

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Cass County	County Cass County
Fiscal Year End September 30, 2007	Opinion Date February 6, 2008	Date Audit Report Submitted to State February 22, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

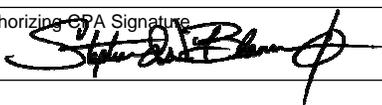
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. The local unit has adopted a budget for all required funds.
5. A public hearing on the budget was held in accordance with State statute.
6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. The local unit only holds deposits/investments that comply with statutory requirements.
9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. The local unit is free of repeated comments from previous years.
12. The audit opinion is UNQUALIFIED.
13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. The board or council approves all invoices prior to payment as required by charter or statute.
15. To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input checked="" type="checkbox"/>	Single Audit Report		
Certified Public Accountant (Firm Name) REHMANN ROBSON		Telephone Number 616-975-4100		
Street Address 2330 EAST PARIS AVENUE SE		City GRAND RAPIDS	State MI	Zip 49546
Authorizing CPA Signature 		Printed Name Stephen W. Blann, CPA, CGFM		License Number 24801

COUNTY OF CASS, MICHIGAN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2007

COUNTY OF CASS, MICHIGAN COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2007

Board of Commissioners:

Robert Wagel, Chairperson
Ronald Francis, Vice-Chairperson

Ed Goodman
Cathy Goodenough
Bill Steele
Gordon Bickel, Sr.
Charlie Arnold
David P. Taylor
Carl D. Higley, Sr.
Dixie Ann File
John Cureton
Minnie Warren
Johnie A. Rodebush
Debbie Johnson
Robert Ziliak

Officials:

Terry L. Proctor, Administrator/Controller
Michael E. Dodge, Circuit Court Judge
Paul E. Deats, District Court Judge
Susan L. Dobrich, Probate/Family Court Judge
Barbara K. Wilson, Clerk/Register
Linda Irwin, Treasurer
Victor Fitz, Prosecuting Attorney
Joseph M. Underwood, Sheriff
Jeffrey VanBelle, Drain Commissioner

Prepared By:

Cass County Administrator/Controller's Office
Rebecca L. Moore, CPA

Independent Auditors:

Rehmann Robson

**COUNTY OF CASS, MICHIGAN
Comprehensive Annual Financial Report
For the Year Ended September 30, 2007**

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION



Cass County County Administrator

February 6, 2008

To the Honorable Chairperson, Members of the Board of Commissioners, and Citizens of the County of Cass, Michigan:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because 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.

Rehmann Robson has issued an unqualified (“clean”) opinion on the County of Cass’s financial statements for the year ended September 30, 2007. The independent auditor’s report is located at the front of the Financial Section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ 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.

Profile of the Government

The County of Cass, Michigan, incorporated in 1829, is located in the southwestern part of the State. It occupies 492 square miles and serves an estimated population of 51,329. The County of Cass is empowered to levy a property tax on both real and personal property located within its boundaries.

An elected Board of Commissioners governs the County of Cass. Policy-making and legislative authority are vested in the Board consisting of 15 members, all elected on a partisan basis. The Board appoints the County Administrator/Controller. Board members serve two-year terms with all members elected every two years. The Chairperson serves for a one-year term. All Board members are elected by district.

The County provides a diverse range of services, including law enforcement, justice administration, human services, public and mental health services, document administration, maintenance of roads, parks and drains, residential nursing home and other services.

The Board is required to adopt a budget no later than the beginning of the fiscal year. This annual budget serves as the foundation of Cass County's financial planning and control.

The government maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the activity level within the general fund and functional level in the special revenue funds.

Local Economy

Through a varied residential, agricultural, commercial and industrial base, the County enjoys a relatively stable economic environment and indicators point to a continuation of this trend. Borgess-Lee Memorial Hospital in Dowagiac provides health care services as well as employment opportunities. Higher education is available to County residents and others at Southwestern Michigan College. Finally, in addition to established industrial parks in Dowagiac, Cassopolis and Edwardsburg; the County possesses other sites, which have nearby rail and highway access.

Based on the 2000 census, there are 19,676 occupied housing units in the County. Of these units, 81.9% or 16,106 are owner occupied. Southwest Michigan has one of the most affordable housing markets in the nation.

Because of its location in a region with a varied economic base, County employment is relatively stable. During the past ten years, the unemployment rate has ranged from 3.2% to 5.2%. (pg 138)

Long-term financial planning

Unreserved fund balance in the general fund (29 percent of total general fund expenditures) is designated by policy, adopted by the Board of Commissioners, for cash flow purposes to offset the timing of cash receipts and cash expenditures throughout the year caused by the shift in tax collection.

With the State of Michigan struggling with its finances, Cass County is presently taking a cautious approach and monitoring the situation closely. No significant large projects are being planned at this time.

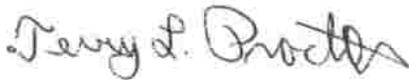
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cass County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2006. This was the eleventh consecutive year that the government has received this award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated service of the staff of the Administrator/Controller's office and the Treasurer's office. We wish to express our appreciation to those who assisted and contributed to the preparation of this report. Credit must also be given to the Chairperson and the Board of Commissioners for their support for maintaining the highest standards of professionalism in the management of the County of Cass.

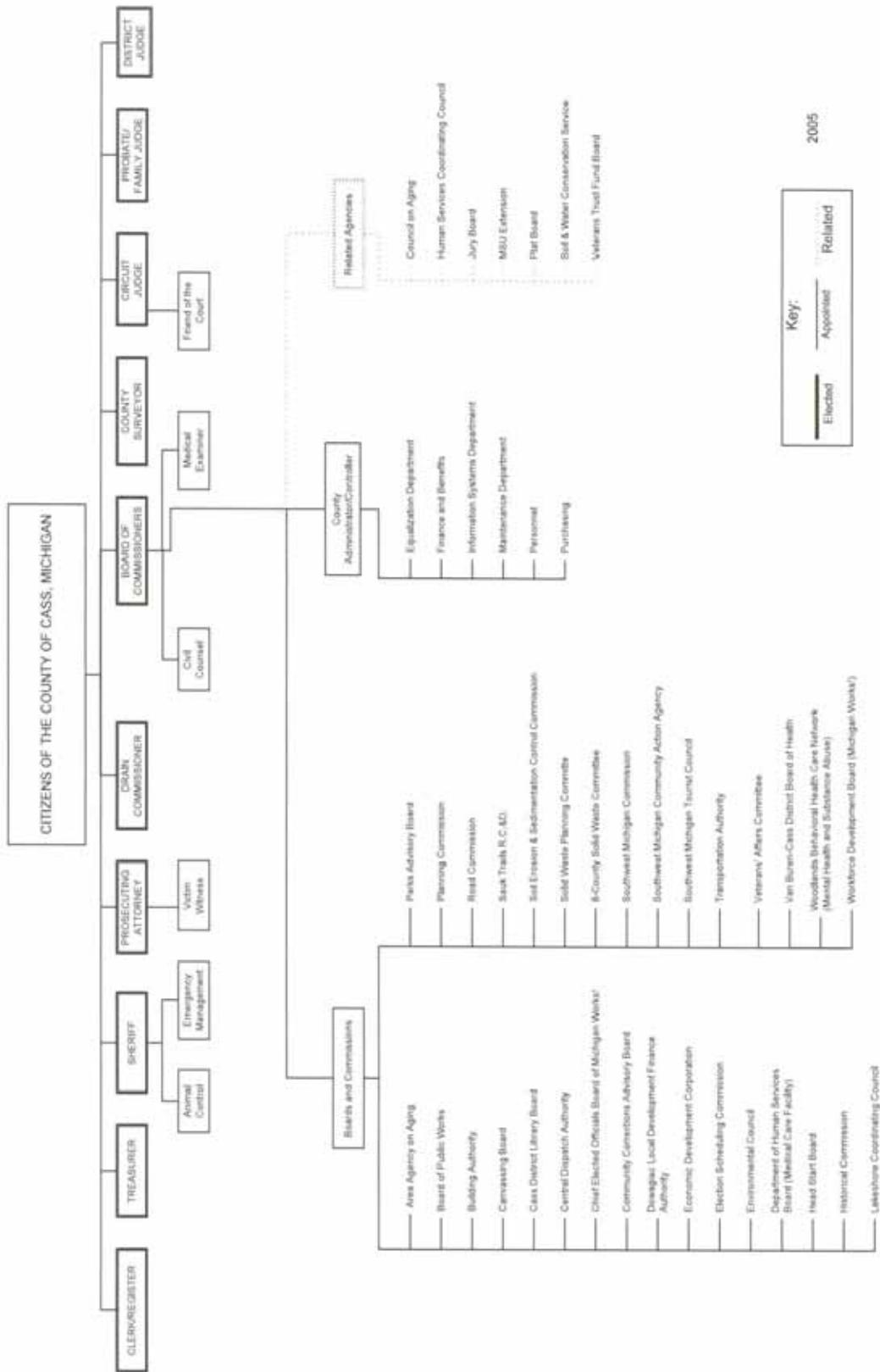
Respectfully submitted,



Terry L. Proctor
County Administrator



Rebecca Moore, CPA



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Cass
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

INDEPENDENT AUDITORS' REPORT

February 6, 2008

The Board of Commissioners
County of Cass, Michigan
Cassopolis, 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 Cass, Michigan, as of and for the year ended September 30, 2007, which collectively comprise the basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility enterprise fund, which is a major fund and which represents 11% of the assets and 69% of the revenues of the business-type activities. We also did not audit the financial statements of the Transportation Authority, which represents 2% of the assets and 7% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Transportation Authority, 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 Cass, Michigan, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-13 is not a required part 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.

In accordance with *Government Auditing Standards*, we have also issued our report, under separate cover, dated February 6, 2008, on our consideration of the County of Cass, 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 in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Cass, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit and the reports of other auditors, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections, as listed in the table of contents, were not audited by us and, accordingly, we do not express an opinion on them.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive style with a large, prominent initial 'L'.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Cass County we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2007. 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 on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- The assets of Cass County exceeded its liabilities at the close of the most recent fiscal year by \$36,298,119 (net assets). Of this amount, \$17,604,486 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors. Governmental activities contain \$5,779,805 of the unrestricted net assets. The Medical Care Facility and the Delinquent Tax Revolving Fund contain most of the business-type unrestricted net assets.
- At September 30, 2007, Cass County's governmental funds reported combined ending fund balances of \$11,328,083. 55% of this total amount, \$6,174,679 is available for spending at the County's discretion (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$3,674,258 or 29% of total General Fund expenditures. \$3,148,643 of that balance has been designated, by Board policy, for cash flow purposes to offset the timing of cash receipts and cash expenditures throughout the year caused by the shift in tax collection.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Cass County's basic financial statements. The basic financial statements contain 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. The difference between assets and liabilities is 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 County'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 taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Cass 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 general government, public safety, judicial, public works, health, welfare, education, economic development, and culture and recreation. The business-type activities of Cass County include a Medical Care Facility that provides long-term skilled nursing care and the Delinquent Tax Revolving Fund.

The government-wide financial statements include, not only the County itself (known as the primary government), but also the following legally separate entities: Road Commission, Drain Commission, Transportation Authority, and an Economic Development Corporation for which Cass County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Cass County Building Authority and Medical Care Facility, although also legally separate, function for all practical purposes as departments of Cass County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found on pages 14-16 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. Cass 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 Cass 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 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 funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Cass County maintains numerous 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, and Revenue Sharing Reserve Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Cass County adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-26 of this report.

Proprietary Funds. Cass County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Cass County uses enterprise funds to account for its business-type activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among Cass County's various functions. Cass County uses internal service funds to account for its equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility, the Delinquent Tax Revolving Fund and the Ontwa and Porter Township Sewer Funds, which are considered to be major funds of Cass County. Detailed financial information for each of the nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 27-34 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 statement because the resources of those funds are not available to support Cass County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on page 35 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 38-63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Cass County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 64-125 of this report.

County-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following schedule is a summary presentation of Cass County's assets, liabilities, and net assets at September 30, 2007. The schedule shows the County's assets exceeded liabilities by \$36,298,119.

	Cass County's Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current and other assets	\$ 14,569,796	\$ 10,561,409	\$ 43,435,736	\$ 45,039,417	\$ 58,005,532	\$ 55,600,826
Capital assets, net	14,410,294	15,174,308	1,269,114	1,389,457	15,679,408	16,563,765
Total assets	28,980,090	25,735,717	44,704,850	46,428,874	73,684,940	72,164,591
Liabilities						
Long-term liabilities	5,167,201	5,328,790	30,771,000	32,667,000	35,938,201	37,995,790
Other liabilities	865,516	701,243	583,104	1,068,372	1,448,620	1,769,615
Total liabilities	6,032,717	6,030,033	31,354,104	33,735,372	37,386,821	39,765,405
Net assets						
Invested in capital assets, net of related debt	9,615,294	10,239,455	1,269,114	1,389,457	10,884,408	11,628,912
Restricted	7,552,274	3,914,860	256,951	-	7,809,225	3,914,860
Unrestricted	5,779,805	5,551,369	11,824,681	11,304,045	17,604,486	16,855,414
Total net assets	\$ 22,947,373	\$ 19,705,684	\$ 13,350,746	\$ 12,693,502	\$ 36,298,119	\$ 32,399,186

Cass County has a net investment of \$10,884,408 in capital assets. This represents 30% of total net assets. Our investment in capital assets (e.g. land, buildings, machinery, and equipment) is shown less any related debt used to acquire those assets that is still outstanding. Cass County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Cass 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 Cass County's net assets, \$7,809,225 or 22% represents resources that are subject to external restrictions on how they may be used, including \$4,075,232 in the Revenue Sharing Reserve Fund established during 2004 under Public Act 357. Cass County's unrestricted net assets, \$17,604,486, may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2007 fiscal year, Cass County is able to report positive balances in all three net asset categories (invested in capital assets-net of related debt, restricted and unrestricted).

Cass County's Changes in Net Assets

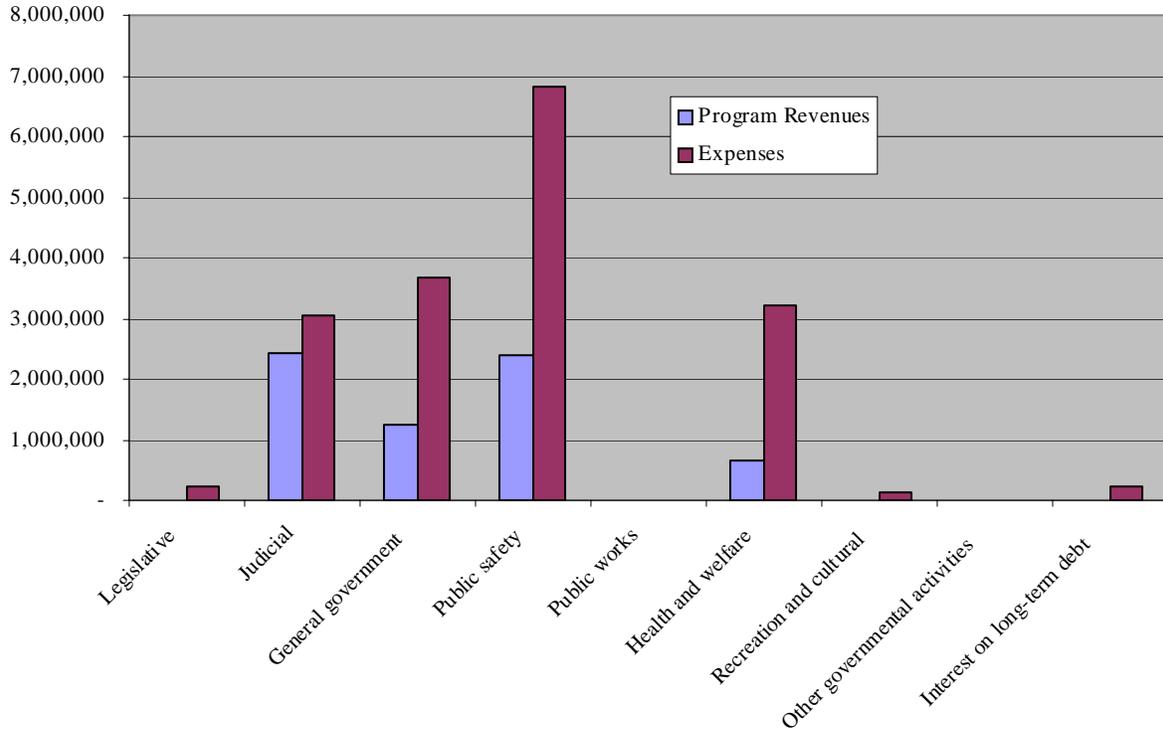
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for services	\$ 2,541,730	\$ 2,189,402	\$ 8,225,644	\$ 7,995,647	\$ 10,767,374	\$ 10,185,049
Operating grants and contributions	4,195,066	4,141,749	902,707	892,266	5,097,773	5,034,015
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	12,738,309	11,498,059	-	-	12,738,309	11,498,059
Grants and contributions not restricted to specific programs	294,408	232,931	-	-	294,408	232,931
Unrestricted investment earnings	168,375	208,984	-	-	168,375	208,984
Gain on sale of capital assets	5,400	8,745	-	-	5,400	8,745
Total revenues	19,943,288	18,279,870	9,128,351	8,887,913	29,071,639	27,167,783
Expenses						
Legislative	218,915	194,158	-	-	218,915	194,158
Judicial	3,059,541	2,975,736	-	-	3,059,541	2,975,736
General government	3,663,539	3,584,731	-	-	3,663,539	3,584,731
Public safety	6,818,148	6,931,775	-	-	6,818,148	6,931,775
Public works	1,822	2,568	-	-	1,822	2,568
Health and welfare	3,223,765	3,298,333	-	-	3,223,765	3,298,333
Recreation and cultural	130,475	93,788	-	-	130,475	93,788
Other governmental activities	-	-	-	-	-	-
Interest on long-term debt	230,680	287,709	-	-	230,680	287,709
Medical Care Facility	-	-	6,208,386	5,863,587	6,208,386	5,863,587
Delinquent tax collections/forfeitures	-	-	59,076	121,514	59,076	121,514
Jail Commissary	-	-	99,302	84,227	99,302	84,227
Public works projects	-	-	1,459,057	1,367,245	1,459,057	1,367,245
Total expenses	17,346,885	17,368,798	7,825,821	7,436,573	25,172,706	24,805,371
Change in net assets before transfers	2,596,403	911,072	1,302,530	1,451,340	3,898,933	2,362,412
Transfers	645,286	1,083,696	(645,286)	(1,083,696)	-	-
Change in net assets	3,241,689	1,994,768	657,244	367,644	3,898,933	2,362,412
Net assets, beginning of year, as restated	19,705,684	17,710,916	12,693,502	12,325,858	32,399,186	30,036,774
Net assets, end of year	\$ 22,947,373	\$ 19,705,684	\$ 13,350,746	\$ 12,693,502	\$ 36,298,119	\$ 32,399,186

Governmental Activities. Governmental activities reported an increase in net assets of \$3,241,689, thereby accounting for 83% of the total increase in the net assets of the County. Key elements of this increase consists of the following:

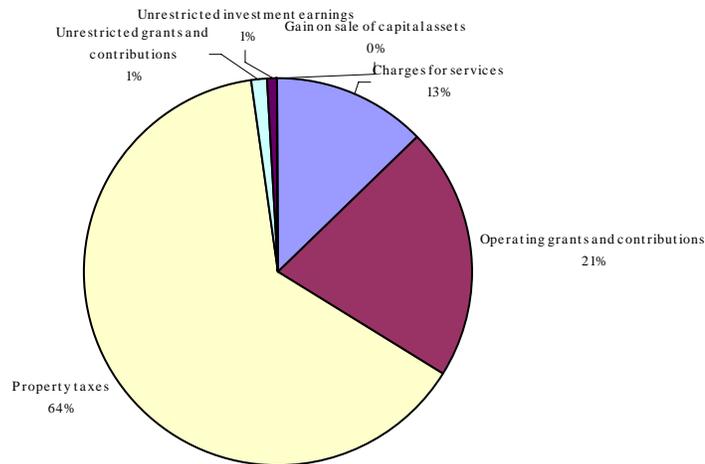
- Property taxes increased by \$1,240,250 (11%) during the year.
- Charges for services increased by \$352,328 (16%) during the year.
- Investment earnings decreased by \$40,609 (19%) during the year.
- Interest expense on long-term debt decreased by \$57,029 (20%) during the year.
- Net transfers (in and out) decreased by \$438,410 (40%) during the year.

Business-Type Activities. Business-type activities increased Cass County’s net assets by \$657,244. Before transfers, business-type activities contributed \$1,302,530 to County net assets. Including its unrestricted investment earnings, the Delinquent Tax Revolving Fund contributed \$1,110,516 to net assets before transfers and the Medical Care Facility contributed \$131,094 in net assets before transfers.

Program Revenues and Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the fiscal year, Cass County's governmental funds reported combined ending fund balances of \$11,328,083, an increase of \$2,680,749 in comparison with the prior year. Only \$6,174,679 of this is unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is held for capital projects, and special revenue grants, and is not available for new spending.

The General Fund is the chief operating fund of Cass County. At the end of the fiscal year, the unreserved fund balance of the General Fund was \$3,674,258, while total fund balance amounted to \$4,032,425. As a measure of the General Fund's liquidity it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29% of total General Fund expenditures, while total fund balance represents 32% of that same amount.

The fund balance of Cass County's General Fund increased 32% during the fiscal year. Key factors in this change consists of the following:

- Property taxes increased by \$592,562 (8%) during the year.
- Other revenue/reimbursements increased by \$44,739 (13%) during the year.
- Capital outlay decreased by \$570,813 (100%) during the year.
- Transfers in exceeded transfers out by a total of \$713,100 (17%) during the year.

The State Revenue Sharing Reserve Fund had a total fund balance of \$4,075,232. This fund mandated by the State of Michigan accounts for accelerated property tax collections pursuant to a change in legislation. Beginning in 2005, and for the next two years, the legislation provided for the County's general operating tax levy to be moved from a winter (December 1) billing to a summer (July 1) billing in one-third increments. In 2007, the County billed its entire general operating tax levy in July. These accelerated property tax collections are intended to provide cash flow to replace state revenue sharing payments that have been temporarily suspended. Beginning in 2005, the County is able to draw monies from this fund equal to fiscal year 2004 state revenue sharing payments, adjusted for inflation, until the fund balance is depleted.

