>600</u>	<u>600</u>	<u>30,853</u>	<u>30,253</u>
 Total Revenues	 <u>\$ 310,150</u>	 <u>\$ 292,150</u>	 <u>\$ 303,782</u>	 <u>\$ 11,632</u>
 Expenditures:				
General government	\$ 141,360	\$ 142,460	\$ 116,249	\$ 26,211
Public safety	16,000	16,500	13,732	2,768
Public works	99,690	128,520	115,947	12,573
Community and economic development	14,030	16,030	9,775	6,255
Recreation and cultural	<u>23,510</u>	<u>25,010</u>	<u>23,442</u>	<u>1,568</u>
 Total Expenditures	 <u>\$ 294,590</u>	 <u>\$ 328,520</u>	 <u>\$ 279,145</u>	 <u>\$ 49,375</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 15,560</u>	 <u>\$ (36,370)</u>	 <u>\$ 24,637</u>	 <u>\$ 61,007</u>
 Other Financing Sources (Uses):				
Operating transfers in (out)	<u>\$ (60,000)</u>	<u>\$ (21,000)</u>	<u>\$ (13,000)</u>	<u>\$ 8,000</u>
 Total Other Financing Sources (Uses)	 <u>\$ (60,000)</u>	 <u>\$ (21,000)</u>	 <u>\$ (13,000)</u>	 <u>\$ 8,000</u>
 Net Change in Fund Balance	 <u>\$ (44,440)</u>	 <u>\$ (57,370)</u>	 <u>\$ 11,637</u>	 <u>\$ 69,007</u>
 Fund Balance, Beginning of Year	 <u>114,398</u>	 <u>114,398</u>	 <u>114,398</u>	 <u>-</u>
 FUND BALANCE, END OF YEAR	 <u><u>\$ 69,958</u></u>	 <u><u>\$ 57,028</u></u>	 <u><u>\$ 126,035</u></u>	 <u><u>\$ 69,007</u></u>

**VILLAGE OF BARODA
SPECIAL REVENUE FUND
Major Street Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue:				
Operating grants	\$ 47,700	\$ 47,700	\$ 47,235	\$ (465)
Interest and rents	450	450	176	(274)
Other revenue	<u>-</u>	<u>-</u>	<u>337</u>	<u>337</u>
Total Revenues	<u>\$ 48,150</u>	<u>\$ 48,150</u>	<u>\$ 47,748</u>	<u>\$ (402)</u>
Expenditures:				
General Government:				
Professional services	\$ 700	\$ 700	\$ 570	\$ 130
Retirement	775	775	211	564
Insurance	<u>4,000</u>	<u>4,000</u>	<u>2,819</u>	<u>1,181</u>
Total General Government	<u>\$ 5,475</u>	<u>\$ 5,475</u>	<u>\$ 3,600</u>	<u>\$ 1,875</u>
Public Works:				
Routine Maintenance:				
Salaries	\$ 8,400	\$ 5,000	\$ 3,342	\$ 1,658
Payroll taxes	645	385	256	129
Supplies	2,000	2,000	2,153	(153)
Equipment rental	26,000	8,800	5,340	3,460
Contracted services	9,000	16,000	16,103	(103)
Repairs and maintenance	<u>1,500</u>	<u>1,500</u>	<u>31</u>	<u>1,469</u>
Total Routine Maintenance	<u>\$ 47,545</u>	<u>\$ 33,685</u>	<u>\$ 27,225</u>	<u>\$ 6,460</u>

VILLAGE OF BARODA
SPECIAL REVENUE FUND
Major Street Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures - Continued:				
Winter Maintenance:				
Salaries	\$ 4,000	\$ 5,000	\$ 4,315	\$ 685
Payroll taxes	310	385	330	55
Supplies	2,500	4,200	3,752	448
Equipment rental	<u>8,000</u>	<u>8,000</u>	<u>8,105</u>	<u>(105)</u>
Total Winter Maintenance	<u>\$ 14,810</u>	<u>\$ 17,585</u>	<u>\$ 16,502</u>	<u>\$ 1,083</u>
Traffic Services:				
Salaries	\$ 500	\$ 500	\$ 281	\$ 219
Payroll taxes	40	40	22	18
Supplies	2,000	2,000	75	1,925
Equipment rental	-	-	223	(223)
Electricity	<u>500</u>	<u>500</u>	<u>354</u>	<u>146</u>
Total Traffic Services	<u>\$ 3,040</u>	<u>\$ 3,040</u>	<u>\$ 955</u>	<u>\$ 2,085</u>
Total Public Works	<u>\$ 65,395</u>	<u>\$ 54,310</u>	<u>\$ 44,682</u>	<u>\$ 9,628</u>
Total Expenditures	<u>\$ 70,870</u>	<u>\$ 59,785</u>	<u>\$ 48,282</u>	<u>\$ 11,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (22,720)</u>	<u>\$ (11,635)</u>	<u>\$ (534)</u>	<u>\$ 11,101</u>
Other Financing Sources (Uses):				
Operating transfer in (out)	<u>\$ 20,000</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ -</u>
Total Other Financing Sources (Uses)	<u>\$ 20,000</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ -</u>
Net Change in Fund Balances	\$ (2,720)	\$ (5,635)	\$ 5,466	\$ 11,101
Fund Balances, Beginning of Year	<u>6,426</u>	<u>6,426</u>	<u>6,426</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 3,706</u></u>	<u><u>\$ 791</u></u>	<u><u>\$ 11,892</u></u>	<u><u>\$ 11,101</u></u>

**VILLAGE OF BARODA
SPECIAL REVENUE FUND
Local Street Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State revenue:				
Operating grants	\$ 13,000	\$ 13,000	\$ 15,728	\$ 2,728
Interest and rents	<u>30</u>	<u>30</u>	<u>116</u>	<u>86</u>
Total Revenues	<u>\$ 13,030</u>	<u>\$ 13,030</u>	<u>\$ 15,844</u>	<u>\$ 2,814</u>
Expenditures:				
General Government:				
Professional services	\$ 700	\$ 700	\$ 570	\$ 130
Retirement	700	700	175	525
Insurance	<u>3,800</u>	<u>3,800</u>	<u>2,438</u>	<u>1,362</u>
Total General Government	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 3,183</u>	<u>\$ 2,017</u>
Public Works:				
Routine Maintenance:				
Salaries	\$ 7,100	\$ 4,000	\$ 1,897	\$ 2,103
Payroll taxes	545	310	145	165
Supplies	1,000	1,000	778	222
Equipment rental	24,000	4,000	2,156	1,844
Repairs and maintenance	<u>-</u>	<u>-</u>	<u>28</u>	<u>(28)</u>
Total Routine Maintenance	<u>\$ 32,645</u>	<u>\$ 9,310</u>	<u>\$ 5,004</u>	<u>\$ 4,306</u>

**VILLAGE OF BARODA
SPECIAL REVENUE FUND
Local Street Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended March 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures - Continued:				
Winter Maintenance:				
Salaries	\$ 4,000	\$ 5,000	\$ 4,237	\$ 763
Payroll taxes	310	385	324	61
Supplies	2,500	4,200	3,752	448
Equipment rental	<u>8,000</u>	<u>8,000</u>	<u>8,101</u>	<u>(101)</u>
Total Winter Maintenance	<u>\$ 14,810</u>	<u>\$ 17,585</u>	<u>\$ 16,414</u>	<u>\$ 1,171</u>
Traffic Services:				
Salaries	\$ 500	\$ 500	\$ -	\$ 500
Payroll taxes	40	40	-	40
Supplies	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Traffic Services	<u>\$ 1,040</u>	<u>\$ 1,040</u>	<u>\$ -</u>	<u>\$ 1,040</u>
Total Public Works	<u>\$ 48,495</u>	<u>\$ 27,935</u>	<u>\$ 21,418</u>	<u>\$ 6,517</u>
Total Expenditures	<u>\$ 53,695</u>	<u>\$ 33,135</u>	<u>\$ 24,601</u>	<u>\$ 8,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (40,665)</u>	<u>\$ (20,105)</u>	<u>\$ (8,757)</u>	<u>\$ 11,348</u>
Other Financing Sources (Uses):				
Operating transfer in (out)	<u>\$ 40,000</u>	<u>\$ 15,000</u>	<u>\$ 7,000</u>	<u>\$ (8,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 40,000</u>	<u>\$ 15,000</u>	<u>\$ 7,000</u>	<u>\$ (8,000)</u>
Net Change in Fund Balances	\$ (665)	\$ (5,105)	\$ (1,757)	\$ 3,348
Fund Balances, Beginning of Year	<u>5,842</u>	<u>5,842</u>	<u>5,842</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,177</u>	<u>\$ 737</u>	<u>\$ 4,085</u>	<u>\$ 3,348</u>