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

At the end of the fiscal year, the Delinquent Tax Revolving Fund had unrestricted net assets of \$8,331,652. \$6,882,649 of that balance has been designated by Board policy; \$3,882,649 set aside to fund the annual purchase of delinquent property taxes, and \$3,000,000 set aside for maintenance of the County's credit rating. The Medical Care Facility's unrestricted net assets were \$3,384,551.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures were relatively minor (\$485,111 or a 4% increase in appropriations) and are briefly summarized as follows:

- \$71,750 increase in County parks appropriation.
- \$100,266 increase in public safety.
- \$134,095 increase in general government (\$116,400 for a survey and remonumentation grant).
- \$110,321 increase in judicial, (\$94,900 in family and juvenile court).

The increase of \$485,111 was generally funded out of increases in various revenue accounts.

Differences between the final amended budget and actual results are briefly summarized as follows:

Revenues:

Taxes - Real and personal property taxes - \$516,119. The favorable budget variance was due to underestimating property tax revenues.

Intergovernmental - Friend of the Court – other - \$84,095. The favorable budget variance was due to a catch-up or shift in payments by the State resulting in 6 quarterly payments received this fiscal year.

Intergovernmental – Survey and remonumentation grant – (\$59,341). The unfavorable budget variance was due to the delay of implementing a grant in the following fiscal year.

Charges for services – District Court - \$76,806. The favorable budget variance was due to more assertive collection efforts by District Court.

Charges for services – Policing contracts – (\$54,119). The unfavorable budget variance was due to Howard Township reducing its amount of contracted police services.

Interest and rentals – Interest revenue - \$42,375. The favorable budget variance was due to increased interest earnings on investments.

Interest and rentals – Jail rental - \$42,697. The favorable budget variance was due to increased rental activity.

Expenditures:

Judicial – Friend of the Court – (\$56,722). The favorable budget variance was due to less than anticipated health insurance costs and the transfer of the warrant officer expense to another department.

Judicial – Family / juvenile court – (\$75,724). The favorable budget variance was due to delay in recognizing expenses for the RDSS transporter contract and lower than anticipated legal costs.

General government – Survey and remonumentation – (\$59,341). The favorable budget variance was due to delay of implementing a grant in the next fiscal year.

General government – Prosecutor – (\$40,923). The favorable budget variance was due to decrease in wages and benefits.

General government – Information systems – (\$32,880). The favorable budget variance was due to wages and benefits.

General government – Maintenance – (\$42,987). The favorable budget variance was due to less than anticipated costs of health insurance and utilities.

Public safety – Sheriff department – (\$97,632). The favorable budget variance was due to cost savings in wages and benefits.

Public safety – Howard Township police – (\$47,223). The favorable budget variance was due to Howard Township reducing its amount of contracted police service.

Public safety – Jail operation – (\$192,737). The favorable budget variance was due to cost savings in wages, benefits and inmate medical expenses.

Other:

Transfers in – Other funds – (\$167,333). The unfavorable budget variance was due to the postponement of transfers into the General Fund from the Budget Stabilization Fund and DARE Fund.

Capital Assets and Debt Administration

Capital Assets. Cass County's investment in capital assets for its governmental and business-type activities as of September 30, 2007 amounts to \$15,679,408 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and equipment.

Cass County's Capital Assets
(Net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land	\$ 395,656	\$ -	\$ 395,656
Land improvements	-	45,690	45,690
Buildings	12,379,446	953,991	13,333,437
Equipment	1,635,192	269,433	1,904,625
	\$14,410,294	\$1,269,114	\$15,679,408

Additional information on Cass County's capital assets can be found in note III.E on pages 51-54 of this report.

Long-Term Debt. At the end of the 2007 fiscal year, Cass County had net outstanding debt of \$5,167,201.

Cass County's Outstanding Debt

	Gross Debt Outstanding	Paid by Benefited Entity	Net Amount Outstanding
Building Authority Bonds	\$ 4,795,000	\$ -	\$4,795,000
Public Works – Water & Sewer Debt	30,771,000	30,771,000	-
Compensated Absences	372,201	-	372,201
	\$35,938,201	\$30,771,000	\$5,167,201

Cass County improved its "A+" rating from Standard and Poor's to "AAA" for its general obligation debt in April 2004.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current legal debt limit for Cass County is \$225,076,005, which is significantly in excess of the County's outstanding debt applicable to limitation, \$35,566,000.

Additional information on Cass County's long-term debt can be found in note III.F on pages 54-58 of this report.

Economic Factors and Next Year's Budgets

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

- The extra property tax collections mandated by the State of Michigan will end and the County will draw on the Revenue Sharing Reserve Fund.
- Inflation continues to be low. Health insurance costs and energy costs will continue to outpace inflation.
- Departments and courts will continue to manage their spending within budget and to collect revenue due to those departments and courts.
- The State of Michigan will continue to have structural budget problems and will not be undertaking any dramatic new governmental programs.

Requests for Information

This financial report is designed to provide a general overview of Cass County's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller
Cass County Building
120 N. Broadway, Suite 116
Cassopolis, Michigan 49031

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

County of Cass, Michigan

Statement of Net Assets

September 30, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 10,413,061	\$ 9,600,403	\$ 20,013,464	\$ 3,269,603
Receivables, net	3,584,276	33,679,126	37,263,402	989,722
Prepaid items and other assets	337,890	156,207	494,097	743,645
Restricted cash and cash equivalents	234,569	-	234,569	-
Capital assets not being depreciated	395,656	-	395,656	10,694,641
Capital assets being depreciated, net	14,014,638	1,269,114	15,283,752	28,768,283
Total assets	28,980,090	44,704,850	73,684,940	44,465,894
Liabilities				
Accounts payable and accrued expenses	834,044	583,104	1,417,148	1,334,857
Unearned revenue	31,472	-	31,472	-
Long-term liabilities:				
Due within one year	532,201	2,145,000	2,677,201	345,082
Due in more than one year	4,635,000	28,626,000	33,261,000	7,430,451
Total liabilities	6,032,717	31,354,104	37,386,821	9,110,390
Net assets				
Invested in capital assets, net of related debt	9,615,294	1,269,114	10,884,408	31,832,758
Restricted for:				
Debt service	8,917	-	8,917	-
Capital projects	10,577	-	10,577	-
Revenue sharing	4,075,232	-	4,075,232	-
Public safety	720,005	-	720,005	-
Self-insurance reserves	207,256	-	207,256	-
Grants and programs	2,530,287	-	2,530,287	-
Foreclosed properties	-	256,951	256,951	-
Unrestricted	5,779,805	11,824,681	17,604,486	3,522,746
Total net assets	\$ 22,947,373	\$ 13,350,746	\$ 36,298,119	\$ 35,355,504

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

County of Cass, Michigan
Statement of Activities
For the Year Ended September 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 218,915	\$ -	\$ -	\$ -	\$ (218,915)
Judicial	3,059,541	867,647	1,559,259	-	(632,635)
General government	3,663,539	887,807	360,925	-	(2,414,807)
Public safety	6,818,148	705,724	1,694,473	-	(4,417,951)
Public works	1,822	-	-	-	(1,822)
Health and welfare	3,223,765	75,743	580,409	-	(2,567,613)
Recreation and cultural	130,475	4,809	-	-	(125,666)
Interest on long-term debt	230,680	-	-	-	(230,680)
Total governmental activities	<u>17,346,885</u>	<u>2,541,730</u>	<u>4,195,066</u>	-	<u>(10,610,089)</u>
Business-type activities:					
Medical Care Facility	6,208,386	6,147,255	192,225	-	131,094
Delinquent tax collections/forfeitures	59,076	484,178	685,414	-	1,110,516
Jail Commissary	99,302	153,840	6,382	-	60,920
Public works projects	1,459,057	1,440,371	18,686	-	-
Total business-type activities	<u>7,825,821</u>	<u>8,225,644</u>	<u>902,707</u>	-	<u>1,302,530</u>
Total primary government	<u>\$ 25,172,706</u>	<u>\$ 10,767,374</u>	<u>\$ 5,097,773</u>	<u>\$ -</u>	<u>\$ (9,307,559)</u>
Component units					
County Drains	\$ 147,763	\$ -	\$ 50,138	\$ 217,697	\$ 120,072
Economic Development	4,190	-	4,257	-	67
County Roads	6,607,145	1,249,522	6,036,381	-	678,758
Transportation	559,700	178,466	430,977	-	49,743
Total component units	<u>\$ 7,318,798</u>	<u>\$ 1,427,988</u>	<u>\$ 6,521,753</u>	<u>\$ 217,697</u>	<u>\$ 848,640</u>

continued...

County of Cass, Michigan
Statement of Activities (Concluded)
For the Year Ended September 30, 2007

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (10,610,089)	\$ 1,302,530	\$ (9,307,559)	\$ 848,640
General revenues:				
Property taxes	12,738,309	-	12,738,309	-
Grants and contributions not restricted to specific programs	294,408	-	294,408	-
Unrestricted investment earnings	168,375	-	168,375	-
Gain on sale of capital assets	5,400	-	5,400	-
Transfers - internal activities	645,286	(645,286)	-	-
Total general revenues and transfers	13,851,778	(645,286)	13,206,492	-
Change in net assets	3,241,689	657,244	3,898,933	848,640
Net assets, beginning of year, as restated	19,705,684	12,693,502	32,399,186	34,506,864
Net assets, end of year	\$ 22,947,373	\$ 13,350,746	\$ 36,298,119	\$ 35,355,504

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

FUND FINANCIAL STATEMENTS

County of Cass, Michigan
Balance Sheet
Governmental Funds
September 30, 2007

	General	Revenue Sharing Reserve	Nonmajor Funds	Totals
Assets				
Cash and cash equivalents	\$ 1,757,936	\$ 4,075,232	\$ 3,353,915	\$ 9,187,083
Taxes receivable - current	2,680,768	-	-	2,680,768
Accounts receivable	78,423	-	3,660	82,083
Due from other governments	262,171	-	302,069	564,240
Advance to component unit	204,000	-	-	204,000
Due from other funds	143,190	-	-	143,190
Inventory, at cost	11,914	-	-	11,914
Prepays	92,893	-	-	92,893
Total assets	\$ 5,231,295	\$ 4,075,232	\$ 3,659,644	\$ 12,966,171
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 212,501	\$ -	\$ 283,874	\$ 496,375
Accrued expenditures	123,346	-	-	123,346
Due to other governments	13,627	-	12,154	25,781
Due to other funds	-	-	143,190	143,190
Deferred revenue	849,396	-	-	849,396
Total liabilities	1,198,870	-	439,218	1,638,088
Fund balances				
Reserved for:				
Inventory	11,914	-	-	11,914
Prepays	92,893	-	-	92,893
Long-term receivable from component unit	204,000	-	-	204,000
Legal restrictions	49,360	4,075,232	720,005	4,844,597
Unreserved:				
Designated for:				
Future cash flow	3,148,643	-	-	3,148,643
Other purposes	525,615	-	-	525,615
Designated for programs, reported in:				
Special revenue funds	-	-	2,480,927	2,480,927
Debt service funds	-	-	8,917	8,917
Capital projects funds	-	-	10,577	10,577
Total fund balances	4,032,425	4,075,232	3,220,426	11,328,083
Total liabilities and fund balances	\$ 5,231,295	\$ 4,075,232	\$ 3,659,644	\$ 12,966,171

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

County of Cass, Michigan
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
September 30, 2007

Fund balances - total governmental funds	\$ 11,328,083
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add: capital assets not being depreciated	395,656
Add: capital assets being depreciated, net	13,751,064

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

Add: deferred property taxes	817,924
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	1,898,092
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(4,795,000)
Subtract: compensated absences	(372,201)
Subtract: accrued interest on long-term liabilities	(76,245)
	(5,243,446)

Net assets of governmental activities	\$ 22,947,373
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The accompanying notes are an integral part of these financial statements.

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2007

	General	Revenue Sharing Reserve	Nonmajor Funds	Totals
Revenue				
Taxes and special assessments	\$ 7,694,855	\$ 2,226,692	\$ 2,170,089	\$ 12,091,636
Intergovernmental	1,912,138	-	1,087,142	2,999,280
Licenses and permits	152,380	-	-	152,380
Contributions	-	-	22,242	22,242
Fines and forfeits	94,969	-	493,179	588,148
Charges for services	1,684,048	-	184,526	1,868,574
Interest and rentals	387,163	130,957	92,877	610,997
Other revenue/reimbursements	387,373	-	810,589	1,197,962
Total revenue	12,312,926	2,357,649	4,860,644	19,531,219
Expenditures				
Current:				
Legislative	218,972	-	-	218,972
Judicial	2,702,160	-	195,858	2,898,018
General government	3,307,888	-	209,939	3,517,827
Public safety	4,782,284	-	1,999,775	6,782,059
Public works	1,822	-	-	1,822
Health and welfare	644,291	-	2,510,748	3,155,039
Recreation and cultural	90,000	-	7,975	97,975
Other	296,208	-	-	296,208
Debt service:				
Principal	-	-	150,000	150,000
Interest	-	-	234,068	234,068
Capital outlay	-	-	143,768	143,768
Total expenditures	12,043,625	-	5,452,131	17,495,756
Revenue over (under) expenditures	269,301	2,357,649	(591,487)	2,035,463
Other financing sources (uses)				
Transfers in	1,263,827	-	1,074,734	2,338,561
Transfers out	(550,727)	(962,096)	(180,452)	(1,693,275)
Total other financing sources (uses)	713,100	(962,096)	894,282	645,286
Net change in fund balances	982,401	1,395,553	302,795	2,680,749
Fund balances, beginning of year, as restated	3,050,024	2,679,679	2,917,631	8,647,334
Fund balances, end of year	\$ 4,032,425	\$ 4,075,232	\$ 3,220,426	\$ 11,328,083

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

County of Cass, Michigan
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2007

Net change in fund balances - total governmental funds \$ 2,680,749

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	127,917
Subtract: depreciation expense	(775,500)

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

Add: change in deferred property taxes	646,673
--	---------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities	150,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add: change in accrued interest on bonds	3,388
Add: decrease in the accrual of compensated absences	11,589

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities:

Add: interest revenue from governmental internal service funds	37,757
Add: gain on disposal of capital assets in governmental internal service funds	5,400
Add: net operating income from governmental activities accounted for in internal service funds	353,716
	353,716

Change in net assets of governmental activities	\$ 3,241,689
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The accompanying notes are an integral part of these financial statements.

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes				
Real and personal property taxes	\$ 7,108,100	\$ 7,108,100	\$ 7,624,219	\$ 516,119
Industrial facilities tax	60,000	60,000	51,025	(8,975)
Other taxes	7,900	7,900	19,611	11,711
Total taxes	<u>7,176,000</u>	<u>7,176,000</u>	<u>7,694,855</u>	<u>518,855</u>
Intergovernmental				
Juvenile officer's grant	27,317	27,317	27,317	-
Judges salaries grant	238,836	238,836	238,734	(102)
Liquor tax	107,749	110,433	110,433	-
Secondary road patrol grant	98,048	98,048	105,708	7,660
Marine safety grant	28,000	29,212	26,667	(2,545)
Emergency management grant	10,883	21,363	9,837	(11,526)
Cigarette tax distribution	34,743	34,743	30,182	(4,561)
Prosecutor - cooperative reimbursement program	93,194	93,194	84,206	(8,988)
Friend of the court - cooperative reimbursement program	428,331	428,331	443,283	14,952
Friend of the court - other	40,000	44,420	128,515	84,095
Victim rights grant	49,000	49,000	45,507	(3,493)
Survey and remonumentation grant	-	116,400	57,059	(59,341)
State court equity funding	340,000	340,000	344,000	4,000
Other intergovernmental revenue	211,255	274,427	260,690	(13,737)
Total intergovernmental	<u>1,707,356</u>	<u>1,905,724</u>	<u>1,912,138</u>	<u>6,414</u>
Licenses and permits				
Dog licenses	110,000	110,000	137,349	27,349
Soil erosion control permits	15,000	15,000	12,502	(2,498)
Other licenses and permits	4,860	4,860	2,529	(2,331)
Total licenses and permits	<u>129,860</u>	<u>129,860</u>	<u>152,380</u>	<u>22,520</u>
Fines and forfeits				
Circuit court	4,000	4,000	9,850	5,850
District court	95,000	95,000	85,119	(9,881)
Total fines and forfeits	<u>99,000</u>	<u>99,000</u>	<u>94,969</u>	<u>(4,031)</u>

continued...

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue (concluded)				
Charges for services				
Circuit court	\$ 66,000	\$ 66,000	\$ 77,019	\$ 11,019
District court	470,100	470,100	546,906	76,806
Friend of the court	57,483	57,483	64,611	7,128
Probate/family court	46,650	46,650	44,043	(2,607)
Clerk/register	529,150	529,150	546,541	17,391
Policing contracts	114,559	114,559	60,440	(54,119)
Tax administration fees	108,500	108,500	108,572	72
Other charges for services	168,244	205,493	235,916	30,423
Total charges for services	1,560,686	1,597,935	1,684,048	86,113
Interest and rentals				
Interest revenue	90,000	90,000	132,375	42,375
Workers' compensation dividends	10,000	10,000	18,091	8,091
Building rental	36,000	36,000	36,000	-
Jail rental	158,000	158,000	200,697	42,697
Total interest and rentals	294,000	294,000	387,163	93,163
Other revenue/reimbursements				
Reimbursement - attorney fees	32,500	32,500	34,029	1,529
Reimbursement - property/liability insurance	43,000	43,000	72,704	29,704
Reimbursement - tether program	40,000	40,000	41,208	1,208
Reimbursement - jail phone costs	64,800	64,800	40,971	(23,829)
Reimbursement - sheriff's work release program	15,000	15,000	21,484	6,484
Other revenue and reimbursements	87,050	181,950	176,977	(4,973)
Total other revenue/reimbursements	282,350	377,250	387,373	10,123
Total revenue	11,249,252	11,579,769	12,312,926	733,157

continued...

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Expenditures				
Legislative				
Board of commissioners	\$ 196,859	\$ 224,909	\$ 218,972	\$ (5,937)
Judicial				
Circuit court	291,858	291,858	278,749	(13,109)
District court	573,120	576,120	575,515	(605)
Friend of the court	746,107	750,527	693,805	(56,722)
Jury commission	2,088	2,088	1,129	(959)
Probate court	310,188	310,188	295,603	(14,585)
Family/juvenile court	535,724	630,624	554,900	(75,724)
Family court BRC	60,000	68,001	67,665	(336)
Indigent defense	235,000	235,000	234,794	(206)
Total judicial	2,754,085	2,864,406	2,702,160	(162,246)
General government				
Administrator	191,742	191,742	181,702	(10,040)
Elections	81,141	63,516	54,101	(9,415)
Civil counsel	10,000	10,000	7,773	(2,227)
Clerk/register	364,029	399,279	376,232	(23,047)
Controller	139,121	139,121	118,116	(21,005)
Equalization	172,473	172,473	158,192	(14,281)
Prosecutor	600,199	600,145	559,222	(40,923)
Victim rights	49,000	49,000	45,915	(3,085)
Purchasing	261,724	261,724	255,976	(5,748)
Victim impact panel	519	643	640	(3)
Survey & remonumentation	-	116,400	57,059	(59,341)
Treasurer	236,636	236,636	221,314	(15,322)
Michigan State University extension	122,365	122,365	117,184	(5,181)
Information systems	461,384	461,384	428,504	(32,880)
Maintenance	560,605	560,605	517,618	(42,987)
Courthouse security	108,545	108,545	100,109	(8,436)
Drain commissioner	100,095	100,095	99,916	(179)
Sauk trails	500	500	-	(500)
Household hazardous waste	10,000	10,000	8,315	(1,685)
Total general government	3,470,078	3,604,173	3,307,888	(296,285)

continued...

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Expenditures (continued)				
Public safety				
Sheriff's Department	\$ 1,905,920	\$ 1,943,101	\$ 1,845,469	\$ (97,632)
Secondary Road Patrol Grant	152,413	152,413	122,676	(29,737)
Howard Township Police	90,214	90,214	42,991	(47,223)
Marcellus Police	21,583	21,583	17,540	(4,043)
Sheriff SMC Security	15,344	15,344	11,975	(3,369)
COPS In School Grant	71,986	74,186	56,947	(17,239)
Maintenance Garage	92,344	92,344	75,064	(17,280)
Safety Belt / Impaired Driving Grant	-	12,000	10,780	(1,220)
Calvin Township Blight Abatement	4,000	4,000	1,294	(2,706)
Marine Law Enforcement	66,140	58,748	57,076	(1,672)
Snowmobile Grant	7,023	19,849	6,470	(13,379)
Tether Program	37,283	39,349	35,638	(3,711)
Marine Lake Patrol	721	2,566	2,176	(390)
Bullet Proof Vest Grant	-	5,542	5,542	-
SCAAP Grant	-	990	243	(747)
Drunk Driver Jail Reduction	9,350	9,350	6,115	(3,235)
Jail Operation	2,285,924	2,285,923	2,093,186	(192,737)
Planning Commission	8,701	8,701	7,415	(1,286)
Southwest Michigan Commission	10,732	10,732	10,732	-
Plat Board	537	537	108	(429)
Emergency Management	27,528	54,037	32,646	(21,391)
Animal Shelter	343,341	349,841	340,201	(9,640)
Total public safety	5,151,084	5,251,350	4,782,284	(469,066)
Public works				
Department of Public Works	3,153	3,153	1,822	(1,331)
Health and welfare				
Health Department	247,958	247,958	244,858	(3,100)
Mental Health	195,000	195,000	195,000	-
Substance Abuse	53,875	55,217	55,217	-
Medical Examiner	40,000	74,425	74,359	(66)
AAA Assessment Fee	5,400	5,400	5,398	(2)
Veteran's Burial	15,000	20,162	20,162	-
Veteran's Affairs Office	48,673	48,873	48,867	(6)
Economic Development	500	500	430	(70)
Total health and welfare	606,406	647,535	644,291	(3,244)

continued...

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Concluded)
General Fund
For the Year Ended September 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual over (under) Final Budget</u>
Expenditures (concluded)				
Recreation and cultural				
County Parks	\$ 18,250	\$ 90,000	\$ 90,000	\$ -
Other				
Employee Benefits	25,310	34,238	25,774	(8,464)
Property/Liability Insurance	285,000	276,072	270,434	(5,638)
Total other	310,310	310,310	296,208	(14,102)
Total expenditures	12,510,225	12,995,836	12,043,625	(952,211)
Revenue over (under) expenditures	(1,260,973)	(1,416,067)	269,301	1,685,368
Other financing sources (uses)				
Transfers in				
Delinquent Tax Revolving	259,106	259,106	259,106	-
Revenue Sharing Reserve	962,000	962,000	962,096	96
Friend of the Court	20,000	20,000	20,000	-
Other funds	172,333	189,958	22,625	(167,333)
Total transfers in	1,413,439	1,431,064	1,263,827	(167,237)
Transfers out				
Law Library	(7,500)	(7,500)	(7,500)	-
Child Care - Probate Court	(353,000)	(353,000)	(353,000)	-
Child Care - Family Independence Agency	(160,000)	(160,000)	(160,000)	-
Soldiers/Sailors Relief	(2,000)	(2,000)	(2,000)	-
Other funds	(27,900)	(27,900)	(28,227)	(327)
Total transfers out	(550,400)	(550,400)	(550,727)	(327)
Total other financing (uses)	863,039	880,664	713,100	(167,564)
Net change in fund balances	(397,934)	(535,403)	982,401	1,517,804
Fund balance, beginning of year	3,050,024	3,050,024	3,050,024	-
Fund balance, end of year	<u>\$ 2,652,090</u>	<u>\$ 2,514,621</u>	<u>\$ 4,032,425</u>	<u>\$ 1,517,804</u>

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

County of Cass, Michigan
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Revenue Sharing Reserve Fund
For the Year Ended September 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual over (under) Final Budget</u>
Revenue				
Taxes	\$ 2,226,691	\$ 2,226,691	\$ 2,226,692	\$ 1
Interest	-	96	130,957	130,861
	<hr/>			
Total revenue	2,226,691	2,226,787	2,357,649	130,862
Expenditures				
General government	-	-	-	-
	<hr/>			
Revenue over expenditures	2,226,691	2,226,787	2,357,649	130,862
Other financing sources (uses)				
Transfers out	(962,000)	(962,096)	(962,096)	-
	<hr/>			
Net changes in fund balances	1,264,691	1,264,691	1,395,553	130,862
Fund balances, beginning of year	2,679,679	2,679,679	2,679,679	-
	<hr/>			
Fund balances, end of year	\$ 3,944,370	\$ 3,944,370	\$ 4,075,232	\$ 130,862

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

County of Cass, Michigan
Statement of Net Assets
Proprietary Funds
September 30, 2007

	Business-type Activities - Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,867,519	\$ 6,357,354	\$ 159,500	\$ 94,826
Taxes receivable - delinquent	-	2,167,720	-	-
Accounts receivable	824,466	11,317	-	-
Due from other governments	-	150,850	-	-
Current portion of leases receivable	-	-	500,000	900,000
Inventory	60,774	-	-	-
Prepaid expenses	95,433	-	-	-
Total current assets	<u>3,848,192</u>	<u>8,687,241</u>	<u>659,500</u>	<u>994,826</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	-	-
Leases receivable, net of current portion	-	-	5,905,940	14,314,013
Capital assets being depreciated, net	1,269,114	-	-	-
Total noncurrent assets	<u>1,269,114</u>	<u>-</u>	<u>5,905,940</u>	<u>14,314,013</u>
Total assets	<u>5,117,306</u>	<u>8,687,241</u>	<u>6,565,440</u>	<u>15,308,839</u>
Liabilities				
Current liabilities:				
Accounts payable	193,506	4,442	440	8,839
Accrued expenses	270,135	-	-	-
Due to other governments	-	94,196	-	-
Current portion of long-term debt	-	-	500,000	900,000
	<u>463,641</u>	<u>98,638</u>	<u>500,440</u>	<u>908,839</u>
Long-term liabilities:				
Due in more than one year	-	-	6,065,000	14,400,000
Total liabilities	<u>463,641</u>	<u>98,638</u>	<u>6,565,440</u>	<u>15,308,839</u>
Net assets				
Invested in capital assets	1,269,114	-	-	-
Restricted	-	256,951	-	-
Unrestricted	3,384,551	8,331,652	-	-
Total net assets	<u>\$ 4,653,665</u>	<u>\$ 8,588,603</u>	<u>\$ -</u>	<u>\$ -</u>

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

Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Funds	Totals	Internal Service
\$ 121,204	\$ 9,600,403	\$ 1,225,978
-	2,167,720	-
16,764	852,547	53,185
-	150,850	-
745,000	2,145,000	-
-	60,774	-
-	95,433	233,083
882,968	15,072,727	1,512,246
-	-	234,569
8,143,056	28,363,009	-
-	1,269,114	263,574
8,143,056	29,632,123	498,143
9,026,024	44,704,850	2,010,389
11,546	218,773	112,297
-	270,135	-
-	94,196	-
745,000	2,145,000	-
756,546	2,728,104	112,297
8,161,000	28,626,000	-
8,917,546	31,354,104	112,297
-	1,269,114	263,574
-	256,951	207,256
108,478	11,824,681	1,427,262
\$ 108,478	\$ 13,350,746	\$ 1,898,092

County of Cass, Michigan
Statement of Revenue, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Operating revenue				
Charges for services	\$ 6,147,255	\$ 484,178	\$ 311,970	\$ 729,937
Interest on taxes	-	392,921	-	-
Other operating revenue	147,720	-	-	-
Total operating revenue	6,294,975	877,099	311,970	729,937
Operating expense				
Cost of services	6,020,044	84,807	-	-
Public works projects	-	-	19,463	89,143
Depreciation	188,342	-	-	-
Total operating expense	6,208,386	84,807	19,463	89,143
Operating income	86,589	792,292	292,507	640,794
Non-operating revenue (expenses)				
Gain on disposal of capital assets	-	-	-	-
Interest and rentals	44,505	292,493	12,185	6,481
Interest expense	-	(1,269)	(304,692)	(647,275)
Other income	-	27,000	-	-
Total non-operating revenue (expenses)	44,505	318,224	(292,507)	(640,794)
Income (loss) before transfers	131,094	1,110,516	-	-
Transfers out	-	(645,286)	-	-
Change in net assets	131,094	465,230	-	-
Net assets, beginning of year, as restated	4,522,571	8,123,373	-	-
Net assets, end of year	\$ 4,653,665	\$ 8,588,603	\$ -	\$ -

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

Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Funds	Totals	Internal Service
\$ 552,304	\$ 8,225,644	\$ 3,586,218
-	392,921	-
-	147,720	-
<u>552,304</u>	<u>8,766,285</u>	<u>3,586,218</u>
99,302	6,204,153	3,076,691
-	108,606	-
-	188,342	155,811
<u>99,302</u>	<u>6,501,101</u>	<u>3,232,502</u>
<u>453,002</u>	<u>2,265,184</u>	<u>353,716</u>
-	-	5,400
6,402	362,066	37,757
(398,484)	(1,351,720)	-
-	27,000	-
<u>(392,082)</u>	<u>(962,654)</u>	<u>43,157</u>
60,920	1,302,530	396,873
-	(645,286)	-
60,920	657,244	396,873
<u>47,558</u>	<u>12,693,502</u>	<u>1,501,219</u>
<u>\$ 108,478</u>	<u>\$ 13,350,746</u>	<u>\$ 1,898,092</u>

County of Cass, Michigan
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Cash flows from operating activities				
Cash received from customers	\$ 6,334,091	\$ 858,517	\$ 311,970	\$ 729,937
Cash received from interfund services	-	-	-	-
Cash payments to suppliers for goods and services	(2,790,988)	(178,495)	(20,037)	(146,902)
Cash payments to employees for services	(3,225,254)	-	-	-
Net cash provided by operating activities	317,849	680,022	291,933	583,035
Cash flows from non-capital financing activities				
Transfers out	-	(645,286)	-	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(67,999)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Interest payments	-	(1,269)	(304,692)	(647,275)
Principal payments	-	-	(500,000)	(950,000)
Proceeds from long-term debt	-	-	-	-
Net cash used in capital and related financing activities	(67,999)	(1,269)	(804,692)	(1,597,275)
Cash flows from investing activities				
Interest and rent received	44,505	292,493	12,185	6,481
Amounts collected on leases receivable	-	-	492,722	867,648
Cash outlays for leases receivable	-	-	-	-
Net cash provided by investing activities	44,505	292,493	504,907	874,129
Net increase (decrease) in cash and cash equivalents	294,355	325,960	(7,852)	(140,111)
Cash and cash equivalents, beginning of year	2,573,164	6,031,394	167,352	234,937
Cash and cash equivalents, end of year	\$ 2,867,519	\$ 6,357,354	\$ 159,500	\$ 94,826
Reconciliation to the Statement of Net Assets				
Cash and cash equivalents	\$ 2,867,519	\$ 6,357,354	\$ 159,500	\$ 94,826
Restricted cash and cash equivalents	-	-	-	-
	\$ 2,867,519	\$ 6,357,354	\$ 159,500	\$ 94,826

Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Funds	Totals	Internal Service
\$ 896,348	\$ 9,130,863	\$ -
-	-	3,533,776
(448,983)	(3,585,405)	(2,975,136)
-	(3,225,254)	-
447,365	2,320,204	558,640
-	(645,286)	-
-	(67,999)	(39,380)
-	-	5,400
(398,484)	(1,351,720)	-
(1,212,000)	(2,662,000)	-
766,000	766,000	-
(844,484)	(3,315,719)	(33,980)
6,402	362,066	37,757
1,164,954	2,525,324	-
(708,410)	(708,410)	-
462,946	2,178,980	37,757
65,827	538,179	562,417
55,377	9,062,224	898,130
\$ 121,204	\$ 9,600,403	\$ 1,460,547
\$ 121,204	\$ 9,600,403	\$ 1,225,978
-	-	234,569
\$ 121,204	\$ 9,600,403	\$ 1,460,547

continued...

County of Cass, Michigan
Statement of Cash Flows
Proprietary Funds (Concluded)
For the Year Ended September 30, 2007

	Business-type Activities - Enterprise Funds			
	Medical Care Facility	Delinquent Tax Revolving	Ontwa Township Sewer	Porter Township Sewer
Cash flows from operating activities				
Operating income	\$ 86,589	\$ 792,292	\$ 292,507	\$ 640,794
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	188,342	-	-	-
Provision for bad debt	79,779	-	-	-
Other income	-	27,000	-	-
(Increase) decrease in:				
Taxes receivable	-	(130,246)	-	-
Accounts receivable	(65,928)	-	-	-
Due from other governments	-	84,664	-	-
Inventory	8,831	-	-	-
Prepaid expenses	3,802	-	-	-
Increase (decrease) in:				
Accounts payable	(37,635)	4,442	(574)	(57,759)
Accrued expenses	54,069	-	-	-
Due to other governments	-	(98,130)	-	-
Net cash provided by operating activities	<u>\$ 317,849</u>	<u>\$ 680,022</u>	<u>\$ 291,933</u>	<u>\$ 583,035</u>

Non-cash transactions

There were no non-cash transactions during the fiscal year.

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

Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Funds	Totals	Internal Service
\$ 453,002	\$ 2,265,184	\$ 353,716
-	188,342	155,811
-	79,779	-
-	27,000	-
-	(130,246)	-
(7,956)	(73,884)	(52,442)
352,000	436,664	-
-	8,831	-
-	3,802	44,683
(349,681)	(441,207)	56,872
-	54,069	-
-	(98,130)	-
<u>\$ 447,365</u>	<u>\$ 2,320,204</u>	<u>\$ 558,640</u>

County of Cass, Michigan
Statement of Fiduciary Assets and Liabilities
September 30, 2007

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 4,394,556
Liabilities	
Undistributed taxes	\$ 3,668,930
Other undistributed receipts	<u>725,626</u>
Total liabilities	<u>\$ 4,394,556</u>

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

County of Cass, Michigan
Combining Statement of Net Assets
Component Units
September 30, 2007

	Drain Commission	Economic Development Corporation	Road Commission	Transportation Authority	Total
Assets					
Cash and cash equivalents	\$ 240,991	\$ 85,901	\$ 2,416,203	\$ 526,508	\$ 3,269,603
Receivables, net	200	4,528	945,608	39,386	989,722
Prepaid items and other assets	-	-	738,919	4,726	743,645
Capital assets not being depreciated	-	-	10,687,117	7,524	10,694,641
Capital assets being depreciated, net	742,931	-	27,710,122	315,230	28,768,283
Total assets	984,122	90,429	42,497,969	893,374	44,465,894
Liabilities					
Accounts payable and accrued expenses	205,162	1,060	1,038,184	90,451	1,334,857
Long-term liabilities:					
Due within one year	115,082	-	230,000	-	345,082
Due in more than one year	175,084	-	7,255,367	-	7,430,451
Total liabilities	495,328	1,060	8,523,551	90,451	9,110,390
Net assets					
Invested in capital assets, net of related debt	452,765	-	31,057,239	322,754	31,832,758
Unrestricted	36,029	89,369	2,917,179	480,169	3,522,746
Total net assets	\$ 488,794	\$ 89,369	\$ 33,974,418	\$ 802,923	\$ 35,355,504

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

County of Cass, Michigan
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2007

	Drain Commission	Economic Development Corporation	Road Commission	Transportation Authority	Total
Expenses					
County Drains	\$ 147,763	\$ -	\$ -	\$ -	\$ 147,763
Economic Development	-	4,190	-	-	4,190
County Roads	-	-	6,607,145	-	6,607,145
Transportation	-	-	-	559,700	559,700
Total expenses	147,763	4,190	6,607,145	559,700	7,318,798
Program revenues					
Charges for services	-	-	1,249,522	178,466	1,427,988
Operating grants and contributions	50,138	4,257	6,036,381	430,977	6,521,753
Capital grants and contributions	217,697	-	-	-	217,697
Total program revenues	267,835	4,257	7,285,903	609,443	8,167,438
Change in net assets	120,072	67	678,758	49,743	848,640
Net assets, beginning of year, as restated	368,722	89,302	33,295,660	753,180	34,506,864
Net assets, end of year	\$ 488,794	\$ 89,369	\$ 33,974,418	\$ 802,923	\$ 35,355,504

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF CASS, MICHIGAN

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COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Cass, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of 492 square miles in southwest lower Michigan. The County operates under a fifteen-member elected Board of Commissioners and an appointed County Administrator/Controller.

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

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit - The Cass County Building Authority is governed by a five-member Board appointed by the Cass County Board of Commissioners. The County Clerk and County Treasurer serve as Secretary and Treasurer of the Authority. Although legally separate from the County, the Cass County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct some of the County’s public buildings. The financial statements of the Cass County Building Authority funds have been consolidated with the County’s related Debt Service Funds and Capital Projects Funds.

Discretely Presented Component Units:

Cass County Drain Commission (the “Drain Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, and management has determined that it would misleading to exclude the Drain Commission from the County’s financial statements, as defined by GASB Statement No. 14. Accordingly, the Drain Commission is disclosed as a discretely presented component unit. The Drain Commission has a September 30 year end.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Cass County Economic Development Corporation (the “EDC”) - The EDC, organized pursuant to State statutes, was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving or expanding within the County so as to provide needed services and facilities to the residents of the County. The governing body of the EDC is appointed by the County, the budget of the EDC is approved by the County, and the EDC is financially accountable to the County, as defined by GASB Statement No. 14, and is disclosed as a component unit, accordingly. The EDC has a September 30 year end.

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

Cass County Transportation Authority (the “Transportation Authority”) - The Transportation Authority, organized pursuant to State statutes, is responsible for coordinating client transportation for human service agencies in the County. The governing board of the Transportation Authority is appointed by the County. The County has the ability to substantially direct the Authority’s operations, and receives a financial benefit from its relationship with the Authority. Accordingly, the Transportation Authority is considered to be financially accountable to the County, as defined by GASB Statement No. 14. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Transportation Authority, which uses proprietary fund type accounting, has a September 30 year end.

Complete financial statements for the Road Commission and Transportation Authority may be obtained at the entity’s administrative offices.

Cass County Road Commission
340 North O’Keefe
Cassopolis, Michigan 49031

Cass County Transportation Authority
c/o Barb Wilson, Clerk/Register
120 North Broadway
Cassopolis, Michigan 49031

The Drain Commission and Economic Development Corporation do not issue separate financial statements.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

B. Government-wide and fund financial statements

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

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

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

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

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

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

The County reports the following major proprietary funds:

The *medical care facility fund* accounts for the operation of the Cass County Medical Care Facility.

The *delinquent tax revolving fund* accounts for money advanced to other local taxing units and various County funds for their delinquent taxes.

The *Ontwa Township and Porter Township sewer funds* account for monies received under capital leases with local governmental units for the construction of, and subsequent debt retirement for, sanitary sewer systems.

Additionally, the County reports the following fund types:

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

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

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

Capital projects funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds account for operations that provide services (such as equipment rentals and self-insurance) to other departments or agencies of the government, on a cost-reimbursement basis.

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

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

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

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

Restricted net assets are assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

2. Receivables and payables

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

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

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

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), 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 \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Equipment, including vehicles	3
Infrastructure (constructed since 1980)	35

5. Compensated absences

Eligible employees are permitted to accumulate earned but unused vacation and sick pay benefits in varying amounts based on length of service and certain other established criteria. Sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in government funds only if they have matured, for example, as a result of employee resignations and retirements.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

6. Long-term obligations

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

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

7. Fund equity

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

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

The annual budgeting process begins in February of each year. Department heads are required to submit budget requests/recommendations to the County Administrator by early May. The County Administrator submits a proposed budget to the Board of Commissioners by early July. Following a public hearing, the Board of Commissioners has until September 30 to adopt the budget, although it normally targets mid-August for the adoption date.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

B. Excess of expenditures over appropriations

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the County were adopted on an activity level basis in the General Fund, and at the functional level for other governmental funds, which is the legal level of control. Expenditures in the combining and individual fund financial statements have been presented at a level of detail greater than the level of legal budgetary control.

In the general fund, transfers out exceeded the final budget by \$327.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

The County maintains pooled and individual fund demand deposits, certificates of deposit and short-term investment accounts for the primary government and discretely presented component units. Certain imprest demand deposit accounts are also maintained by discretely presented component units.

Following is a reconciliation of deposit and investment balances as of September 30, 2007:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash on hand	\$ 1,140	\$ 200	\$ 1,340
Carrying amount of deposits	16,835,985	3,096,993	19,932,978
Carrying amount of investments	<u>7,805,464</u>	<u>172,410</u>	<u>7,977,874</u>
Total	<u>\$ 24,642,589</u>	<u>\$ 3,269,603</u>	<u>\$ 27,912,192</u>
Statement of Net Assets			
Cash and cash equivalents	\$ 20,013,464	\$ 3,269,603	\$ 23,283,067
Restricted cash	<u>234,569</u>	<u>-</u>	<u>234,569</u>
	20,024,033	3,269,603	23,517,636
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents	<u>4,394,556</u>	<u>-</u>	<u>4,394,556</u>
Total	<u>\$ 24,642,589</u>	<u>\$ 3,269,603</u>	<u>\$ 27,912,192</u>

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

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

The County chooses to disclose its investments by specifically identifying each. As of year end, the County had the following investments.

	Carrying Amount (Fair Value)	<u>Credit Rating</u>
Mutual and cash management funds (uncategorized as to risk)	\$ 7,977,874	-n/a-

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. 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.

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 in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the County's investments.

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, \$19,416,431 of the County's bank balance of \$19,916,431 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – Investments. 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 and the County does not have a policy for investment custodial credit risk.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy limits investments in a single financial institution (with the exception of U.S. Treasury securities and authorized pools) to 40% of the total investment portfolio. All investments held at year end are reported above.

B. Receivables

Receivables in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Taxes (current)	\$ 2,680,768	\$ -
Taxes (delinquent)	-	2,167,720
Accounts	135,268	852,547
Due from other governments	564,240	150,850
Advance to component unit	204,000	-
Leases (Note III.F.)	-	30,508,009
	<u>\$ 3,584,276</u>	<u>\$ 33,679,126</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. All governmental activities 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 reported in governmental activities were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Funds:			
Property taxes receivable	\$ 817,924	\$ -	\$ 817,924
Other	-	31,472	31,472
	<u>\$ 817,924</u>	<u>\$ 31,472</u>	<u>\$ 849,396</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

C. Accounts payable

Accounts payable and accrued liabilities in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts	\$ 608,672	\$ 218,773
Accrued liabilities	123,346	270,135
Due to other governments	25,781	94,196
Accrued interest on long-term debt	76,245	-
	\$ 834,044	\$ 583,104

D. Interfund receivables and payables

Interfund receivables/payables balances as of September 30, 2007 consisted of an interfund receivable in the general fund and an interfund payable in the non-major governmental fund in the amount of \$143,190.

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

The primary government has an outstanding advance to the Drain Commission component unit in the amount of \$204,000 for drain improvements.