**VILLAGE OF BARODA
GENERAL FUND
Statement of Revenues, Compared to Budget
For the Year Ended March 31, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes:			
Property tax collections	\$ 143,250	\$ 144,977	\$ 1,727
Trailer fees	<u>850</u>	<u>844</u>	<u>(6)</u>
Total Taxes	<u>\$ 144,100</u>	<u>\$ 145,821</u>	<u>\$ 1,721</u>
Licenses and permits			
General government	\$ 5,000	\$ 5,517	\$ 517
Public safety	<u>2,000</u>	<u>2,787</u>	<u>787</u>
Total Licenses and Permits	<u>\$ 7,000</u>	<u>\$ 8,304</u>	<u>\$ 1,304</u>
State Revenues:			
State revenue sharing	<u>\$ 79,500</u>	<u>\$ 79,715</u>	<u>\$ 215</u>
Total state revenues	<u>\$ 79,500</u>	<u>\$ 79,715</u>	<u>\$ 215</u>
Graves	<u>\$ 1,300</u>	<u>\$ 1,206</u>	<u>\$ (94)</u>
Administration cost recovery	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ -</u>
Interest and rents	<u>\$ 22,450</u>	<u>\$ 26,253</u>	<u>\$ 3,803</u>
Contributions:			
Public works operating	<u>\$ 30,200</u>	<u>\$ 4,630</u>	<u>\$ (25,570)</u>
Total Contributions	<u>\$ 30,200</u>	<u>\$ 4,630</u>	<u>\$ (25,570)</u>
Other	<u>\$ 600</u>	<u>\$ 30,853</u>	<u>\$ 30,253</u>
TOTAL REVENUES	<u><u>\$ 292,150</u></u>	<u><u>\$ 303,782</u></u>	<u><u>\$ 11,632</u></u>

**VILLAGE OF BARODA
GENERAL FUND
Statement of Expenditures, Compared to Budget
For the Year Ended March 31, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government:			
Trustees:			
Salaries	\$ 8,760	\$ 7,650	\$ 1,110
Payroll taxes	670	585	85
Insurance	400	373	27
Travel	500	60	440
Education	<u>1,000</u>	<u>335</u>	<u>665</u>
Total Trustees	<u>\$ 11,330</u>	<u>\$ 9,003</u>	<u>\$ 2,327</u>
President:			
Salaries	\$ 7,200	\$ 6,960	\$ 240
Payroll taxes	550	532	18
Insurance	75	70	5
Travel	450	35	415
Education	<u>250</u>	<u>150</u>	<u>100</u>
Total President	<u>\$ 8,525</u>	<u>\$ 7,747</u>	<u>\$ 778</u>
Clerk:			
Salaries	\$ 27,560	\$ 26,016	\$ 1,544
Payroll taxes	2,110	1,959	151
Retirement	1,655	1,561	94
Insurance	7,175	6,788	387
Travel	1,100	877	223
Education	450	440	10
Dues	<u>75</u>	<u>75</u>	<u>-</u>
Total Clerk	<u>\$ 40,125</u>	<u>\$ 37,716</u>	<u>\$ 2,409</u>
Treasurer:			
Salaries	\$ 10,970	\$ 10,578	\$ 392
Payroll taxes	850	809	41
Insurance	75	70	5
Travel	700	310	390
Education	550	150	400
Miscellaneous	<u>535</u>	<u>510</u>	<u>25</u>
Total Treasurer	<u>\$ 13,680</u>	<u>\$ 12,427</u>	<u>\$ 1,253</u>

**VILLAGE OF BARODA
GENERAL FUND
Statement of Expenditures, Compared to Budget
For the Year Ended March 31, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government, continued:			
Administrative and Office:			
Professional services	\$ 20,200	\$ 14,256	\$ 5,944
Telephone	2,600	2,168	432
Internet services and website	350	199	151
Publishing	5,000	2,405	2,595
Insurance	6,560	6,384	176
Retirement	1,000	770	230
Supplies	2,500	1,554	946
Engineering	3,000	442	2,558
Repairs	2,000	3,490	(1,490)
Dues	1,500	1,180	320
Miscellaneous	<u>5,500</u>	<u>3,247</u>	<u>2,253</u>
Total Administrative and Office	<u>\$ 50,210</u>	<u>\$ 36,095</u>	<u>\$ 14,115</u>
Buildings and Grounds:			
Salaries	\$ 3,100	\$ 2,818	\$ 282
Payroll taxes	240	216	24
Supplies	1,800	1,725	75
Utilities	7,100	5,315	1,785
Repairs and maintenance	2,500	2,696	(196)
Contractual services	2,100	-	2,100
Equipment purchased	1,000	32	968
Equipment rental	<u>750</u>	<u>459</u>	<u>291</u>
Total Buildings and Grounds	<u>\$ 18,590</u>	<u>\$ 13,261</u>	<u>\$ 5,329</u>
Total General Government	<u>\$ 142,460</u>	<u>\$ 116,249</u>	<u>\$ 26,211</u>
Public Safety:			
Police	\$ 12,900	\$ 11,361	\$ 1,539
Inspectors	<u>3,600</u>	<u>2,371</u>	<u>1,229</u>
Total Public Safety	<u>\$ 16,500</u>	<u>\$ 13,732</u>	<u>\$ 2,768</u>