For the year ended September 30, 2007, interfund transfers consisted of the following:

	Transfers Out				
		Revenue	Non-major	Delinquent Tax	
	General	Sharing	Governmental	Revolving	
	Fund	Reserve Fund	Funds	Fund	Total
Transfers In:					
General Fund	\$ -	\$ 962,096	\$ 37,625	\$ 264,106	\$ 1,263,827
Non-major Governmental Funds	550,727	-	142,827	381,180	1,074,734
	\$ 550,727	\$ 962,096	\$ 180,452	\$ 645,286	\$ 2,338,561

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

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

E. Capital assets

Capital assets activity for the primary government for the year ended September 30, 2007, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 395,656	\$ -	\$ -	\$ 395,656
Capital assets being depreciated:				
Buildings	19,580,297	-	-	19,580,297
Equipment	4,579,209	167,297	-	4,746,506
Total capital assets being depreciated	24,159,506	167,297	-	24,326,803
Less accumulated depreciation for:				
Buildings	6,711,345	489,506	-	7,200,851
Equipment	2,669,509	441,805	-	3,111,314
Total accumulated depreciation	9,380,854	931,311	-	10,312,165
Total capital assets being depreciated, net	14,778,652	(764,014)	-	14,014,638
Capital assets, net	\$ 15,174,308	\$ (764,014)	\$ -	\$ 14,410,294

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets being depreciated:				
Land improvements	\$ 134,280	\$ -	\$ -	\$ 134,280
Buildings	3,758,197	25,506	-	3,783,703
Equipment	1,080,222	42,493	612	1,122,103
Total capital assets being depreciated	4,972,699	67,999	612	5,040,086
Less accumulated depreciation for:				
Land improvements	79,332	9,258	-	88,590
Buildings	2,711,511	118,201	-	2,829,712
Equipment	792,399	60,883	612	852,670
Total accumulated depreciation	3,583,242	188,342	612	3,770,972
Capital assets, net	\$ 1,389,457	\$ (120,343)	\$ -	\$ 1,269,114

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

Depreciation of governmental activities by function:	
Judicial	\$ 264,791
General government	57,033
Public safety	342,758
Health and welfare	78,418
Recreation and cultural	32,500
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	155,811
	\$ 931,311
Depreciation of business-type activities by function:	
Medical care facility	\$ 188,342

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the Drain Commission for the year ended September 30, 2007, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Drain Commission				
Capital assets being depreciated:				
Infrastructure	\$ 878,267	\$ -	\$ -	\$ 878,267
Less accumulated depreciation	110,240	25,096	-	135,336
Capital assets, net	<u>\$ 768,027</u>	<u>\$ (25,096)</u>	<u>\$ -</u>	<u>\$ 742,931</u>

Capital assets activity for the Road Commission for the year ended September 30, 2007, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Road Commission				
Capital assets not being depreciated:				
Land	\$ 92,146	\$ -	\$ -	\$ 92,146
Construction in progress	10,475,328	119,643	-	10,594,971
Total capital assets not being depreciated	<u>10,567,474</u>	<u>119,643</u>	<u>-</u>	<u>10,687,117</u>
Capital assets being depreciated:				
Land improvements	655,293	6,047	-	661,340
Buildings	7,623,862	4,400	135,000	7,493,262
Equipment	8,923,042	682,966	320,925	9,285,083
Infrastructure	41,778,688	2,249,958	-	44,028,646
Total capital assets being depreciated	<u>58,980,885</u>	<u>2,943,371</u>	<u>455,925</u>	<u>61,468,331</u>
Less accumulated depreciation for:				
Land improvements	256,812	68,115	-	324,927
Buildings	1,153,591	311,249	5,063	1,459,777
Equipment	7,221,574	474,941	84,341	7,612,174
Infrastructure	22,845,762	1,515,569	-	24,361,331
Total accumulated depreciation	<u>31,477,739</u>	<u>2,369,874</u>	<u>89,404</u>	<u>33,758,209</u>
Total capital assets being depreciated, net	<u>27,503,146</u>	<u>573,497</u>	<u>366,521</u>	<u>27,710,122</u>
Capital assets, net	<u>\$ 38,070,620</u>	<u>\$ 693,140</u>	<u>\$ 366,521</u>	<u>\$ 38,397,239</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Transportation Authority for the year ended September 30, 2007, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Transportation Authority				
Capital assets not being depreciated:				
Land	\$ 7,524	\$ -	\$ -	\$ 7,524
Capital assets being depreciated:				
Buildings	357,303	-	-	357,303
Equipment	826,897	139,209	179,265	786,841
Total capital assets being depreciated	1,184,200	139,209	179,265	1,144,144
Less accumulated depreciation for:				
Buildings	331,561	20,695	-	352,256
Equipment	598,432	57,491	179,265	476,658
Total accumulated depreciation	929,993	78,186	179,265	828,914
Total capital assets being depreciated, net	254,207	61,023	-	315,230
Capital assets, net	\$ 261,731	\$ 61,023	\$ -	\$ 322,754

F. Long-term debt

General Obligation Bonds. The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts sufficient to make principal and interest payments on those bonds.

The original amount issued of general obligation bonds outstanding at September 30, 2007, was \$52,560,000.

General obligation bonds of business-type activities are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to water and sewer systems constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

General obligation bonds outstanding at year end are as follows:

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds							
<i>Governmental Activities:</i>							
Building Authority - USDA E-911 Project	1/8/2003	4.63%	\$ 1,230,000	\$ -	\$ 15,000	\$ 1,215,000	\$ 20,000
Building Authority - Law and Courts Building	3/14/2002	4.50%-6.50%	3,715,000	-	135,000	3,580,000	140,000
<i>Total Governmental Activities</i>			4,945,000	-	150,000	4,795,000	160,000
<i>Business-type Activities:</i>							
Vandalia Water	10/19/2001	4.50%	501,000	-	15,000	486,000	15,000
Vandalia Sewer	5/14/1999	4.75%	387,000	-	9,000	378,000	10,000
Ontwa Township	4/1/2000	5.00%-7.00%	500,000	-	500,000	-	-
Ontwa Township Refunding	4/12/2005	3.50%-4.75%	6,565,000	-	-	6,565,000	500,000
Paradise Lake Sewer	4/23/2002	4.75%	330,000	-	5,000	325,000	6,000
Porter Township	4/1/2004	3.50%-4.63%	16,250,000	-	950,000	15,300,000	900,000
Painter, Juno and Christiana Lakes Area	6/1/2004	4.00%-4.90%	2,490,000	-	100,000	2,390,000	105,000
Edwardburg Sewer	5/17/2006	4.125%	1,894,000	766,000	58,000	2,602,000	59,000
Series A - Diamond Lake Sewer	4/1/1994	4.00%-5.40%	1,100,000	-	275,000	825,000	275,000
Barron Lake Sewer	9/1/1990	2.00%	900,000	-	575,000	325,000	100,000
Donnell Lake Sewer	9/1/1990	6.00%-7.40%	1,750,000	-	175,000	1,575,000	175,000
<i>Total Business-type Activities</i>			32,667,000	766,000	2,662,000	30,771,000	2,145,000
<i>Total General Obligation Bonds</i>			\$ 37,612,000	\$ 766,000	\$ 2,812,000	\$ 35,566,000	\$ 2,305,000

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

Years Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 160,000	\$ 224,187	\$ 2,145,000	\$ 1,272,125
2009	170,000	213,837	2,085,000	1,195,041
2010	185,000	202,837	2,050,000	1,124,694
2011	190,000	192,273	1,817,000	1,053,703
2012	205,000	182,971	1,802,000	983,587
2013-2017	1,235,000	757,570	9,413,000	3,760,470
2018-2022	1,655,000	429,714	7,000,000	1,850,517
2023-2027	630,000	135,196	2,601,000	607,795
2028-2032	365,000	51,338	538,000	349,636
2033-2037	-	-	566,000	230,075
2038-2042	-	-	506,000	110,442
2043-2045	-	-	248,000	20,502
Total	\$ 4,795,000	\$ 2,389,923	\$ 30,771,000	\$ 12,558,587

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Drain Notes Payable. The Drain Commission component unit issues notes payable to fund various drain capital projects.

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Drain Notes							
<i>Component Unit - Drain Commission</i>							
Various drain notes	various	various	\$ 411,916	\$ 60,000	\$ 181,750	\$ 290,166	\$ 115,082

Annual debt services requirements to maturity for Drain notes are as follows:

Years Ending September 30	Drain Commission	
	Principal	Interest
2008	\$ 115,082	\$ 11,985
2009	115,084	7,137
2010	60,000	2,289
Total	\$ 290,166	\$ 21,411

Michigan Transportation Fund Bonds. The Road Commission component unit issues Act 51 Michigan Transportation Fund Bonds. MTF bonds outstanding at year end are as follows:

	Issuance Date	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Michigan Transportation Fund Bonds							
<i>Component Unit - Road Commission</i>							
MTF - Act 51 Bonds, Series 2002	10/1/2003	3.75%-5.13%	\$ 3,910,000	\$ -	\$ 115,000	\$ 3,795,000	\$ 120,000
MTF - Act 51 Bonds, Series 2003	10/1/2002	2.00%-4.50%	3,655,000	-	110,000	3,545,000	110,000
<i>Total Michigan Transportation Fund Bonds</i>			\$ 7,565,000	\$ -	\$ 225,000	\$ 7,340,000	\$ 230,000

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for MTF bonds payable, are as follows:

<u>Years Ending September 30</u>	<u>Component Unit - Road Commission</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 230,000	\$ 429,059
2009	240,000	426,869
2010	250,000	424,150
2011	260,000	420,350
2012	265,000	410,753
2013-2017	1,185,000	1,590,040
2018-2022	1,820,000	1,834,523
2023-2027	2,305,000	1,550,046
2028	785,000	535,251
Total	\$ 7,340,000	\$ 7,621,041

Advance Refundings. In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At September 30, 2007, \$300,000 of bonds are considered defeased.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Changes in Long-Term Debt. Long-term liability activity for the year ended September 30, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities					
General obligation bonds	\$ 4,945,000	\$ -	\$ 150,000	\$ 4,795,000	\$ 160,000
Compensated absences	383,790	372,201	383,790	372,201	372,201
Total Governmental Activities	<u>\$ 5,328,790</u>	<u>\$ 372,201</u>	<u>\$ 533,790</u>	<u>\$ 5,167,201</u>	<u>\$ 532,201</u>
Business-type Activities					
General obligation bonds	<u>\$ 32,667,000</u>	<u>\$ 766,000</u>	<u>\$ 2,662,000</u>	<u>\$ 30,771,000</u>	<u>\$ 2,145,000</u>
Component Units					
Drain Commission					
Drain notes	<u>\$ 411,916</u>	<u>\$ 60,000</u>	<u>\$ 181,750</u>	<u>\$ 290,166</u>	<u>\$ 115,082</u>
Road Commission					
Michigan Transportation Fund Bonds	\$ 7,565,000	\$ -	\$ 225,000	\$ 7,340,000	\$ 230,000
Compensated absences	150,371	189,058	194,062	145,367	-
Total Road Commission	<u>\$ 7,715,371</u>	<u>\$ 189,058</u>	<u>\$ 419,062</u>	<u>\$ 7,485,367</u>	<u>\$ 230,000</u>

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

IV. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured with private carriers for employee health care, life insurance, and disability coverage. The County is a member of the Michigan Municipal Workers' Compensation Fund for its worker's compensation coverage. Effective July 1, 2002, the County became an individual member of the Michigan Municipal Risk Management Authority (MMRMA) for its property and general liability insurance coverage. Prior to July 1, the County's participation in these funds was comparable to purchasing private insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

service fund (i.e., the Self-Insurance – MMRMA Fund) using premiums paid into it by other funds of the County. Such contributions as received by MMRMA are allocated between its general and member retention funds.

Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

Accordingly, the County records a restricted asset for its portion of the unexpended member retention fund. At September 30, 2007, the balance of the County's member retention fund was \$234,569.

Changes in the estimated claims liability are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of year	\$ 1,222	\$ 6,023
Incurred claims	31,121	81,660
Claim payments	<u>(5,030)</u>	<u>(86,461)</u>
Unpaid claims, end of year	<u>\$ 27,313</u>	<u>\$ 1,222</u>

Additionally, the County provides health and wellness benefits to its employees through a self-insurance program that is administered by the County. Premiums are paid into the Self-Insurance internal service fund by all other funds and are available to pay claims and administrative costs of the program. Interfund premiums are based primarily upon claims experience and are reported as quasi-external interfund transactions.

The County estimates the liability for its self-insured coverages and includes both those claims that have been reported as well as those that have not yet been reported. These estimates are prepared with the assistance of the County's third-party administrators for claims management and are recorded in the Self-Insurance internal service fund. Changes in the estimated claims liability are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of year	\$ 48,956	\$ -
Incurred claims	2,327,016	2,503,891
Claim payments	<u>(2,375,972)</u>	<u>(2,454,935)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ 48,956</u>

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

B. Property taxes

Heretofore, county property taxes have been levied on December 1 of each year (the lien date) and are due in full by March 1 of the year following the levy, at which time uncollected taxes become delinquent. Pursuant to Public Act 357 of 2005, which provides a funding mechanism to replace state revenue sharing payments to counties, the County's levy date is gradually shifting (or accelerating) from December 1 to July 1 of each year. As such, for the year ended September 30, 2007, the County recognized one-third of the December 1, 2006 levy, and 100% of the July 1, 2007 levy. In 2008, and for each year thereafter, all of the County property tax will be levied July 1.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value.

The assessed and taxable value of real and personal property for the 2006 and 2007 levies, for which revenue was recognized in 2007, was \$1,539,985,229 and \$1,656,343,506, respectively. The general operating tax rate for these levies was 4.7524 mills, plus an additional 0.9178 mills assessed for Cass County Council on Aging operations, and 0.4851 mills assessed for Drug Enforcement activities.

C. Contingent liabilities

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

D. Employee retirement systems and plans

Plan description

All of the primary government's full-time employees are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, as well as death benefits to plan members and beneficiaries. Separate plans are maintained for County and Medical Care Facility (MCF) employees.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917, or by calling (800) 767-6377.

Funding policy

The County and MCF are required to contribute at an actuarially determined rate; the current rate for the County is 0% to 13.35% of annual covered payroll depending on the employee group and the current rate for the MCF is 0% of annual covered payroll. Participating employees are required to contribute 4.0% to 5.0% of their annual salary depending on their assigned department. The contribution requirements of the County and MCF are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

For the year ended September 30, 2007, the annual pension costs of \$397,390 and \$0 were equal to the required and actual contributions of the County and MCF, respectively. The required contributions were determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County and MCF's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2006.

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County			
2005	\$ 257,973	100%	\$ -
2006	428,108	100	-
2007	397,390	100	-
Medical Care Facility			
2005	\$ -	100%	\$ -
2006	-	100	-
2007	-	100	-

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

Schedule of Funding Progress

Actuarial Valuation Date <u>12/31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
County						
1997	\$ 6,407,373	\$ 6,196,344	\$ (211,029)	103%	\$3,238,511	(7)%
1998	7,235,131	7,452,545	217,414	97	3,629,069	6
1999	8,373,257	7,974,361	(398,896)	105	4,198,999	(9)
2000	9,339,760	9,957,653	617,893	94	4,428,553	14
2001	10,009,432	10,570,883	561,451	95	4,520,063	12
2002	10,470,960	12,151,651	1,680,691	86	4,688,202	36
2003	11,264,474	12,979,073	1,714,599	87	4,862,595	35
2004	11,875,330	13,870,522	1,995,192	86	4,857,729	41
2005	12,630,145	15,022,756	2,392,611	84	5,638,032	42
2006	13,626,173	15,941,701	2,315,528	85	5,822,715	40
Medical Care Facility						
1997	\$1,957,659	\$1,775,030	\$(182,629)	110%	\$1,489,809	(12)%
1998	2,157,722	1,987,835	(169,887)	109	1,483,197	(11)
1999	2,450,233	2,280,594	(169,639)	107	1,749,470	(10)
2000	2,782,936	2,197,593	(585,343)	127	1,648,659	(36)
2001	3,025,974	2,518,692	(507,282)	120	1,727,970	(29)
2002	3,238,758	2,770,079	(468,679)	117	1,923,401	(24)
2003	3,301,082	2,812,069	(489,013)	117	1,958,134	(25)
2004	3,736,755	3,093,962	(642,793)	121	1,791,771	(36)
2005	3,961,794	3,322,958	(638,840)	119	1,860,533	(34)
2006	4,257,369	3,550,797	(706,572)	120	2,303,413	(31)

Road Commission Defined Contribution Pension Plan

Effective March 25, 1976, the Cass County Road Commission began to provide pension benefits for substantially all of its full-time employees through the Cass County Road Commission Defined Contribution Pension Plan, a defined contribution plan. The Cass County Board of County Road Commissioners is the administrator of the plan and also establishes and amends the plan provisions and the contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after completing one year of service.

COUNTY OF CASS, MICHIGAN

Notes to Financial Statements

By County Resolution, the plan requires the Road Commission to contribute, on behalf of each covered employee, 7.0% of the employees' compensation, except overtime and disability payments made to hourly employees.

Participants may make voluntary contributions into the plan. The Road Commission's contributions for each employee (and interest allocated to the employee's account) are partially vested after three years of continuous service and fully vested after ten years of continuous service. The employee contributions become fully vested at the time of their contribution to the plan. Road Commission contributions for, and interest forfeited by, employees who leave employment before ten years of service are used to reduce the Road Commission's current-period contribution requirement. Vesting is based on years of participation in the plan. If the employee withdraws from the plan, that period of time is not included as time vested.

The Road Commission made the required contribution to the plan, amounting to \$113,545, and employee contributions were \$133,798 for the year ended September 30, 2007.

E. Restatements

As of October 1, 2006, due to the fact that the extra voted millage has expired, the Medical Care Facility Millage Special Revenue Fund was absorbed by the Medical Care Facility Enterprise Fund. As a result of this reclassification, the net assets of business-type activities and the Medical Care Facility Enterprise Fund were increased and net assets of governmental activities and the fund balance of the Nonmajor Governmental Funds were decreased by \$915,163 as of October 1, 2006.

As of October 1, 2006, the net assets of the Cass County Road Commission component unit were decreased by \$23,489 to correct a prior year receivable.

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SUPPLEMENTARY INFORMATION

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

County of Cass, Michigan
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007

	Special Revenue	Debt Service	Capital Projects Law & Courts Building	Totals
Assets				
Cash and cash equivalents	\$ 3,334,421	\$ 8,917	\$ 10,577	\$ 3,353,915
Accounts receivable	3,660	-	-	3,660
Due from other governments	302,069	-	-	302,069
Total assets	\$ 3,640,150	\$ 8,917	\$ 10,577	\$ 3,659,644
Total liabilities and fund balances				
Liabilities				
Accounts payable	\$ 283,874	\$ -	\$ -	\$ 283,874
Due to other governments	12,154	-	-	12,154
Due to other funds	143,190	-	-	143,190
Total liabilities	439,218	-	-	439,218
Fund balances				
Reserved for legal restrictions	720,005	-	-	720,005
Unreserved, designated for programs	2,480,927	8,917	10,577	2,500,421
Total fund balances	3,200,932	8,917	10,577	3,220,426
Total liabilities and fund balances	\$ 3,640,150	\$ 8,917	\$ 10,577	\$ 3,659,644

County of Cass, Michigan
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2007

	Special Revenue	Debt Service	Capital Projects Law & Courts Building	Totals
Revenue				
Taxes and special assessments	\$ 2,170,089	\$ -	\$ -	\$ 2,170,089
Intergovernmental	1,087,142	-	-	1,087,142
Contributions	22,242	-	-	22,242
Fines and forfeits	493,179	-	-	493,179
Charges for services	184,526	-	-	184,526
Interest and rentals	92,447	-	430	92,877
Other revenue/reimbursements	810,589	-	-	810,589
Total revenue	4,860,214	-	430	4,860,644
Expenditures				
Current:				
Judicial	195,858	-	-	195,858
General government	209,939	-	-	209,939
Public safety	1,999,775	-	-	1,999,775
Health and welfare	2,510,748	-	-	2,510,748
Recreation and cultural	7,975	-	-	7,975
Debt service:				
Principal	-	150,000	-	150,000
Interest	-	234,068	-	234,068
Capital outlay	143,768	-	-	143,768
Total expenditures	5,068,063	384,068	-	5,452,131
Revenue (under) expenditures	(207,849)	(384,068)	430	(591,487)
Other financing sources (uses)				
Transfers in	690,666	384,068	-	1,074,734
Transfers (out)	(180,452)	-	-	(180,452)
Total other financing sources	510,214	384,068	-	894,282
Net changes in fund balances	302,365	-	430	302,795
Fund balances, beginning of year, as restated	2,898,567	8,917	10,147	2,917,631
Fund balances, end of year	\$ 3,200,932	\$ 8,917	\$ 10,577	\$ 3,220,426

**County of Cass, Michigan
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2007**

	Council on Aging Millage	Friend of the Court	Family Drug Court Implementation	Marcellus Township Community Policing
Assets				
Cash and cash equivalents	\$ 1,589	\$ 45,389	\$ 355	\$ 10,159
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	47,506
Total assets	\$ 1,589	\$ 45,389	\$ 355	\$ 57,665
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 1,589	\$ 374	\$ 355	\$ 1,811
Due to other governments	-	-	-	-
Due to other funds	-	-	-	45,000
Total liabilities	1,589	374	355	46,811
Fund balances				
Reserved for legal restrictions	-	-	-	-
Unreserved, designated for programs	-	45,015	-	10,854
Total fund balances	-	45,015	-	10,854
Total liabilities and fund balances	\$ 1,589	\$ 45,389	\$ 355	\$ 57,665

Public Improvement	Jail Facility	Register of Deeds Automation	Area Swine Agent	Building Strong Families	Budget Stabilization	Howard Township Drug Forfeiture
\$ 444,829	\$ -	\$ 142,448	\$ 11,875	\$ 5,825	\$ 819,809	\$ -
-	-	620	-	-	-	-
-	-	-	-	4,572	-	-
\$ 444,829	\$ -	\$ 143,068	\$ 11,875	\$ 10,397	\$ 819,809	\$ -
\$ 61,616	\$ -	\$ 2,547	\$ 25	\$ 7,603	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
61,616	-	2,547	25	7,603	-	-
-	-	-	-	-	-	-
383,213	-	140,521	11,850	2,794	819,809	-
383,213	-	140,521	11,850	2,794	819,809	-
\$ 444,829	\$ -	\$ 143,068	\$ 11,875	\$ 10,397	\$ 819,809	\$ -

continued...

County of Cass, Michigan
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
September 30, 2007

	Animal Control Donation	Central Dispatch	2004 Homeland Security Grant	Traffic Enforcement
Assets				
Cash and cash equivalents	\$ 54,019	\$ 50,400	\$ 17,793	\$ 40,832
Accounts receivable	265	-	-	-
Due from other governments	-	89,286	10,990	-
Total assets	\$ 54,284	\$ 139,686	\$ 28,783	\$ 40,832
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 7,762	\$ 7,434	\$ 93	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	50,000	28,690	-
Total liabilities	7,762	57,434	28,783	-
Fund balances				
Reserved for legal restrictions	-	-	-	-
Unreserved, designated for programs	46,522	82,252	-	40,832
Total fund balances	46,522	82,252	-	40,832
Total liabilities and fund balances	\$ 54,284	\$ 139,686	\$ 28,783	\$ 40,832

DARE Program	Sheriff's Drug Forfeiture	Prosecutor's Drug Forfeiture	Sheriff's Non-Drug Forfeiture	Corrections Officer Training	Law Library	Drug Enforcement Team
\$ 48,665	\$ 103,757	\$ 10,113	\$ 55,166	\$ 54,817	\$ 2,740	\$ 834,821
-	-	-	-	-	-	-
-	-	-	-	5,880	-	-
\$ 48,665	\$ 103,757	\$ 10,113	\$ 55,166	\$ 60,697	\$ 2,740	\$ 834,821
\$ -	\$ -	\$ -	\$ -	\$ 1,641	\$ 958	\$ 114,816
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,641	958	114,816
-	-	-	-	-	-	720,005
48,665	103,757	10,113	55,166	59,056	1,782	-
48,665	103,757	10,113	55,166	59,056	1,782	720,005
\$ 48,665	\$ 103,757	\$ 10,113	\$ 55,166	\$ 60,697	\$ 2,740	\$ 834,821

continued...

County of Cass, Michigan
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
September 30, 2007

	Sheriff's Justice Training Grant	Local Law Enforcement Block Grant	Haunted Woods Community Policing	Community Policing Activities
Assets				
Cash and cash equivalents	\$ 13,485	\$ 8,360	\$ 22,024	\$ -
Accounts receivable	2,400	-	-	-
Due from other governments	-	-	-	-
Total assets	\$ 15,885	\$ 8,360	\$ 22,024	\$ -
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 1,365	\$ 6,889	\$ -	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	1,365	6,889	-	-
Fund balances				
Reserved for legal restrictions	-	-	-	-
Unreserved, designated for programs	14,520	1,471	22,024	-
Total fund balances	14,520	1,471	22,024	-
Total liabilities and fund balances	\$ 15,885	\$ 8,360	\$ 22,024	\$ -

Community Policing Scholarship Golf	Community Development Block Grant	Community Corrections Grant	Social Welfare	Child Care	Soldiers' and Sailors' Relief	Veterans' Trust
\$ 22,375	\$ 21,483	\$ 498	\$ 63,221	\$ 336,197	\$ 1,224	\$ 3,641
375	-	-	-	-	-	-
-	51,473	31,933	-	60,429	-	-
\$ 22,750	\$ 72,956	\$ 32,431	\$ 63,221	\$ 396,626	\$ 1,224	\$ 3,641
\$ 428	\$ 37,939	\$ 12,929	\$ -	\$ 15,110	\$ 300	\$ 134
-	-	-	-	12,154	-	-
-	-	19,500	-	-	-	-
428	37,939	32,429	-	27,264	300	134
-	-	-	-	-	-	-
22,322	35,017	2	63,221	369,362	924	3,507
22,322	35,017	2	63,221	369,362	924	3,507
\$ 22,750	\$ 72,956	\$ 32,431	\$ 63,221	\$ 396,626	\$ 1,224	\$ 3,641

continued...

County of Cass, Michigan
Combining Balance Sheet (Concluded)
Nonmajor Special Revenue Funds
September 30, 2007

	Historical Commission	Child Care Social Welfare	Total
Assets			
Cash and cash equivalents	\$ 7,331	\$ 79,181	\$ 3,334,421
Accounts receivable	-	-	3,660
Due from other governments	-	-	302,069
Total assets	\$ 7,331	\$ 79,181	\$ 3,640,150
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 156	\$ -	\$ 283,874
Due to other governments	-	-	12,154
Due to other funds	-	-	143,190
Total liabilities	156	-	439,218
Fund balances			
Reserved for legal restrictions	-	-	720,005
Unreserved, designated for programs	7,175	79,181	2,480,927
Total fund balances	7,175	79,181	3,200,932
Total liabilities and fund balances	\$ 7,331	\$ 79,181	\$ 3,640,150

County of Cass, Michigan
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Council on Aging Millage	Friend of the Court	Family Drug Court Implementation	Marcellus Township Community Policing
Revenue				
Taxes	\$ 1,420,792	\$ -	\$ -	\$ -
Intergovernmental	-	-	182,817	174,494
Contributions	-	-	-	-
Fines and forfeits	-	-	-	-
Charges for services	-	31,149	-	-
Interest and rentals	-	2,399	-	-
Other revenue	-	-	-	-
Total revenue	1,420,792	33,548	182,817	174,494
Expenditures				
Current:				
Judicial	-	-	182,817	-
General government	-	-	-	-
Public safety	-	-	-	167,963
Health and welfare	1,420,792	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,420,792	-	182,817	167,963
Revenue over (under) expenditures	-	33,548	-	6,531
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(20,000)	-	-
Total other financing sources (uses)	-	(20,000)	-	-
Net changes in fund balances	-	13,548	-	6,531
Fund balances, beginning of year, as restated	-	31,467	-	4,323
Fund balances, end of year	\$ -	\$ 45,015	\$ -	\$ 10,854

Public Improvement	Jail Facility	Register of Deeds Automation	Area Swine Agent	Building Strong Families	Budget Stabilization	Howard Township Drug Forfeiture
\$ -	\$ 116	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	48,364	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	67,365	-	-	-	-
22,196	572	14,535	-	-	34,017	180
8,815	-	-	-	-	-	-
31,011	688	81,900	-	48,364	34,017	180
-	-	-	-	-	-	-
-	-	209,939	-	-	-	-
-	635	-	-	-	-	-
-	-	-	453	46,913	-	-
-	-	-	-	-	-	-
136,879	-	-	-	-	-	-
136,879	635	209,939	453	46,913	-	-
(105,868)	53	(128,039)	(453)	1,451	34,017	180
15,451	-	-	-	-	-	-
-	(15,451)	(17,625)	-	-	(49,600)	(5,888)
15,451	(15,451)	(17,625)	-	-	(49,600)	(5,888)
(90,417)	(15,398)	(145,664)	(453)	1,451	(15,583)	(5,708)
473,630	15,398	286,185	12,303	1,343	835,392	5,708
\$ 383,213	\$ -	\$ 140,521	\$ 11,850	\$ 2,794	\$ 819,809	\$ -

continued...

County of Cass, Michigan
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Animal Control Donation	Central Dispatch	2004 Homeland Security Grant	Traffic Enforcement
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,145	-	10,936	-
Contributions	-	-	-	-
Fines and forfeits	-	-	-	-
Charges for services	-	-	-	-
Interest and rentals	924	-	-	-
Other revenue	-	763,094	-	-
Total revenue	14,069	763,094	10,936	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	8,420	753,355	10,990	8,759
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,420	753,355	10,990	8,759
Revenue over (under) expenditures	5,649	9,739	(54)	(8,759)
Other financing sources (uses)				
Transfers in	-	118,600	54	20,000
Transfers (out)	-	(71,888)	-	-
Total other financing sources (uses)	-	46,712	54	20,000
Net changes in fund balances	5,649	56,451	-	11,241
Fund balances, beginning of year	40,873	25,801	-	29,591
Fund balances, end of year	\$ 46,522	\$ 82,252	\$ -	\$ 40,832

DARE Program	Sheriff's Drug Forfeiture	Prosecutor's Drug Forfeiture	Sheriff's Non-Drug Forfeiture	Corrections Officer Training	Law Library	Drug Enforcement Team
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,181
-	-	-	-	-	-	412
4,000	-	-	-	-	-	-
-	5,728	-	53,037	-	4,500	429,914
-	-	-	-	22,700	-	-
-	5,610	478	-	-	-	8,749
-	-	-	100	-	-	-
4,000	11,338	478	53,137	22,700	4,500	1,188,256
-	-	-	-	-	13,041	-
-	-	-	-	-	-	-
-	9,580	-	3,559	28,948	-	775,063
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,580	-	3,559	28,948	13,041	775,063
4,000	1,758	478	49,578	(6,248)	(8,541)	413,193
-	5,888	-	-	-	7,500	-
-	-	-	-	-	-	-
-	5,888	-	-	-	7,500	-
4,000	7,646	478	49,578	(6,248)	(1,041)	413,193
44,665	96,111	9,635	5,588	65,304	2,823	306,812
\$ 48,665	\$ 103,757	\$ 10,113	\$ 55,166	\$ 59,056	\$ 1,782	\$ 720,005

continued...

County of Cass, Michigan
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Sheriff's Justice Training Grant	Local Law Enforcement Block Grant	Haunted Woods Community Policing	Community Policing Activities
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,900	-	-	-
Contributions	-	-	-	550
Fines and forfeits	-	-	-	-
Charges for services	-	-	-	-
Interest and rentals	-	-	1,227	269
Other revenue	3,197	-	-	-
Total revenue	7,097	-	1,227	819
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	14,133	-	-	6,143
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	6,889	-	-
Total expenditures	14,133	6,889	-	6,143
Revenue over (under) expenditures	(7,036)	(6,889)	1,227	(5,324)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(7,036)	(6,889)	1,227	(5,324)
Fund balances, beginning of year	21,556	8,360	20,797	5,324
Fund balances, end of year	\$ 14,520	\$ 1,471	\$ 22,024	\$ -

Community Policing Scholarship Golf	Community Development Block Grant	Community Corrections Grant	Social Welfare	Child Care	Soldiers' and Sailors' Relief	Veterans' Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	85,114	197,394	39,114	228,668	-	4,096
17,692	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,468	-	-	44,035	-	-
1,291	-	-	-	-	-	-
-	-	-	-	19,938	-	-
18,983	99,582	197,394	39,114	292,641	-	4,096
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,562	-	197,665	-	-	-	-
-	154,215	-	71,860	484,735	1,662	2,297
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,562	154,215	197,665	71,860	484,735	1,662	2,297
4,421	(54,633)	(271)	(32,746)	(192,094)	(1,662)	1,799
-	-	273	-	353,000	2,000	-
-	-	-	-	-	-	-
-	-	273	-	353,000	2,000	-
4,421	(54,633)	2	(32,746)	160,906	338	1,799
17,901	89,650	-	95,967	208,456	586	1,708
\$ 22,322	\$ 35,017	\$ 2	\$ 63,221	\$ 369,362	\$ 924	\$ 3,507

continued...

County of Cass, Michigan
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Historical Commission	Child Care Social Welfare	Total
Revenue			
Taxes	\$ -	\$ -	\$ 2,170,089
Intergovernmental	-	98,688	1,087,142
Contributions	-	-	22,242
Fines and forfeits	-	-	493,179
Charges for services	4,809	-	184,526
Interest and rentals	-	-	92,447
Other revenue	-	15,445	810,589
Total revenue	4,809	114,133	4,860,214
Expenditures			
Current:			
Judicial	-	-	195,858
General government	-	-	209,939
Public safety	-	-	1,999,775
Health and welfare	-	327,821	2,510,748
Recreation and cultural	7,975	-	7,975
Capital outlay	-	-	143,768
Total expenditures	7,975	327,821	5,068,063
Revenue over (under) expenditures	(3,166)	(213,688)	(207,849)
Other financing sources (uses)			
Transfers in	7,900	160,000	690,666
Transfers (out)	-	-	(180,452)
Total other financing sources (uses)	7,900	160,000	510,214
Net changes in fund balances	4,734	(53,688)	302,365
Fund balances, beginning of year	2,441	132,869	2,898,567
Fund balances, end of year	\$ 7,175	\$ 79,181	\$ 3,200,932

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Council on Aging Millage		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ 1,420,792	\$ 1,420,792	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
	<hr/>		
Total revenue	1,420,792	1,420,792	-
	<hr/>		
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	1,420,792	1,420,792	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>		
Total expenditures	1,420,792	1,420,792	-
	<hr/>		
Revenue over (under) expenditures	-	-	-
	<hr/>		
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Net changes in fund balances	-	-	-
	<hr/>		
Fund balances, beginning of year	-	-	-
	<hr/>		
Fund balances, end of year	\$ -	\$ -	\$ -
	<hr/> <hr/>		

Friend of the Court			Family Drug Court Implementation		
Final Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	213,158	182,817	(30,341)
-	-	-	-	-	-
-	-	-	-	-	-
22,800	31,149	8,349	-	-	-
400	2,399	1,999	-	-	-
-	-	-	-	-	-
23,200	33,548	10,348	213,158	182,817	(30,341)
-	-	-	213,158	182,817	(30,341)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	213,158	182,817	(30,341)
23,200	33,548	10,348	-	-	-
-	-	-	-	-	-
(20,000)	(20,000)	-	-	-	-
(20,000)	(20,000)	-	-	-	-
3,200	13,548	10,348	-	-	-
31,467	31,467	-	-	-	-
\$ 34,667	\$ 45,015	\$ 10,348	\$ -	\$ -	\$ -

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Marcellus Township Community Policing		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	189,029	174,494	(14,535)
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	189,029	174,494	(14,535)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	186,379	167,963	(18,416)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	186,379	167,963	(18,416)
Revenue over (under) expenditures	2,650	6,531	3,881
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	2,650	6,531	3,881
Fund balances, beginning of year	4,323	4,323	-
Fund balances, end of year	\$ 6,973	\$ 10,854	\$ 3,881

Public Improvement			Jail Facility		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 91	\$ 116	\$ 25
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,462	22,196	10,734	571	572	1
5,400	8,815	3,415	-	-	-
16,862	31,011	14,149	662	688	26
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	635	635	-
-	-	-	-	-	-
-	-	-	-	-	-
142,288	136,879	(5,409)	-	-	-
142,288	136,879	(5,409)	635	635	-
(125,426)	(105,868)	19,558	27	53	26
15,425	15,451	26	-	-	-
-	-	-	(15,452)	(15,451)	1
15,425	15,451	26	(15,452)	(15,451)	1
(110,001)	(90,417)	19,584	(15,425)	(15,398)	27
473,630	473,630	-	15,398	15,398	-
\$ 363,629	\$ 383,213	\$ 19,584	\$ (27)	\$ -	\$ 27

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Register of Deeds Automation		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	70,000	67,365	(2,635)
Interest and rentals	5,000	14,535	9,535
Other revenue	-	-	-
Total revenue	75,000	81,900	6,900
Expenditures			
Current:			
Judicial	-	-	-
General government	243,929	209,939	(33,990)
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	243,929	209,939	(33,990)
Revenue over (under) expenditures	(168,929)	(128,039)	40,890
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(17,625)	(17,625)	-
Total other financing sources (uses)	(17,625)	(17,625)	-
Net changes in fund balances	(186,554)	(145,664)	40,890
Fund balances, beginning of year	286,185	286,185	-
Fund balances, end of year	\$ 99,631	\$ 140,521	\$ 40,890

Area Swine Agent			Building Strong Families		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	53,328	48,364	(4,964)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	53,328	48,364	(4,964)
-	-	-	-	-	-
-	-	-	-	-	-
3,000	453	(2,547)	53,328	46,913	(6,415)
-	-	-	-	-	-
-	-	-	-	-	-
3,000	453	(2,547)	53,328	46,913	(6,415)
(3,000)	(453)	2,547	-	1,451	1,451
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,000)	(453)	2,547	-	1,451	1,451
12,303	12,303	-	1,343	1,343	-
\$ 9,303	\$ 11,850	\$ 2,547	\$ 1,343	\$ 2,794	\$ 1,451

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Budget Stabilization		Actual Over (Under) Final Budget
	Budget	Actual	
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	34,017	34,017
Other revenue	-	-	-
Total revenue	-	34,017	34,017
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	-	34,017	34,017
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(191,892)	(49,600)	142,292
Total other financing sources (uses)	(191,892)	(49,600)	142,292
Net changes in fund balances	(191,892)	(15,583)	176,309
Fund balances, beginning of year	835,392	835,392	-
Fund balances, end of year	\$ 643,500	\$ 819,809	\$ 176,309

**Howard Township
Drug Forfeiture**

Animal Control Donation

Howard Township Drug Forfeiture			Animal Control Donation		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	8,888	13,145	4,257
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
180	180	-	349	924	575
-	-	-	-	-	-
180	180	-	9,237	14,069	4,832
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,888	8,420	(468)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,888	8,420	(468)
180	180	-	349	5,649	5,300
-	-	-	-	-	-
(5,888)	(5,888)	-	-	-	-
(5,888)	(5,888)	-	-	-	-
(5,708)	(5,708)	-	349	5,649	5,300
5,708	5,708	-	40,873	40,873	-
\$ -	\$ -	\$ -	\$ 41,222	\$ 46,522	\$ 5,300

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Central Dispatch		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	729,847	763,094	33,247
Total revenue	729,847	763,094	33,247
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	779,447	753,355	(26,092)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	779,447	753,355	(26,092)
Revenue over (under) expenditures	(49,600)	9,739	59,339
Other financing sources (uses)			
Transfers in	118,600	118,600	-
Transfers (out)	(69,000)	(71,888)	(2,888)
Total other financing sources (uses)	49,600	46,712	(2,888)
Net changes in fund balances	-	56,451	56,451
Fund balances, beginning of year	25,801	25,801	-
Fund balances, end of year	\$ 25,801	\$ 82,252	\$ 56,451

2004 Homeland Security Grant			Traffic Enforcement		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,639	10,936	(2,703)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,639	10,936	(2,703)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,639	10,990	(2,649)	18,998	8,759	(10,239)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,639	10,990	(2,649)	18,998	8,759	(10,239)
-	(54)	(54)	(18,998)	(8,759)	10,239
-	54	54	20,000	20,000	-
-	-	-	-	-	-
-	54	54	20,000	20,000	-
-	-	-	1,002	11,241	10,239
-	-	-	29,591	29,591	-
\$ -	\$ -	\$ -	\$ 30,593	\$ 40,832	\$ 10,239

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	DARE Program		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	4,000	4,000
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	-	-
 Total revenue	 -	 4,000	 4,000
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
 Total expenditures	 -	 -	 -
 Revenue over (under) expenditures	 -	 4,000	 4,000
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(25,041)	-	25,041
 Total other financing sources (uses)	 (25,041)	 -	 25,041
 Net changes in fund balances	 (25,041)	 4,000	 29,041
 Fund balances, beginning of year	 44,665	 44,665	 -
 Fund balances, end of year	 \$ 19,624	 \$ 48,665	 \$ 29,041

Sheriff's Drug Forfeiture			Prosecutor's Drug Forfeiture		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
16,982	5,728	(11,254)	-	-	-
-	-	-	-	-	-
2,500	5,610	3,110	250	478	228
-	-	-	-	-	-
19,482	11,338	(8,144)	250	478	228
-	-	-	-	-	-
-	-	-	-	-	-
17,761	9,580	(8,181)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,761	9,580	(8,181)	-	-	-
1,721	1,758	37	250	478	228
-	5,888	5,888	-	-	-
-	-	-	-	-	-
-	5,888	5,888	-	-	-
1,721	7,646	5,925	250	478	228
96,111	96,111	-	9,635	9,635	-
\$ 97,832	\$ 103,757	\$ 5,925	\$ 9,885	\$ 10,113	\$ 228

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Sheriff's		
	Non-Drug Forfeiture		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	3,000	53,037	50,037
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenue	-	100	100
	<hr/>		
Total revenue	3,000	53,137	50,137
	<hr/>		
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	4,000	3,559	(441)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>		
Total expenditures	4,000	3,559	(441)
	<hr/>		
Revenue over (under) expenditures	(1,000)	49,578	50,578
	<hr/>		
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Net changes in fund balances	(1,000)	49,578	50,578
	<hr/>		
Fund balances, beginning of year	5,588	5,588	-
	<hr/>		
Fund balances, end of year	\$ 4,588	\$ 55,166	\$ 50,578
	<hr/> <hr/>		

Corrections Officer Training			Law Library		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,500	4,500	-
22,000	22,700	700	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,000	22,700	700	4,500	4,500	-
-	-	-	13,042	13,041	(1)
-	-	-	-	-	-
40,550	28,948	(11,602)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,550	28,948	(11,602)	13,042	13,041	(1)
(18,550)	(6,248)	12,302	(8,542)	(8,541)	1
-	-	-	7,500	7,500	-
-	-	-	-	-	-
-	-	-	7,500	7,500	-
(18,550)	(6,248)	12,302	(1,042)	(1,041)	1
65,304	65,304	-	2,823	2,823	-
\$ 46,754	\$ 59,056	\$ 12,302	\$ 1,781	\$ 1,782	\$ 1

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Drug Enforcement Team		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ 749,090	\$ 749,181	\$ 91
Intergovernmental	1,000	412	(588)
Contributions	-	-	-
Fines and forfeits	432,644	429,914	(2,730)
Charges for services	-	-	-
Interest and rentals	-	8,749	8,749
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	1,182,734	1,188,256	5,522
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	775,065	775,063	(2)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	775,065	775,063	(2)
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	407,669	413,193	5,524
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	407,669	413,193	5,524
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	306,812	306,812	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 714,481</u>	<u>\$ 720,005</u>	<u>\$ 5,524</u>

Sheriff's Justice Training Grant		
Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -
6,000	3,900	(2,100)
-	-	-
-	-	-
-	-	-
-	-	-
318	3,197	2,879
6,318	7,097	779
-	-	-
-	-	-
14,134	14,133	(1)
-	-	-
-	-	-
-	-	-
14,134	14,133	(1)
(7,816)	(7,036)	780
-	-	-
-	-	-
-	-	-
(7,816)	(7,036)	780
21,556	21,556	-
\$ 13,740	\$ 14,520	\$ 780

Local Law Enforcement Block Grant		
Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
8,360	6,889	(1,471)
8,360	6,889	(1,471)
(8,360)	(6,889)	1,471
-	-	-
-	-	-
-	-	-
(8,360)	(6,889)	1,471
8,360	8,360	-
\$ -	\$ 1,471	\$ 1,471

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Haunted Woods Community Policing		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	-	-	-
Interest and rentals	600	1,227	627
Other revenue	-	-	-
Total revenue	600	1,227	627
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenue over (under) expenditures	600	1,227	627
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	600	1,227	627
Fund balances, beginning of year	20,797	20,797	-
Fund balances, end of year	\$ 21,397	\$ 22,024	\$ 627