**VILLAGE OF BARODA
GENERAL FUND
Statement of Expenditures, Compared to Budget
For the Year Ended March 31, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Works:			
Drains	\$ 1,000	\$ 438	\$ 562
Fire hydrant rental	\$ 12,600	\$ 12,600	\$ -
Department of Public Works:			
Salaries	\$ 18,000	\$ 18,413	\$ (413)
Payroll taxes	1,375	1,334	41
Insurance	7,020	7,734	(714)
Retirement	1,200	765	435
Supplies	3,000	1,180	1,820
Equipment	31,000	30,394	606
Gas and oil	9,000	7,842	1,158
Repairs	3,800	8,515	(4,715)
Equipment rental	18,000	10,117	7,883
Uniform rental	1,200	1,100	100
Total Department of Public Works	<u>\$ 93,595</u>	<u>\$ 87,394</u>	<u>\$ 6,201</u>
Highways and Streets:			
Salaries	\$ 1,000	\$ 1,214	\$ (214)
Payroll taxes	75	80	(5)
Operating supplies	1,000	54	946
Street lights	15,000	13,407	1,593
Contractual services	2,000	500	1,500
Equipment rental	750	137	613
Equipment repairs	500	123	377
Miscellaneous	1,000	-	1,000
Total Highways and Streets	<u>\$ 21,325</u>	<u>\$ 15,515</u>	<u>\$ 5,810</u>
Total Public Works	<u>\$ 128,520</u>	<u>\$ 115,947</u>	<u>\$ 12,573</u>
Community and Economic Development:			
Planning Commission:			
Salaries	\$ 1,970	\$ 2,150	\$ (180)
Payroll taxes	160	164	(4)
Professional Services	2,000	1,630	370
Outside services	3,000	1,174	1,826
Education	500	130	370
Ordinance book	7,300	4,364	2,936
Miscellaneous	1,100	163	937
Total Community and Economic Development	<u>\$ 16,030</u>	<u>\$ 9,775</u>	<u>\$ 6,255</u>

**VILLAGE OF BARODA
GENERAL FUND
Statement of Expenditures, Compared to Budget
For the Year Ended March 31, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Recreation and Cultural:			
Parks and Recreation:			
Salaries	\$ 7,700	\$ 5,259	\$ 2,441
Payroll taxes	590	356	234
Insurance	120	105	15
Operating supplies	100	158	(58)
Outside services	600	-	600
Park repairs	2,000	1,629	371
Equipment rental	6,000	4,791	1,209
Utilities	800	554	246
Capital Outlay	2,500	5,757	(3,257)
Miscellaneous	4,600	4,833	(233)
	<hr/>	<hr/>	<hr/>
Total Recreation and Cultural	\$ 25,010	\$ 23,442	\$ 1,568
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 328,520	\$ 279,145	\$ 49,375
	<hr/>	<hr/>	<hr/>

Gerbel & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Fifth Third Bank Building ■ 4th Floor ■ 830 Pleasant Street ■ P.O. Box 44 ■ St. Joseph, Michigan 49085-0044

May 9, 2009

Village Council
Village of Baroda
Baroda, Michigan

In connection with our audit of the books and records of the Village of Baroda for the year ending March 31, 2009, we offer the following comments and recommendations:

GENERAL

1. The books and records were found to be well organized.
2. Supporting documentation was detailed and readily available for inspection.
3. The Village's administration and accounting personnel displayed a high level of dedication and cooperation in performing their duties and assisting us in completing ours.
4. It was noted during the audit that there was one item over the \$500 capitalization threshold in the Downtown Development Authority that was posted to repairs and maintenance accounts. All fixed assets should be recorded in their proper asset accounts on the balance sheet.
5. Accrued interest should be recorded on certificates of deposit. While the amounts were insignificant to the financials, we recommend that the interest be posted at year end.

We appreciate the cooperation and courtesy extended to us by the officials and employees of the Village of Baroda and trust that these comments and recommendations will be accepted in the spirit of cooperation in which they are intended.

Very truly yours,


GERBEL & COMPANY, P.C.
Certified Public Accountants

Right. On time.

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