Community Policing Activities		
Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -
-	-	-
550	550	-
-	-	-
-	-	-
167	269	102
-	-	-
<u>717</u>	<u>819</u>	<u>102</u>
-	-	-
-	-	-
6,144	6,143	(1)
-	-	-
-	-	-
-	-	-
<u>6,144</u>	<u>6,143</u>	<u>(1)</u>
<u>(5,427)</u>	<u>(5,324)</u>	<u>103</u>
-	-	-
-	-	-
-	-	-
<u>(5,427)</u>	<u>(5,324)</u>	<u>103</u>
<u>5,324</u>	<u>5,324</u>	<u>-</u>
<u>\$ (103)</u>	<u>\$ -</u>	<u>\$ 103</u>

Community Policing Scholarship Golf		
Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -
-	-	-
17,000	17,692	692
-	-	-
-	-	-
-	1,291	1,291
-	-	-
<u>17,000</u>	<u>18,983</u>	<u>1,983</u>
-	-	-
-	-	-
26,500	14,562	(11,938)
-	-	-
-	-	-
-	-	-
<u>26,500</u>	<u>14,562</u>	<u>(11,938)</u>
<u>(9,500)</u>	<u>4,421</u>	<u>13,921</u>
-	-	-
-	-	-
-	-	-
<u>(9,500)</u>	<u>4,421</u>	<u>13,921</u>
<u>17,901</u>	<u>17,901</u>	<u>-</u>
<u>\$ 8,401</u>	<u>\$ 22,322</u>	<u>\$ 13,921</u>

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Community Development Block Grant		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	200,000	85,114	(114,886)
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	30,000	14,468	(15,532)
Interest and rentals	-	-	-
Other revenue	-	-	-
Total revenue	230,000	99,582	(130,418)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	295,586	154,215	(141,371)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	295,586	154,215	(141,371)
Revenue over (under) expenditures	(65,586)	(54,633)	10,953
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(65,586)	(54,633)	10,953
Fund balances, beginning of year	89,650	89,650	-
Fund balances, end of year	\$ 24,064	\$ 35,017	\$ 10,953

Community Corrections Grant			Social Welfare		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
224,355	197,394	(26,961)	45,813	39,114	(6,699)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
224,355	197,394	(26,961)	45,813	39,114	(6,699)
-	-	-	-	-	-
-	-	-	-	-	-
225,010	197,665	(27,345)	-	-	-
-	-	-	78,389	71,860	(6,529)
-	-	-	-	-	-
-	-	-	-	-	-
225,010	197,665	(27,345)	78,389	71,860	(6,529)
(655)	(271)	384	(32,576)	(32,746)	(170)
-	273	273	-	-	-
-	-	-	-	-	-
-	273	273	-	-	-
(655)	2	657	(32,576)	(32,746)	(170)
-	-	-	95,967	95,967	-
\$ (655)	\$ 2	\$ 657	\$ 63,391	\$ 63,221	\$ (170)

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Child Care		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	250,000	228,668	(21,332)
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	30,000	44,035	14,035
Interest and rentals	-	-	-
Other revenue	11,500	19,938	8,438
Total revenue	291,500	292,641	1,141
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	657,648	484,735	(172,913)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	657,648	484,735	(172,913)
Revenue over (under) expenditures	(366,148)	(192,094)	174,054
Other financing sources (uses)			
Transfers in	353,000	353,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	353,000	353,000	-
Net changes in fund balances	(13,148)	160,906	174,054
Fund balances, beginning of year	208,456	208,456	-
Fund balances, end of year	\$ 195,308	\$ 369,362	\$ 174,054

Soldiers' and Sailors' Relief			Veterans' Trust		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	3,000	4,096	1,096
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,000	4,096	1,096
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,000	1,662	(338)	4,312	2,297	(2,015)
-	-	-	-	-	-
-	-	-	-	-	-
2,000	1,662	(338)	4,312	2,297	(2,015)
(2,000)	(1,662)	338	(1,312)	1,799	3,111
2,000	2,000	-	-	-	-
-	-	-	-	-	-
2,000	2,000	-	-	-	-
-	338	338	(1,312)	1,799	3,111
586	586	-	1,708	1,708	-
\$ 586	\$ 924	\$ 338	\$ 396	\$ 3,507	\$ 3,111

continued...

County of Cass, Michigan
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2007

	Historical Commission		
	Budget	Actual	Actual Over (Under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Contributions	-	-	-
Fines and forfeits	-	-	-
Charges for services	2,300	4,809	2,509
Interest and rentals	-	-	-
Other revenue	-	-	-
 Total revenue	 2,300	 4,809	 2,509
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and cultural	10,000	7,975	(2,025)
Capital outlay	-	-	-
 Total expenditures	 10,000	 7,975	 (2,025)
 Revenue over (under) expenditures	 (7,700)	 (3,166)	 4,534
Other financing sources (uses)			
Transfers in	7,900	7,900	-
Transfers (out)	-	-	-
 Total other financing sources (uses)	 7,900	 7,900	 -
 Net changes in fund balances	 200	 4,734	 4,534
Fund balances, beginning of year	2,441	2,441	-
Fund balances, end of year	\$ 2,641	\$ 7,175	\$ 4,534

Child Care Social Welfare			Total		
Budget	Actual	Actual Over (Under) Final Budget	Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 2,169,973	\$ 2,170,089	\$ 116
137,719	98,688	(39,031)	1,345,929	1,087,142	(258,787)
-	-	-	17,550	22,242	4,692
-	-	-	457,126	493,179	36,053
-	-	-	177,100	184,526	7,426
-	-	-	21,479	92,447	70,968
19,013	15,445	(3,568)	766,078	810,589	44,511
156,732	114,133	(42,599)	4,955,235	4,860,214	(95,021)
-	-	-	226,200	195,858	(30,342)
-	-	-	243,929	209,939	(33,990)
-	-	-	2,117,150	1,999,775	(117,375)
360,000	327,821	(32,179)	2,875,055	2,510,748	(364,307)
-	-	-	10,000	7,975	(2,025)
-	-	-	150,648	143,768	(6,880)
360,000	327,821	(32,179)	5,622,982	5,068,063	(554,919)
(203,268)	(213,688)	(10,420)	(667,747)	(207,849)	459,898
160,000	160,000	-	684,425	690,666	6,241
-	-	-	(344,898)	(180,452)	164,446
160,000	160,000	-	339,527	510,214	170,687
(43,268)	(53,688)	(10,420)	(328,220)	302,365	630,585
132,869	132,869	-	2,898,567	2,898,567	-
\$ 89,601	\$ 79,181	\$ (10,420)	\$ 2,570,347	\$ 3,200,932	\$ 630,585

concluded

County of Cass, Michigan
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2007

	Building Authority E-911 Building	Law and Courts Building	Total
Assets			
Cash and cash equivalents	\$ 11	\$ 8,906	\$ 8,917
Fund balances			
Unreserved, designated for programs	\$ 11	\$ 8,906	\$ 8,917

County of Cass, Michigan
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2007

	Building Authority E-911 Building	Law and Courts Building	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue			
Interest and rentals	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Debt service:			
Principal	15,000	135,000	150,000
Interest and fiscal charges	56,888	177,180	234,068
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	71,888	312,180	384,068
	<u> </u>	<u> </u>	<u> </u>
Revenue (under) expenditures	(71,888)	(312,180)	(384,068)
	<u> </u>	<u> </u>	<u> </u>
Other financing sources			
Transfers in	71,888	312,180	384,068
	<u> </u>	<u> </u>	<u> </u>
Net changes in fund balances	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Fund balances, beginning of year	11	8,906	8,917
	<u> </u>	<u> </u>	<u> </u>
Fund balances, end of year	<u>\$ 11</u>	<u>\$ 8,906</u>	<u>\$ 8,917</u>

County of Cass, Michigan
Combining Statement of Net Assets
Nonmajor Enterprise Funds
September 30, 2007

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Assets				
Current assets:				
Cash and cash equivalents	\$ 102,168	\$ 10,935	\$ 1,652	\$ -
Accounts receivable	16,764	-	-	-
Current portion of lease receivable	-	15,000	10,000	6,000
Total current assets	<u>118,932</u>	<u>25,935</u>	<u>11,652</u>	<u>6,000</u>
Noncurrent assets:				
Leases receivable, net of current portion	-	460,065	366,348	319,000
Total assets	<u>118,932</u>	<u>486,000</u>	<u>378,000</u>	<u>325,000</u>
Liabilities				
Current liabilities:				
Accounts payable	10,454	-	-	-
Current portion of long-term debt	-	15,000	10,000	6,000
Total current liabilities	<u>10,454</u>	<u>15,000</u>	<u>10,000</u>	<u>6,000</u>
Noncurrent liabilities:				
Due in more than one year	-	471,000	368,000	319,000
Total liabilities	<u>10,454</u>	<u>486,000</u>	<u>378,000</u>	<u>325,000</u>
Net assets				
Unrestricted	<u>\$ 108,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ -	\$ 1,612	\$ -	\$ 3,673	\$ 492	\$ 672	\$ 121,204
-	-	-	-	-	-	16,764
105,000	59,000	-	275,000	100,000	175,000	745,000
105,000	60,612	-	278,673	100,492	175,672	882,968
2,285,000	2,542,480	-	546,327	224,508	1,399,328	8,143,056
2,390,000	2,603,092	-	825,000	325,000	1,575,000	9,026,024
-	1,092	-	-	-	-	11,546
105,000	59,000	-	275,000	100,000	175,000	745,000
105,000	60,092	-	275,000	100,000	175,000	756,546
2,285,000	2,543,000	-	550,000	225,000	1,400,000	8,161,000
2,390,000	2,603,092	-	825,000	325,000	1,575,000	8,917,546
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,478

County of Cass, Michigan
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended September 30, 2007

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Operating revenue				
Charges for services	\$ 153,840	\$ 11,273	\$ 18,169	\$ 15,556
Operating expense				
Cost of services	99,302	-	-	-
Operating income	54,538	11,273	18,169	15,556
Non-operating revenue (expenses)				
Interest revenue	6,382	-	-	-
Interest expense	-	(11,273)	(18,169)	(15,556)
Total non-operating revenue (expenses)	6,382	(11,273)	(18,169)	(15,556)
Change in net assets	60,920	-	-	-
Net assets, beginning of year	47,558	-	-	-
Net assets, end of year	\$ 108,478	\$ -	\$ -	\$ -

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ 108,915	\$ 97,970	\$ -	\$ 22,000	\$ 37,063	\$ 87,518	\$ 552,304
-	-	-	-	-	-	99,302
108,915	97,970	-	22,000	37,063	87,518	453,002
-	-	-	-	-	20	6,402
(108,915)	(97,970)	-	(22,000)	(37,063)	(87,538)	(398,484)
(108,915)	(97,970)	-	(22,000)	(37,063)	(87,518)	(392,082)
-	-	-	-	-	-	60,920
-	-	-	-	-	-	47,558
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,478

County of Cass, Michigan
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2007

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Cash flows from operating activities				
Cash received from customers	\$ 145,884	\$ 11,273	\$ 18,169	\$ 15,556
Cash payments to suppliers for goods and services	(98,241)	-	-	-
Net cash provided by operating activities	47,643	11,273	18,169	15,556
Cash flows from capital and related financing activities				
Interest payments	-	(11,273)	(18,169)	(15,556)
Principal payments	-	(15,000)	(9,000)	(5,000)
Proceeds from long-term debt	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	(26,273)	(27,169)	(20,556)
Cash flows from investing activities				
Interest received	6,382	-	-	-
Amounts collected on leases receivable	-	25,935	9,000	5,000
Cash outlays for leases receivable	-	-	-	-
Net cash provided (used) by investing activities	6,382	25,935	9,000	5,000
Net increase in cash and cash equivalents	54,025	10,935	-	-
Cash and cash equivalents, beginning of year	48,143	-	1,652	-
Cash and cash equivalents, end of year	\$ 102,168	\$ 10,935	\$ 1,652	\$ -

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ 108,915	\$ 449,970	\$ -	\$ 22,000	\$ 37,063	\$ 87,518	\$ 896,348
-	(350,742)	-	-	-	-	(448,983)
108,915	99,228	-	22,000	37,063	87,518	447,365
(108,915)	(97,970)	-	(22,000)	(37,063)	(87,538)	(398,484)
(100,000)	(58,000)	-	(275,000)	(575,000)	(175,000)	(1,212,000)
-	766,000	-	-	-	-	766,000
(208,915)	610,030	-	(297,000)	(612,063)	(262,538)	(844,484)
-	-	-	-	-	20	6,402
100,000	-	-	275,000	575,000	175,019	1,164,954
-	(708,410)	-	-	-	-	(708,410)
100,000	(708,410)	-	275,000	575,000	175,039	462,946
-	848	-	-	-	19	65,827
-	764	-	3,673	492	653	55,377
\$ -	\$ 1,612	\$ -	\$ 3,673	\$ 492	\$ 672	\$ 121,204

continued...

County of Cass, Michigan
Combining Statement of Cash Flows
Enterprise Funds (Concluded)
For the Year Ended September 30, 2007

	Jail Commissary Fund	Village of Vandalia Water	Village of Vandalia Sewer	Paradise Lake Sewer
Cash flows from operating activities				
Operating income	\$ 54,538	\$ 11,273	\$ 18,169	\$ 15,556
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) decrease in:				
Accounts receivable	(7,956)	-	-	-
Due from other governments	-	-	-	-
Increase (decrease) in:				
Accounts payable	1,061	-	-	-
Net cash provided by operating activities	\$ 47,643	\$ 11,273	\$ 18,169	\$ 15,556

Painter Juno Christiana	Edwardsburg Sewer	Indian Lake Sewer Refunding	Diamond Lake Sewer	Barron Lake Wastewater	Donnell Lake Sewer	Total
\$ 108,915	\$ 97,970	\$ -	\$ 22,000	\$ 37,063	\$ 87,518	\$ 453,002
-	-	-	-	-	-	(7,956)
-	352,000	-	-	-	-	352,000
-	(350,742)	-	-	-	-	(349,681)
\$ 108,915	\$ 99,228	\$ -	\$ 22,000	\$ 37,063	\$ 87,518	\$ 447,365

County of Cass, Michigan
Combining Statement of Net Assets
Internal Service Funds
September 30, 2007

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance	Self- Insurance - MMRMA	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 272,989	\$ 91,043	\$ 861,946	\$ -	\$ 1,225,978
Accounts receivable	-	-	53,185	-	53,185
Prepaid expenses	-	-	233,083	-	233,083
Total current assets	<u>272,989</u>	<u>91,043</u>	<u>1,148,214</u>	<u>-</u>	<u>1,512,246</u>
Noncurrent assets:					
Restricted cash and cash equivalents	-	-	-	234,569	234,569
Capital assets being depreciated, net	93,240	170,334	-	-	263,574
Total noncurrent assets	<u>93,240</u>	<u>170,334</u>	<u>-</u>	<u>234,569</u>	<u>498,143</u>
Total assets	<u>366,229</u>	<u>261,377</u>	<u>1,148,214</u>	<u>234,569</u>	<u>2,010,389</u>
Liabilities					
Current liabilities:					
Accounts payable	-	-	84,984	27,313	112,297
Net assets					
Invested in capital assets	93,240	170,334	-	-	263,574
Restricted	-	-	-	207,256	207,256
Unrestricted	<u>272,989</u>	<u>91,043</u>	<u>1,063,230</u>	<u>-</u>	<u>1,427,262</u>
Total net assets	<u>\$ 366,229</u>	<u>\$ 261,377</u>	<u>\$ 1,063,230</u>	<u>\$ 207,256</u>	<u>\$ 1,898,092</u>

County of Cass, Michigan
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2007

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance	Self- Insurance - MMRMA	Total
Operating revenue					
Charges for services	\$ 77,386	\$ 46,694	\$ 3,408,793	\$ 53,345	\$ 3,586,218
Operating expense					
Cost of services	-	-	3,042,487	34,204	3,076,691
Depreciation	121,342	34,469	-	-	155,811
Total operating expense	121,342	34,469	3,042,487	34,204	3,232,502
Operating income (loss)	(43,956)	12,225	366,306	19,141	353,716
Non-operating revenue					
Gain on disposal of capital assets	5,400	-	-	-	5,400
Interest earned on investments	-	-	25,421	12,336	37,757
Non-operating revenue	5,400	-	25,421	12,336	43,157
Change in net assets	(38,556)	12,225	391,727	31,477	396,873
Net assets, beginning of year	404,785	249,152	671,503	175,779	1,501,219
Net assets, end of year	\$ 366,229	\$ 261,377	\$ 1,063,230	\$ 207,256	\$ 1,898,092

County of Cass, Michigan
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2007

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance	Self- Insurance - MMRMA	Total
Cash flows from operating activities					
Cash received from interfund services	\$ 77,386	\$ 46,694	\$ 3,356,351	\$ 53,345	\$ 3,533,776
Cash payments to suppliers for goods and services	-	-	(2,967,023)	(8,113)	(2,975,136)
Net cash provided by operating activities	77,386	46,694	389,328	45,232	558,640
Cash flows from capital and related financing activities					
Purchase of capital assets	(20,279)	(19,101)	-	-	(39,380)
Proceeds from the sale of capital assets	5,400	-	-	-	5,400
Net cash used by capital and related financing activities	(14,879)	(19,101)	-	-	(33,980)
Cash flows from investing activities					
Interest earnings	-	-	25,421	12,336	37,757
Net increase in cash and cash equivalents	62,507	27,593	414,749	57,568	562,417
Cash and cash equivalents, beginning of year	210,482	63,450	447,197	177,001	898,130
Cash and cash equivalents, end of year	\$ 272,989	\$ 91,043	\$ 861,946	\$ 234,569	\$ 1,460,547
Balance sheet classification of cash and cash equivalents					
Cash and cash equivalents	\$ 272,989	\$ 91,043	\$ 861,946	\$ -	\$ 1,225,978
Restricted cash and cash equivalents	-	-	-	234,569	234,569
	\$ 272,989	\$ 91,043	\$ 861,946	\$ 234,569	\$ 1,460,547

continued...

County of Cass, Michigan
Combining Statement of Cash Flows
Internal Service Funds (Concluded)
For the Year Ended September 30, 2007

	Motor Pool	Office, Equipment, Computer Pool	Self- Insurance	Self- Insurance - MMRMA	Total
Cash flows from operating activities					
Operating income (loss)	\$ (43,956)	\$ 12,225	\$ 366,306	\$ 19,141	\$ 353,716
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	121,342	34,469	-	-	155,811
(Increase) decrease in:					
Accounts receivable	-	-	(52,442)	-	(52,442)
Prepaid expenses	-	-	44,683	-	44,683
Increase (decrease) in:					
Accounts payable	-	-	30,781	26,091	56,872
Net cash provided by operating activities	<u>\$ 77,386</u>	<u>\$ 46,694</u>	<u>\$ 389,328</u>	<u>\$ 45,232</u>	<u>\$ 558,640</u>

County of Cass, Michigan
Combining Statement of Assets and Liabilities
Agency Funds
September 30, 2007

	Trust and Agency	Library Penal Fines	District Court	Friend of the Court
Assets				
Cash and cash equivalents	\$ 4,125,341	\$ 45,896	\$ 175,094	\$ 792
Liabilities				
Undistributed taxes	\$ 3,668,930	\$ -	\$ -	\$ -
Other undistributed receipts	456,411	45,896	175,094	792
Total liabilities	\$ 4,125,341	\$ 45,896	\$ 175,094	\$ 792

Inmate Trust	Payroll Clearing	Total
\$ 47,433	\$ -	\$ 4,394,556
<hr/>		
\$ -	\$ -	\$ 3,668,930
47,433	-	725,626
<hr/>		
\$ 47,433	\$ -	\$ 4,394,556
<hr/>		

County of Cass, Michigan
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Trust and Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 2,888,329	\$ 18,270,730	\$ 17,033,718	\$ 4,125,341
Liabilities				
Undistributed tax collections	\$ 2,366,845	\$ 8,611,054	\$ 7,308,969	\$ 3,668,930
Other undistributed receipts	521,484	9,659,676	9,724,749	456,411
Total liabilities	\$ 2,888,329	\$ 18,270,730	\$ 17,033,718	\$ 4,125,341
<u>Library Penal Fines</u>				
Assets				
Cash and cash equivalents	\$ 33,847	\$ 405,306	\$ 393,257	\$ 45,896
Liabilities				
Other undistributed receipts	\$ 33,847	\$ 405,306	\$ 393,257	\$ 45,896
<u>District Court</u>				
Assets				
Cash and cash equivalents	\$ 161,293	\$ 1,635,237	\$ 1,621,436	\$ 175,094
Liabilities				
Other undistributed receipts	\$ 161,293	\$ 1,635,237	\$ 1,621,436	\$ 175,094
<u>Friend of the Court</u>				
Assets				
Cash and cash equivalents	\$ 375	\$ 357,903	\$ 357,486	\$ 792
Liabilities				
Other undistributed receipts	\$ 375	\$ 357,903	\$ 357,486	\$ 792

continued...

County of Cass, Michigan
Combining Statement of Changes in Assets and Liabilities (Concluded)
All Agency Funds
For the Year Ended September 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Inmate Trust Fund</u>				
Assets				
Cash and cash equivalents	\$ 49,092	\$ 324,529	\$ 326,188	\$ 47,433
Liabilities				
Other undistributed receipts	\$ 49,092	\$ 324,529	\$ 326,188	\$ 47,433
<u>Payroll Clearing Fund</u>				
Assets				
Cash and cash equivalents	\$ 36,154	\$ 2,821,767	\$ 2,857,921	\$ -
Liabilities				
Other undistributed receipts	\$ 36,154	\$ 2,821,767	\$ 2,857,921	\$ -
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 3,169,090	\$ 23,815,472	\$ 22,590,006	\$ 4,394,556
Liabilities				
Undistributed tax collections	\$ 2,366,845	\$ 8,611,054	\$ 7,308,969	\$ 3,668,930
Other undistributed receipts	802,245	15,204,418	15,281,037	725,626
Total liabilities	\$ 3,169,090	\$ 23,815,472	\$ 22,590,006	\$ 4,394,556

concluded...

County of Cass, Michigan
Statement of Net Assets / Governmental Funds Balance Sheet
Drain Commission Component Unit
September 30, 2007

	Capital Projects Funds			Total
	Drain	Drain Revolving	Lake Level	
Assets				
Cash and cash equivalents	\$ 18,373	\$ 210,085	\$ 12,533	\$ 240,991
Accounts receivable	-	-	200	200
Due from other funds	-	19,000	-	19,000
Capital assets being depreciated	-	-	-	-
Total assets	\$ 18,373	\$ 229,085	\$ 12,733	\$ 260,191
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,162	\$ 1,162
Due to other funds	10,000	-	9,000	19,000
Advance from primary government	-	204,000	-	204,000
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	10,000	204,000	10,162	224,162
Fund balances				
Unreserved:				
Designated	-	25,085	-	25,085
Undesignated	8,373	-	2,571	10,944
Total fund balances	8,373	25,085	2,571	36,029
Total liabilities and fund balances	\$ 18,373	\$ 229,085	\$ 12,733	\$ 260,191
Net assets				
Invested in capital assets, net of related debt				
Restricted				
Unrestricted				
Total net assets				

<u>Adjustments</u>	<u>Statement of Net Assets</u>
\$ -	\$ 240,991
-	200
(19,000)	-
742,931	742,931
<hr/>	
723,931	984,122
<hr/>	
-	1,162
(19,000)	-
-	204,000
115,082	115,082
175,084	175,084
<hr/>	
271,166	495,328
<hr/>	
(25,085)	-
(10,944)	-
<hr/>	
(36,029)	-
<hr/>	
452,765	452,765
-	-
36,029	36,029
<hr/>	
<u>\$ 488,794</u>	<u>\$ 488,794</u>

County of Cass, Michigan
Statement of Activities / Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
Drain Commission Component Unit
For the Year Ended September 30, 2007

	<u>Capital Projects Funds</u>			<u>Total</u>
	<u>Drain</u>	<u>Drain Revolving</u>	<u>Lake Level</u>	
Revenue				
Special assessments	\$ 98,416	\$ -	\$ 119,281	\$ 217,697
Interest	1,697	13,038	2,084	16,819
Other	33,319	-	-	33,319
Total revenue	<u>133,432</u>	<u>13,038</u>	<u>121,365</u>	<u>267,835</u>
Expenditures/Expenses				
Debt service:				
Principal	98,000	-	83,750	181,750
Interest and fiscal charges	6,462	-	11,651	18,113
Public works	20,878	-	83,676	104,554
Total expenditures/expenses	<u>125,340</u>	<u>-</u>	<u>179,077</u>	<u>304,417</u>
Revenue over (under) expenditures/expenses	<u>8,092</u>	<u>13,038</u>	<u>(57,712)</u>	<u>(36,582)</u>
Other financing sources				
Issuance of long-term debt	-	-	60,000	60,000
Change in fund balances / net assets	8,092	13,038	2,288	23,418
Fund balances / net assets, beginning of year	<u>281</u>	<u>12,047</u>	<u>283</u>	<u>12,611</u>
Fund balances / net assets, end of year	<u>\$ 8,373</u>	<u>\$ 25,085</u>	<u>\$ 2,571</u>	<u>\$ 36,029</u>

<u>Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 217,697
-	16,819
-	33,319
<hr/>	
-	267,835
<hr/>	
(181,750)	-
-	18,113
25,096	129,650
<hr/>	
(156,654)	147,763
<hr/>	
156,654	120,072
<hr/>	
(60,000)	-
<hr/>	
96,654	120,072
<hr/>	
356,111	368,722
<hr/>	
\$ 452,765	\$ 488,794
<hr/>	

STATISTICAL SECTION

**COUNTY OF CASS, MICHIGAN
STATISTICAL SECTION**

This part of the County of Cass' 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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	126-129
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax.	130-133
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	134-137
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	138-140
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	141-143

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

COUNTY OF CASS, MICHIGAN
Net Assets By Component
Last Five Years

	Fiscal Year				
	2007	2006	2005	2004	2003
Governmental activities					
Invested in capital assets, net of related debt	\$ 9,615,294	\$ 10,239,455	\$ 10,367,055	\$ 10,844,423	\$ 10,239,455
Restricted	7,552,274	2,999,697	4,460,200	4,474,428	3,914,859
Unrestricted	5,779,805	6,466,532	3,825,186	2,799,212	6,466,532
Total governmental activities net assets	<u>\$ 22,947,373</u>	<u>\$ 19,705,684</u>	<u>\$ 18,652,441</u>	<u>\$ 18,118,063</u>	<u>\$ 20,620,846</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 1,269,114	\$ 1,389,457	\$ 1,475,990	\$ 1,537,891	\$ 1,389,457
Restricted	256,951	-	-	-	-
Unrestricted	11,824,681	11,304,045	9,908,343	9,810,627	10,375,061
Total business-type activities net assets	<u>\$ 13,350,746</u>	<u>\$ 12,693,502</u>	<u>\$ 11,384,333</u>	<u>\$ 11,348,518</u>	<u>\$ 11,764,518</u>
Primary government					
Invested in capital assets, net of related debt	\$ 10,884,408	\$ 11,628,912	\$ 11,843,045	\$ 12,382,314	\$ 11,628,912
Restricted	7,809,225	2,999,697	4,460,200	4,474,428	3,914,859
Unrestricted	17,604,486	17,770,577	13,733,529	12,609,839	16,841,593
Total primary government net assets	<u>\$ 36,298,119</u>	<u>\$ 32,399,186</u>	<u>\$ 30,036,774</u>	<u>\$ 29,466,581</u>	<u>\$ 32,385,364</u>

COUNTY OF CASS, MICHIGAN
Changes in Nets Assets
Last Five Years

	Fiscal Year				
	2007	2006	2005	2004	2003
Expenses					
Governmental activities:					
Legislative	\$ 218,915	\$ 194,158	\$ 158,948	\$ 199,353	\$ 192,593
Judicial	3,059,541	2,975,736	2,478,695	3,028,764	2,910,733
General government	3,663,539	3,584,731	2,436,841	3,159,304	3,191,288
Public safety	6,818,148	6,931,775	5,514,622	6,235,087	5,754,789
Public works	1,822	2,568	2,323	2,854	1,682
Health and welfare	3,223,765	3,298,333	2,736,171	3,109,592	2,955,726
Recreation and cultural	130,475	93,788	107,155	129,812	119,056
Other governmental activities	-	-	-	344,703	316,358
Interest on long-term debt	230,680	287,709	138,505	255,105	324,057
Total governmental activities expenses	<u>17,346,885</u>	<u>17,368,798</u>	<u>13,573,260</u>	<u>16,464,574</u>	<u>15,766,282</u>
Business-type activities expenses:					
Medical Care Facility	6,208,386	5,863,587	4,168,286	5,355,298	5,224,325
Delinquent tax collections/forfeitures	59,076	121,514	121,309	51,182	-
Jail Commissary	99,302	84,227	57,577	67,018	66,955
Public works projects	1,459,057	1,367,245	657,657	1,282,433	1,056,379
Total business-type activities	<u>7,825,821</u>	<u>7,436,573</u>	<u>5,004,829</u>	<u>6,755,931</u>	<u>6,347,659</u>
Total primary government expense	<u>\$ 25,172,706</u>	<u>\$ 24,805,371</u>	<u>\$ 18,578,089</u>	<u>\$ 23,220,505</u>	<u>\$ 22,113,941</u>
Program Revenues					
Governmental activities:					
Charges for services	\$ 2,541,730	\$ 2,189,402	\$ 1,608,136	\$ 2,100,255	\$ 1,947,735
Operating grants and contributions	4,195,066	4,188,517	3,304,954	4,095,294	3,849,764
Capital Grants and Contributions	-	-	-	33,674	25,634
Total government activities program revenue	<u>6,736,796</u>	<u>6,377,919</u>	<u>4,913,090</u>	<u>6,229,223</u>	<u>5,797,499</u>
Business-type activities					
Charges for services	8,225,644	7,995,647	4,670,924	6,472,495	5,923,093
Operating grants and contributions	902,707	845,995	527,919	536,756	691,120
Total business-type activities program revenues	<u>9,128,351</u>	<u>8,841,642</u>	<u>5,198,843</u>	<u>7,009,251</u>	<u>6,614,213</u>
Total primary government revenue	<u>\$ 15,865,147</u>	<u>\$ 15,219,561</u>	<u>\$ 10,111,933</u>	<u>\$ 13,238,474</u>	<u>\$ 12,411,712</u>
Net (Expense) Revenue					
Governmental activities	\$ (10,610,089)	\$ (10,990,879)	\$ (8,660,170)	\$ (10,235,351)	\$ (9,968,783)
Business-type activities	1,302,530	1,405,069	194,014	253,320	266,554
Total primary government net expens	<u>\$ (9,307,559)</u>	<u>\$ (9,585,810)</u>	<u>\$ (8,466,156)</u>	<u>\$ (9,982,031)</u>	<u>\$ (9,702,229)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes	\$ 12,738,309	\$ 11,497,562	\$ 8,634,970	\$ 9,917,329	\$ 7,420,793
Grants and contributions not restricted to specific programs	294,408	232,931	216,387	698,791	1,168,757
Unrestricted investment earnings	168,375	208,984	168,520	116,750	121,068
Gain on sale of capital assets	5,400	8,745	16,472	5,312	5,939
Transfers	645,286	1,011,063	158,199	504,900	327,773
Total governmental activities	<u>13,851,778</u>	<u>12,959,285</u>	<u>9,194,548</u>	<u>11,243,082</u>	<u>9,044,330</u>
Business-type activities:					
Transfers	<u>(645,286)</u>	<u>(1,011,063)</u>	<u>(158,199)</u>	<u>(504,900)</u>	<u>(327,773)</u>
Total primary governmen	<u>\$ 13,206,492</u>	<u>\$ 11,948,222</u>	<u>\$ 9,036,349</u>	<u>\$ 10,738,182</u>	<u>\$ 8,716,557</u>
Change in Net Assets					
Governmental activities	\$ 3,241,689	\$ 1,968,406	\$ 534,378	\$ 1,007,731	\$ (924,453)
Business-type activities	<u>657,244</u>	<u>394,006</u>	<u>35,815</u>	<u>(251,580)</u>	<u>(61,219)</u>
Total primary governmen	<u>\$ 3,898,933</u>	<u>\$ 2,362,412</u>	<u>\$ 570,193</u>	<u>\$ 756,151</u>	<u>\$ (985,672)</u>

Table 3

COUNTY OF CASS, MICHIGAN
Fund Balances - Governmental Funds
Last Ten Years

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$ 358,167	\$ 101,130	\$ 100,329	\$ 14,347	\$ 8,113	\$ 128,827	\$ 74,986	\$ 74,447	\$ 97,453	\$ 99,130
Unreserved	3,674,258	2,948,894	3,382,272	2,275,161	2,207,582	2,149,685	2,774,056	2,435,504	2,607,165	2,179,169
Total general fund	\$ 4,032,425	\$ 3,050,024	\$ 3,482,601	\$ 2,289,508	\$ 2,215,695	\$ 2,278,512	\$ 2,849,042	\$ 2,509,951	\$ 2,704,618	\$ 2,278,299
All Other Governmental Fund:										
Reserved	\$ 4,795,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated reported in:										
Special revenue funds	2,480,927	5,578,246	4,460,200	4,813,655	3,711,886	3,713,777	3,793,846	3,572,613	2,914,580	2,460,741
Debt service funds	8,917	8,917	8,890	8,737	8,715	15,657	15,160	82,180	13,893	13,929
Capital projects funds	10,577	10,147	10,801	12,369	159,058	4,032,311	1,123,910	2,070,935	391,369	514,899
Total all other governmental fund:	\$ 7,295,658	\$ 5,597,310	\$ 4,479,891	\$ 4,834,761	\$ 3,879,659	\$ 7,761,745	\$ 4,932,916	\$ 5,725,728	\$ 3,319,842	\$ 2,989,569
Total fund balance of all governmental funds	\$ 11,328,083	\$ 8,647,334	\$ 7,962,492	\$ 7,124,269	\$ 6,095,354	\$ 10,040,257	\$ 7,781,958	\$ 8,235,679	\$ 6,024,460	\$ 5,267,868

Table 4

COUNTY OF CASS, MICHIGAN
Changes in Fund Balances - Governmental Funds
Last Ten Years

	Fiscal Year									
	2005			2004	2003	2002	2001	2000	1999	1998
	2007	2006	(9 mo. yr.)							
Revenues										
Taxes and special assessments	\$ 12,091,636	\$ 11,393,059	\$ 8,613,612	\$ 9,896,352	\$ 7,419,872	\$ 8,143,892	\$ 7,610,064	\$ 7,437,848	\$ 7,201,361	\$ 6,823,721
Intergovernmental	2,999,280	3,194,188	2,677,983	3,719,640	3,738,636	6,084,471	4,889,946	4,336,917	5,490,545	4,167,714
Licenses and permits	152,380	141,502	125,936	151,787	150,412	113,916	119,313	95,487	92,962	96,853
Contributions	22,242	18,663	19,147	25,743	90,262	1,931,298	2,000,901	1,443,552	1,045,486	966,038
Fines and forfeits	588,148	169,250	87,471	85,492	124,915	72,604	93,961	117,025	144,012	143,584
Charges for services	1,868,574	1,954,732	1,453,677	1,941,735	1,813,260	1,791,923	1,687,428	2,124,539	1,753,371	1,534,361
Interest and rentals	610,997	495,203	331,293	379,579	456,188	820,664	1,024,544	1,359,081	1,139,866	1,362,292
Other revenue/reimbursements	1,197,962	1,066,388	834,873	1,038,347	1,056,401	1,176,274	1,216,587	503,624	489,161	445,539
Total revenues	19,531,219	18,432,985	14,143,992	17,238,675	14,849,946	20,135,042	18,642,744	17,418,073	17,356,764	15,540,102
Expenditures										
Current:										
Legislative	218,972	194,195	158,964	199,395	194,868	137,294	131,712	127,663	131,763	120,163
Judicial	2,898,018	2,795,290	2,261,397	2,858,990	2,713,078	2,533,540	2,325,758	2,208,520	2,112,139	1,949,140
General government	3,517,827	3,428,939	2,607,738	3,234,800	3,128,035	3,250,444	3,117,084	3,037,051	2,711,599	2,585,408
Public safety	6,782,059	6,876,486	5,455,483	6,214,794	5,686,236	5,619,940	5,255,098	5,143,756	4,943,635	4,158,632
Public works	1,822	2,568	2,323	2,689	2,594	2,120	2,193	24,625	1,468	735
Health and welfare	3,155,039	3,227,612	2,660,702	3,038,418	2,879,227	3,035,176	3,427,867	2,825,412	2,830,646	2,846,013
Recreation and cultural	97,975	61,288	74,655	97,312	86,556	131,248	88,774	93,995	73,206	63,746
Other	296,208	301,522	94,202	344,703	317,133	594,986	288,219	198,332	198,812	183,931
Debt service:										
Principal	150,000	140,000	10,000	130,000	117,000	1,738,000	1,660,950	1,258,000	1,215,000	1,163,050
Interest	234,068	243,211	123,994	255,793	229,778	1,062,777	987,615	806,703	496,060	544,815
Capital outlay	143,768	619,203	14,510	324,561	4,324,439	7,539,913	2,323,173	9,899,573	1,980,978	100,789
Total expenditures	17,495,756	17,890,314	13,463,968	16,701,455	19,678,944	25,645,438	19,608,443	25,623,630	16,695,306	13,716,422
Revenues over (under) expenditures	2,035,463	542,671	680,024	537,220	(4,828,998)	(5,510,396)	(965,699)	(8,205,557)	661,458	1,823,680
Other financing sources (uses)										
Transfers in	2,338,561	4,468,625	1,207,183	2,394,581	1,632,723	6,864,366	2,697,634	2,774,671	2,095,083	2,271,008
Transfers out	(1,693,275)	(3,384,929)	(1,048,984)	(1,889,681)	(1,299,950)	(3,636,541)	(2,760,656)	(3,024,788)	(2,643,601)	(2,731,141)
Proceeds from long-term debt	-	-	-	-	1,110,430	4,540,870	575,000	10,708,167	449,000	-
Total other financing sources (uses)	645,286	1,083,696	158,199	504,900	1,443,203	7,768,695	511,978	10,458,050	(99,518)	(460,133)
Net change in fund balances	2,680,749	1,626,367	838,223	1,042,120	(3,385,795)	2,258,299	(453,721)	2,252,493	561,940	1,363,547
Fund balances, beginning of year	8,647,334	7,020,967	7,124,269	6,082,149	9,481,149	7,781,958	8,235,679	5,983,186	5,462,520	3,904,321
Fund balances, end of year	\$ 11,328,083	\$ 8,647,334	\$ 7,962,492	\$ 7,124,269	\$ 6,095,354	\$ 10,040,257	\$ 7,781,958	\$ 8,235,679	\$ 6,024,460	\$ 5,267,868
Debt service as a percentage of noncapital expenditures	2%	2%	1%	2%	2%	18%	18%	15%	13%	14%

COUNTY OF CASS, MICHIGAN
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Personal Property Valuation	Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2007	\$ 1,709,492,777	\$ 90,963,664	\$ 38,029,683	\$ 314,022,772	\$ 98,251,150	\$ 2,250,760,046	6.1553	\$ 4,498,783,592	50.0%
2006	1,575,844,663	89,246,385	37,626,894	336,747,011	95,191,723	2,134,656,676	6.2567	4,265,153,730	50.0%
2005	1,450,953,188	82,744,997	35,596,294	304,759,761	92,460,821	1,966,515,061	6.3295	3,931,215,266	50.0%
2004	944,020,763	64,197,012	29,802,748	160,506,150	92,167,513	1,290,694,186	5.9178	3,703,641,590	34.8%
2003	886,645,733	60,921,325	25,913,416	158,431,611	99,145,565	1,231,057,650	5.9959	3,402,603,242	36.2%
2002	820,042,910	57,144,669	25,549,386	153,872,465	101,234,358	1,157,843,788	6.9943	3,128,474,080	37.0%
2001	758,358,859	54,224,324	24,330,230	147,875,170	76,011,176	1,060,799,759	7.1170	2,825,330,440	37.5%
2000	706,511,545	52,446,483	23,196,167	146,703,311	77,021,703	1,005,879,209	7.3445	2,566,507,778	39.2%
1999	666,464,615	49,290,799	22,289,785	141,714,176	78,115,107	957,874,482	7.4460	2,351,377,998	40.7%
1998	625,857,681	46,746,447	21,217,878	135,155,589	74,022,987	903,000,582	7.5279	2,050,279,646	44.0%

(1) Property taxes for the years listed are levied December 1 of the preceding year based on assessed values as of that date.

SOURCE: Equalization Department

Table 6

COUNTY OF CASS, MICHIGAN
Property Tax Rates (1)
Direct and Overlapping Governments
Last Ten Years

Fiscal Year	Tax Year	Direct Rate	Overlapping Rates					Total
		County Millage	City/Village Millages	Townships Millages	School Millages (2)	State Education	Other Millages	
2007	2006	6.1553	15.0269	1.8201	27.2719	6.0000	0.6934	56.9676
2006	2005	6.2567	16.2117	1.7902	27.3659	6.0000	0.6934	58.3179
2005	2004	6.3295	14.8591	1.8724	27.6727	6.0000	0.7057	57.4394
2004	2003	5.9178	15.4634	1.9185	27.3722	6.0000	0.6843	57.3562
2003	2002	5.9959	16.0549	1.9195	27.3173	6.0000	0.6949	57.9825
2002	2001	6.9943	16.6299	1.8617	27.1484	6.0000	0.7024	59.3366
2001	2000	7.1170	16.9695	1.8519	27.1299	6.0000	0.7171	59.7854
2000	1999	7.3445	17.1236	1.6162	27.7918	6.0000	0.7249	60.6009
1999	1998	7.4460	17.2059	1.5881	27.8659	6.0000	0.7361	60.8419
1998	1997	7.5279	17.2198	1.6057	26.5157	6.0000	0.7467	59.6158

(1) Per \$1,000 of equalized value.

(2) Includes intermediate school districts (i.e., special education and vocational) and community colleges.

SOURCE: Annual Apportionment Report of Cass County

Table 7

COUNTY OF CASS, MICHIGAN
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Vector Pipeline LP	\$ 17,414,314	1	0.77%	\$ -	-	-
Midwest Energy Cooperative	12,394,883	2	0.55%	10,466,956	1	1.16%
SPX Corporation	4,327,800	3	0.19%	-	-	-
Semco Energy Gas Co	4,094,347	4	0.18%	4,529,228	4	0.50%
Indiana & Michigan Electric Co	4,010,142	5	0.18%	9,115,514	2	1.01%
Dowagiac Limited Dividend	3,293,278	6	0.15%	2,721,975	9	0.30%
Stamp, Roger H. and Lois A. Trust	2,901,326	7	0.13%	2,671,430	10	0.30%
National Copper Products	2,761,700	8	0.12%	2,994,000	8	0.33%
American Electric Power	2,723,113	9	0.12%	3,397,930	5	0.38%
Hassle Farms LLC	2,647,156	10	0.12%	-	-	-
Contech Division	-	-	-	3,269,100	6	0.36%
Rospatch Jessco Corp	-	-	-	5,008,122	3	0.55%
Duwel Aluminum Products	-	-	-	3,141,400	7	0.35%
	<u>\$ 56,568,059</u>		<u>2.51%</u>	<u>\$ 47,315,655</u>		<u>5.24%</u>

SOURCE: Cass County Treasurer

Table 8

COUNTY OF CASS, MICHIGAN
Property Taxes Levied and Collected (1)
Last Ten Years

(2) Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percent of Levy
9/30/2007	\$ 7,866,202	\$ 5,190,454	66.0%	\$ -	\$ 5,190,454	66.0%
9/30/2006	9,324,085	8,722,513	93.5%	601,572	(3) 9,324,085	100.0%
9/30/2005	2,216,204	2,158,132	97.4%	58,072	(3) 2,216,204	100.0%
12/31/2004	8,697,763	8,025,169	92.3%	672,594	(3) 8,697,763	100.0%
12/31/2003	7,613,413	6,949,835	91.3%	663,578	(3) 7,613,413	100.0%
12/31/2002	7,381,298	6,680,075	90.5%	701,223	(3) 7,381,298	100.0%
12/31/2001	8,098,307	6,937,820	85.7%	1,160,487	(3) 8,098,307	100.0%
12/31/2000	7,549,712	6,977,444	92.4%	572,268	(3) 7,549,712	100.0%
12/31/1999	7,387,680	6,973,970	94.4%	413,710	(3) 7,387,680	100.0%
12/31/1998	7,132,333	6,416,960	90.0%	715,373	(3) 7,132,333	100.0%

SOURCES: Equalization Department and Cass County Finance Department

- (1) Includes all real and personal property taxes levied in Cass County.
- (2) Property taxes are levied December 1 of the preceding year and become delinquent March 1 of the current year. Delinquent real property taxes of all taxing districts in the County are purchased by the County's Delinquent Tax Revolving Fund. Uncollected personal property taxes must be collected by the applicable local treasurers. Beginning in 2005 the County began to levy a portion of its general taxes on July 1 due to change in law. Taxes continue to not be considered delinquent until March 1 of the following year.
- (3) Personal property tax delinquencies are maintained at the local unit (not county) level. The amounts remaining uncollected are unknown and not accounted for as management has no control over collections and believes the amounts to be immaterial.

COUNTY OF CASS, MICHIGAN
Ratios of Outstanding Debt By Type
Last Five Years

Fiscal Year	General Obligation Bonds			Percentage of Personal Income	Per Capita
	Governmental Activities	Business-type Activities	Total Primary Government		
2007	\$ 4,795,000	\$ 30,771,000	\$ 35,566,000	2.4%	\$ 693
2006	4,945,000	32,667,000	37,612,000	2.3%	723
2005	5,085,000	32,752,000	37,837,000	2.4%	728
2004	5,095,000	35,036,000	40,131,000	2.7%	775
2003	5,225,000	17,085,000	22,310,000	1.6%	434

COUNTY OF CASS, MICHIGAN
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year Ended	(1) Population	Taxable Value	(2) Gross Bonded Debt	Less Debt Service Fund Amounts	Less Self- Supporting Portions	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
09/30/2007	51,329	\$ 2,250,760,046	\$ 35,566,000	\$ 8,917	\$ 30,771,000	\$ 4,786,083	0.21%	\$ 93
09/30/2006	51,996	2,134,656,676	37,612,000	8,917	32,667,000	4,936,083	0.23%	95
09/30/2005	51,996	1,966,515,061	37,837,000	8,890	32,752,000	5,076,110	0.26%	98
12/31/2004	51,761	1,290,694,186	40,131,000	8,737	35,036,000	5,086,263	0.39%	98
12/31/2003	51,385	1,231,057,650	22,310,000	8,715	17,085,000	5,216,285	0.42%	102
12/31/2002	51,412	1,157,843,788	22,315,570	15,657	18,084,000	4,215,913	0.36%	82
12/31/2001	51,352	1,060,799,759	20,797,000	15,160	19,987,000	794,840	0.07%	15
12/31/2000	51,104	1,005,879,209	22,022,950	82,180	20,637,950	1,302,820	0.13%	25
12/31/1999	49,477	957,874,482	11,295,950	13,893	9,330,950	1,951,107	0.19%	39
12/31/1998	49,477	903,000,582	12,806,950	13,929	7,301,950	5,491,071	0.57%	111

(1) From EC Demograph

(2) Amounts do not include special assessment debt, revenue bonds or debt of discretely presented component units.

COUNTY OF CASS, MICHIGAN
Computation of Direct and Overlapping Bonded Debt
Current Year

	(1) Net Debt Outstanding	Percentage Applicable to Cass County	Amount Applicable to Cass County
Direct:			
Building authority bonds	\$ 4,795,000	100.00%	\$ 4,795,000
Drain Commission bonds and notes	290,167	100.00%	290,167
County Road Commission debt	<u>7,340,000</u>	100.00%	<u>7,340,000</u>
	<u>\$ 12,425,167</u>		<u>12,425,167</u>
Overlapping:			
School Districts	\$ 169,130,003	43.71%	\$ 73,918,982
Cities and Villages	10,757,000	44.50%	4,786,400
Townships	34,741,069	100.00%	34,741,069
Community Colleges	2,175,000	91.10%	1,981,425
Intermediate School Districts	<u>-</u>	0.00%	<u>-</u>
Net overlapping debt	<u>\$ 47,673,069</u>		<u>115,427,876</u>
Net direct and overlapping debt			<u>\$ 127,853,043</u>

(1) Excludes self-supporting debt or that portion paid directly by benefiting municipalities.

SOURCE: Municipal Advisory Council of Michigan

COUNTY OF CASS, MICHIGAN
Computation of Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value, real and personal property	\$ 2,250,760,046
Legal debt margin	
Debt limitation (10% of total valuation)	\$ 225,076,005
Debt applicable to limit:	
General obligation bonds	4,795,000
Water and Sewer Project Bonds	30,771,000
Total net debt applicable to limit	35,566,000
Legal debt margin	\$ 189,510,005

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2007	\$ 225,076,005	\$ 35,566,000	\$ 189,510,005	15.80%
2006	213,465,668	37,612,000	175,853,668	17.62%
2005	196,651,506	37,837,000	158,814,506	19.24%
2004	129,069,419	40,131,000	88,938,419	31.09%
2003	123,105,765	22,310,000	100,795,765	18.12%
2002	115,784,379	22,315,570	93,468,809	19.27%
2001	106,079,976	20,797,000	85,282,976	19.61%
2000	100,587,921	21,851,000	78,736,921	21.72%
1999	95,787,448	11,054,000	84,733,448	11.54%
1998	90,300,058	12,535,000	77,765,058	13.88%

COUNTY OF CASS, MICHIGAN
Demographic and Economic Statistics
Last Ten Years

Year	Population (estimated)	Personal Income (amounts in thousands)	Per capita Personal Income	Unemployment Rate
2007	51,329	\$ 1,460,082	\$ 28,446	4.5%
2006	51,996	1,654,197	31,814	5.2%
2005	51,996	1,555,575	29,917	4.3%
2004	51,761	1,462,833	28,261	5.1%
2003	51,385	1,375,620	26,771	4.9%
2002	51,412	1,292,382	25,138	4.8%
2001	51,352	1,258,623	24,510	3.2%
2000	51,104	1,265,465	24,763	3.3%
1999	49,477	1,196,794	24,189	3.8%
1998	49,477	1,137,121	22,983	4.7%

Year	Population (census)
2000	51,104
1990	49,477
1980	49,499
1970	43,312
1960	36,932
1950	28,185

SOURCES:Population - www.census.govUnemployment Rate - www.michlmi.orgPersonal income - www.bea.gov

COUNTY OF CASS, MICHIGAN
Principal Employers
Current Year and Nine Years Ago

Employer	2007			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Berrybrook Enterprises	500	1	4.8%			
SPX Corporation	400	2	3.9%			
Dowagiac Union School District	384	3	3.7%	350	3	3.5%
Georgie Boy Manufacturing Inc	325	4	3.1%	425	1	4.3%
Inverness Castings Group Inc	300	5	2.9%	250	6	2.5%
Borgess Hospital Corp.	275	6	2.7%	200	10	2.0%
National Copper Products Inc	200	7	1.9%			
North American Forest Products	200	8	1.9%			
Southwestern Michigan College	200	9	1.9%	350	4	3.5%
Edwardsburg Public Schools	192	10	1.9%	200	7	2.0%
Contech Division				400	2	4.0%
Ameriwood				325	5	3.3%
Cassopolis Schools				200	8	2.0%
Jessup Door Company Inc.				200	9	2.0%
Total employees in County	10,360			9,905		

SOURCE: www.bls.gov

Table 15

COUNTY OF CASS, MICHIGAN
Full-Time Equivalent County Government Employees By Function/Program
Last Ten Years

Function/Program	Full-time Equivalent Employees as of Fiscal Year End									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Legislative:										
Board of commissioners	15	15	15	15	15	7	7	7	7	7
Judicial:										
Circuit Court	5	5	5	5	5	5	5	5	5	4
District Court	11	12	12	11	10	10	10	10	10	10
Friend of the Court	13	13	15	15	16	16	15	15	15	15
Probate Court	4	4	4	4	4	4	4	4	4	4
Family Court	11	11	12	11	7	7	7	7	6	6
General Government:										
County Administration	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	2	3	3	3	4	4	4
Information & Tech Systems	6	6	6	6	6	6	6	6	5	4
Facilities Management	4	4	5	5	6	6	6	6	6	6
Clerk/Register	7	6	7	7	6	6	6	6	6	6
Treasurer	4	4	4	4	4	4	4	4	4	4
Drain Commissioner	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Prosecuting Attorney	11	12	12	11	10	11	11	11	11	11
Sheriff	81	83	86	92	96	97	96	98	92	82
Animal Control	5	5	5	5	5	5	5	5	5	5
Social Services:										
Veterans Services	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
County Extension	2	2	3	3	3	3	3	3	3	3
Total	185	188	197	200	200	194	192	195	187	175

SOURCE: County Budget Office

Table 16

COUNTY OF CASS, MICHIGAN
Operating Indicators By Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Public Safety (Sheriff):										
Number of new calls	14,524	12,500	9,563	12,900	12,800	12,715	12,003	11,500	10,692	11,051
Number of burglaries	247	310	225	340	350	335	259	300	312	280
Number of intakes - Jail	2,516	2,800	2,000	2,800	2,600	2,800	3,000	3,300	2,954	3,013
Number of Court Hours - Jail	1,076	1,100	850	1,000	1,040	1,000	1,090	1,100	1,082	1,076
Drain Commission:										
Number of new drainage/ lake level districts	2	2	1	2	2	2	1	3	5	5
Central Dispatch E-911:										
Number of Calls	42,234	46,077	49,439	48,952	46,399	48,526	48,710	42,300	41,635	41,672
Clerk/Register of Deeds:										
Number of Elections Held	4	4	3	6	5	8	4	9	5	6
Number of deeds recorded	13,407	16,000	16,000	18,500	18,500	14,500	15,100	14,500	15,500	15,022
Animal Control:										
Number of Animals adopted out	459	435	337	450	450	454	450	400	352	425
Prosecutor:										
Number of Warrants/Petitions	2,421	2,545	1,650	3,570	3,245	3,075	2,858	4,137	3,493	3,130

Table 17

COUNTY OF CASS, MICHIGAN
Capital Asset Statistics By Function/Program
Last Ten Years

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Law & Courts										
Building & Improvements	\$ 7,373,464	\$ 7,373,464	\$ 7,373,464	\$ 7,373,464	\$ 7,677,803	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	649,822	649,822	649,822	649,822	682,852	206,097	200,237	183,958	164,689	150,812
General Government										
County Building										
Land	40,855	40,855	40,855	40,855	40,855	40,855	40,855	40,855	-	-
Buildings & Improvements	680,075	680,075	680,075	680,075	313,529	3,781,980	3,765,145	3,763,945	3,741,983	3,740,529
Equipment	503,675	403,218	403,218	403,218	275,121	933,340	887,232	852,265	800,313	745,825
Maintenance/MSU Extension										
Buildings & Improvements	65,000	65,000	65,000	65,000	65,000	169,694	169,694	169,694	169,694	169,694
Equipment	75,632	75,632	75,632	55,189	55,189	239,526	234,161	230,454	217,638	200,575
County Complex M-62										
Land	50,285	50,285	50,285	50,285	50,285	55,999	55,999	55,999	55,999	55,999
Buildings & Improvements	-	-	-	-	-	64,961	64,961	64,961	64,961	64,961
Public Safety										
Sheriff /Jail Complex										
Buildings & Improvements	5,514,718	5,514,718	5,514,718	5,514,718	5,514,718	6,610,753	6,604,465	6,599,090	6,567,563	6,567,563
Equipment	1,370,408	1,370,408	807,028	807,028	807,028	1,144,403	1,092,742	949,290	770,312	502,074
E-911 Facility										
Buildings & Improvements	985,333	985,333	985,333	985,333	985,333	-	-	-	-	-
Equipment	412,708	385,248	301,117	126,303	35,205	-	-	-	-	-
Animal Shelter										
Buildings & Improvements	525,000	525,000	525,000	525,000	525,000	541,467	541,467	541,467	541,467	525,168
Equipment	59,071	59,071	59,071	59,071	59,071	70,318	65,614	64,386	59,737	50,963
Human Services										
Health Department										
Buildings & Improvements	400,000	400,000	400,000	400,000	400,000	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
Mental Health										
Buildings & Improvements	-	-	-	-	-	779,977	779,977	779,977	779,977	779,977
Equipment	-	-	-	-	-	-	-	-	-	-
Medical Care Facility										
Buildings & Improvements	2,736,707	2,736,707	2,736,707	2,736,707	2,736,707	236,707	236,707	236,707	236,707	236,707

continued...

Table 17

COUNTY OF CASS, MICHIGAN
Capital Asset Statistics By Function/Program (Concluded)
Last Ten Years

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Culture & Recreation										
District Library										
Buildings & Improvements	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,368,768	\$ 1,368,768	\$ 1,365,795	\$ 1,364,851	\$ 1,357,047
Equipment	-	-	-	-	-	5,686	5,686	5,686	5,686	-
Lawless Park										
Land	304,516	304,516	304,516	304,516	304,516	304,516	304,516	96,000	96,000	96,000
Historical Commission										
Buildings & Improvements	-	-	-	-	-	9,636	9,636	9,636	4,175	2,175
Equipment	-	-	-	-	-	1,399	1,399	1,399	1,399	1,399

concluded...

COUNTY OF CASS, MICHIGAN



SINGLE AUDIT ACT COMPLIANCE

For the Year Ended September 30, 2007



REHMANN ROBSON

Certified Public Accountants

**County of Cass, Michigan
Single Audit Act Compliance**

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For the Year Ended September 2007

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County of Cass, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2007

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Award Amount	Federal Expenditures
U.S. Department of Agriculture				
Direct Programs:				
Water and Waste Disposal Systems for Rural Communities 2006/2007	10.760	-n/a-	\$ 3,700,000	\$ 1,766,000
Passed-through the Michigan Department of Human Services:				
Family Nutrition Program 2006/2007	10.561	-n/a-	84,746	<u>14,247</u>
Total U.S. Department of Agriculture				<u>1,780,247</u>
U.S. Department of Justice				
Direct Programs:				
Federal Equitable Sharing Program	16.000	-n/a-	7,445	7,445
Bulletproof Vest Partnership -2005	16.607	-n/a-	3,000	351
Bulletproof Vest Partnership -2006	16.607	-n/a-	2,150	2,134
Family Drug Court Implementation Grant	16.585	2004-DC-BX-0054	450,000	182,817
State Criminal Alien Assistance Program	16.606	2007-AP-BX-0402	1,104	1,104
Passed-through the Michigan Department of Human Services:				
Juvenile Justice Building Restorative Communities:				
12/01/2005-11/30/2006	16.540	JJBRC-05-14001-2	90,000	21,629
12/01/2006-11/30/2007	16.540	JJBRC-05-14001-3	60,000	46,036
Passed-through the Michigan Department of Community Health:				
Edward Byrne Memorial State & Local Law Enforcement Assistance				
10/01/2006-09/30/2007	16.580	-n/a-	-n/a-	<u>412</u>
Total U.S. Department of Justice				<u>261,928</u>
U.S. Department of Transportation				
Passed through the Michigan Office of Highway Safety Planning:				
Highway Safety Project Enforcement Grant	20.600	PT-07-46	12,000	<u>10,780</u>

continued...

County of Cass, Michigan
Schedule of Expenditures of Federal Awards (Concluded)
For the Year Ended September 30, 2007

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Award Amount	Federal Expenditures
U.S. Department of Health & Human Services				
Passed-through the Michigan Department of Human Services:				
Strong Families/Safe Children				
10/1/2006-9/30/2007	93.556	SFSC 04-14001-4	\$ 24,129	\$ 24,129
Child Support Enforcement:				
Incentive Payments	93.563	-n/a-	-n/a-	128,653
Friend of the Court				
10/1/2006-9/30/2007	93.563	CS/FOC-07-14001	506,376	434,909
Prosecuting Attorney				
10/1/2006-9/30/2007	93.563	CS/PA-07-14002	112,514	<u>82,691</u>
Total U.S. Department of Health and Human Services				<u>670,382</u>
U.S. Department of Homeland Security				
Direct Programs:				
Commercial Equipment Direct Assistance Program				
2006	97.096	CEDAP-32477	3,600	3,600
Passed-through the Michigan Department of Natural Resources:				
Boating Safety Financial Assistance				
01/01/2007-09/30/2007	97.012	-n/a-	17,854	17,854
Passed-through Michigan Department of State Police, and 5th District Regional Homeland Security Planning Board via Van Buren County:				
2006 Homeland Security Grant Program				
07/01/2006-03/31/2008	97.067	-n/a-	-n/a-	13,637
Passed-through the Michigan Department of State Police:				
Emergency Management Performance Grant				
10/01/2006-09/30/2007	97.042	-n/a-	9,292	<u>9,292</u>
Total U.S. Department of Homeland Security				<u>44,383</u>
Total Expenditures of Federal Awards				<u><u>\$ 2,767,720</u></u>

County Of Cass, Michigan

Notes to Schedule of Expenditures of Federal Awards

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of County of Cass, Michigan (the "County"). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The County of Cass reporting County is defined in Note I of the County's financial statements. County of Cass, Michigan's financial statements include the operations of the County of Cass Transportation Authority, which received \$195,186 in federal awards that is not included in the Schedule for the year ended September 30, 2007. Our audit did not include the operations of the County of Cass Transportation Authority because the County of Cass Transportation Authority engaged other auditors to perform its audit.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note I of the County's financial statements.

Amounts presented on the Schedule of Expenditures of Federal Awards agree with or reconcile to amounts presented in the financial statements.

* * * * *



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

February 6, 2008

To the Board of Commissioners
County of Cass, Michigan
Cassopolis, Michigan

We have audited the 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 Cass Michigan, as of and for the year ended September 30, 2007, which collectively comprise the basic financial statements, and have issued our report thereon dated February 6, 2008. We did not audit the financial statements of the Medical Care Facility enterprise fund, which represents 11% of the assets and 69% of the revenues of the business-type activities. Also, we did not audit the financial statements of the Transportation Authority, which represents 2% of the assets and 7% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Transportation Authority, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Cass, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Cass, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Cass, Michigan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Cass, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Cass, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the County of Cass, Michigan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Cass, Michigan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as identified above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Cass, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the County of Cass, Michigan in a separate letter dated February 6, 2008.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Lehmann Johnson".



REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

February 6, 2008

To the Board of Commissioners
of the County of Cass, Michigan
Cassopolis, Michigan

Compliance

We have audited the compliance of the County of Cass, Michigan with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2007. The County of Cass, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Cass, Michigan's management. Our responsibility is to express an opinion on the County of Cass, Michigan's compliance based on our audit.

The County of Cass, Michigan's financial statements include the operations of the County of Cass Transportation Authority, which received \$195,186 in federal awards during the year ended September 30, 2007, which is not included in the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the County of Cass Transportation Authority because the County of Cass Transportation Authority engaged other auditors to perform its audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Cass, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Cass, Michigan's compliance with those requirements.

In our opinion, the County of Cass, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

Internal Control over Compliance

The management of the County of Cass, Michigan is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Cass, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an County's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the 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 Cass Michigan, as of and for the year ended September 30, 2007, which collectively comprise the basic financial statements, and have issued our report thereon dated February 6, 2008. We did not audit the financial statements of the Medical Care Facility enterprise fund, represents 8% of the assets and 71% of the revenues of the business-type activities. Also, we did not audit the financial statements of the Transportation Authority, which represents 2% of the assets and 8% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Transportation Authority, is based on the reports of the other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Cass, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



County of Cass, Michigan
Schedule of Findings and Questioned Costs
For The Year Ended September 30, 2007

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements
noted? _____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)? _____ yes X no

County of Cass, Michigan

Schedule of Findings and Questioned Costs (Concluded)

For The Year Ended September 30, 2007

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – PRIOR YEAR FINDINGS

None.

* * * * *



REHMANN ROBSON

Certified Public Accountants

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February 6, 2008

To the County Commission of the
County of Cass, Michigan
Cassopolis, Michigan

We have audited the financial statements of County of Cass, Michigan for the year ended September 30, 2007, and have issued our report thereon dated February 6, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated July 6, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered County of Cass, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether County of Cass, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about County of Cass, Michigan's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on County of Cass, Michigan's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on County of Cass, Michigan's compliance with those requirements.



Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by County of Cass, Michigan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by County of Cass, Michigan during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the liability for uninsured risks of loss, including incurred but not reported claims, which are accounted for in certain of the County's internal service funds and for which the County utilizes the services of an independent third-party risk management consultant to estimate the liability.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- The allocation of shared costs between funds has been determined based on studies of related time expended, services performed or other applicable activities and data.

We evaluated the key factors assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on County of Cass, Michigan's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by County of Cass, Michigan, either individually or in the aggregate, indicate matters that could have a significant effect on County of Cass, Michigan's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as County of Cass, Michigan’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

This letter and the accompanying memorandum are intended for the use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lehmann Johnson".

County of Cass, Michigan

Comments and Recommendations

For the Year Ended September 30, 2007

In planning and performing our audit of the financial statements of County of Cass, Michigan as of and for the year ended September 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Other Matters

Credit Card Purchases

The County's stated policies require that all credit card transactions over \$50 be supported by a purchase order. In addition, the policy requires all credit card statements to be reviewed and approved by the Finance Director prior to payment.

Our testing of the County's credit card transactions revealed that these policies are not consistently enforced. Based on our experience with other governments, we believe that these policies may be overly restrictive. We recommend that the County consider amending its credit card policy to more closely reflect the desired practice, and then enforce the revised policy going forward.

Journal Entry Review

The County does not currently require an independent review of all journal entries by someone other than the preparer (though as a matter of course, this frequently occurs). Although other control procedures are in place, such as management review of general ledger detail and budgetary controls, which appear to mitigate the risks otherwise associated with a lack of independent review, we nevertheless recommend that the County consider implementing a policy requiring a second individual to review and approve all manual journal entries.

County of Cass, Michigan

Comments and Recommendations

For the Year Ended September 30, 2007

District Court Cash Deposits

The District Court is currently depositing its cash collections in a noninterest bearing account from which it remits these collections, on a monthly basis to the County Treasurer. While the Court is specifically granted the authority to maintain its own separate accounts, given the significance of the monthly transfers currently being made, we recommend that the County consider revising this process to make more frequent distributions throughout the month in order to maximize interest earnings.

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