Michigan Dept. of Treasury, Local Audit & Finance Division
496 (3-98), Formerly L-3147

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type	Local Government Name	County
[ ] City [ ] Township [ ] Village [X] Other	**County of Bay**	**Bay**

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
December 31, 2005	**June 15, 2006**	**June 30, 2006**

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

[ ] Yes [X] No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

[ ] Yes [X] No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

[ ] Yes [X] No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

[ ] Yes [X] No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

[ ] Yes [X] No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

[ ] Yes [X] No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

[ ] Yes [X] No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

[ ] Yes [X] No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

[ ] Yes [X] No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).		X	

Certified Public Accountant (Firm Name)			
REHMANN ROBSON GERALD J. DESLOOVER, CPA			
Street Address	City	State	Zip
5800 GRATIOT, PO BOX 2025	SAGINAW	MI	48605
Accountant Signature			

Bay County, Michigan

Comprehensive Annual Financial Report

Year Ended December 31, 2005

BAY COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2005
Prepared by Bay County Finance Department
(With Independent Auditors' Report Thereon)

BAY COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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BAY COUNTY

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BAY COUNTY

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I. INTRODUCTORY SECTION

The Introductory Section contains:

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

THOMAS L. HICKNER
Bay County Executive

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Finance Officer

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June 15, 2006

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

The Comprehensive Annual Financial Report (CAFR) of Bay County, Michigan, for the calendar year ended December 31, 2005, is hereby submitted. In accordance with State Law, re: Public Act 34 of 2001, the revised Municipal Finance Act, Section 141.2303 (1) requires each municipality within the state of Michigan to file an audit report annually with the Michigan Department of Treasury within 6 months from the end of its fiscal year or as otherwise provided in the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a. This report was prepared by the Bay County Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the county. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government based upon a comprehensive framework of internal control that has been established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

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

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

ORGANIZATIONAL STRUCTURE

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

Bay County, Michigan, incorporated in 1857, is located approximately 100 miles north of Detroit in the mid-eastern part of the state on the shores of the Saginaw Bay. It currently occupies 447 square miles and serves a population of 110,157. In terms of population, this ranks Bay County as the 18th largest of 83 counties in the state of Michigan. Bay County is empowered to levy a property tax on real, personal and industrial property located within its boundaries.

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

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

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

- In June of each year, budget packages are mailed to all County elected officials and department/division heads, outlining the procedures for requesting appropriations for the subsequent budget year.

- In August of each year, the County Executive and Finance Officer hold budget hearings with all elected officials and department/division heads, to obtain additional information regarding budget requests.

- On the October 1 preceding the beginning of the next fiscal year, in accordance with the provisions of the State of Michigan PA 139 of 1963, as amended by PA 100 if 1980 (the Unified Form of County Government Act), and in conformance with Act 2, PA 1968, as amended by Public Act 621 of 1978, (the Uniform Budgeting and Accounting Act), the Finance Department prepares and the County Executive submits a proposed operating budget to the Ways and Means Committee for review and adoption by the County Board of Commissioners.

- Subsequent to the County Executive submitting the proposed budget to the Board of Commissioners, a public hearing is conducted to obtain taxpayer comments. The Board of Commissioners then makes any amendments to the budget it deems necessary and adopts the same by formal resolution prior to December 31.

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

ECONOMIC CONDITION AND OUTLOOK

The 2000 population census identified the population of Bay County to be 110,157. The decrease in the population during the 1990s has slowed to 19 percent of the decrease during the 1980s; it is hopeful that in the 2000 decade Bay County will be adding to its population. This prediction is based on housing and business development in addition to the diversity of business developments.

As the result of healthy growth in the trade, service, finance, and agricultural industries, the economic condition and outlook of the county is for continued, steady improvement, as it has been for the past several years. Most recently, the county's state equalized values (SEV) of real property have increased 6.50%, 4.54% and 4.16% for 2003, 2004 and 2005 respectively. For 2006 Bay County is projecting an increase of $117,664,717 or 3.91% in state equalized values which total $3,123,818,050. The state equalized value of personal property increased by 2.64% in 2005 after decreasing by .26% in 2004 and 1.97% in 2003. Bay County is projecting a decrease of .48% or $1,240,700 in the SEV of personal property which totals $254,808,550. In total, the County's SEV for both real and personal property is projected to increase 3.57% or $116,424,017 to $3,378,626,600. In addition, Bay County has $55,784,550 in equivalent SEV on the industrial tax rolls both full and one-half (½) rate.

The average unemployment rate for Bay County for the year ended December 31**,** 2005, was 6.9%. This compares favorably with Bay County's rate as of December 31, 2004, of 7.5% and unfavorably with the December 31, 2005, average nationwide rate of 5.1%, and the statewide rate of 6.7%.

Total listings of commercial and residential property sold in 2005 by Bay County real estate agents was 1,579 with a total sales value of $163,823,966, with the average price of these transactions being $103,572. These figures represent an increase of 2.99% and 2.27%, respectively, compared to 2004 sales valued at $159,062,946, with an average price of transactions of $101,443. Bay County's average residential sales price in 2005 increased .33% over 2004 to $106,850 from $106,494.

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

Boating is also big business on the Saginaw Bay and Saginaw River. In 2005 there were 821,703 boats registered in Michigan, with more than 50 percent of them being within 100 miles of the Saginaw Bay. Bay County has 9,650 registered boats, which equates to 1.17% of all registered boats in the state. The Saginaw River was the host for a very large national boat race in 2005, namely the Bay City River Roar, an outboard grand prix. This race, which attracts between 25,000 and 40,000 people annually, has been held for the past 18 years and all signs point to a continuation of this race in future years. Over the years, to accommodate the large number of fishermen and pleasure boaters, Bay County constructed and operates a 56-campsite campground inclusive of six camping cabins and a boat launch. In addition, a 98 slip marina was developed cooperatively by Bay County and Bay City and the county developed 3 additional boat launches with a total of 15 ramps.

MAJOR INITIATIVES

Over the past 28 years Bay County has been a leader in developing a productive fishery in the Saginaw Bay area. It is through a cooperative effort with the Michigan Department of Natural Resources, that over 20 million walleye fingerlings have been planted. In 2005, 398,758 fingerlings were planted.

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

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

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

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

	Cost	Start Date	Completion Date
Auburn Area Branch	$ 2,877,565	November 2002	January 2004
Sage Branch	4,255,418	May 2002	November 2004
Pinconning Branch	2,855,260	November 2003	October 2004
Central Library	15,623,057(est)	Summer 2004	February 2006
Southside Branch	1,194,000(est)	Fall 2006	Summer 2007

In addition, part of the 1 mill will be used to fund increased operating cost and expanded materials and services. The Bay County Building Authority, who is overseeing the construction, issued $17.4 million in General Obligations-Limited Tax bonds in July, 2002 to help pay for the construction. In addition, the Library System leaders raised in excess of $2.5 million of the planned $3 million in private donations to support the construction costs.

FINANCIAL INFORMATION

General Fund Fund Balance

The unreserved, undesignated fund balance of the General Fund represents the excess of assets over liabilities, less reserves and designations. The 2004 unreserved, undesignated General Fund fund balance of $1,447,577 increased by $166,868 to $1,614,445 in 2005, which represents 6.81 percent of the adopted 2006 general fund operating budget.

Relevant Financial Policies

In accordance with the county's General Financial Policy which mandates the General Fund to establish and maintain a reserve for a long-term advance to the Budget Stabilization Fund at a minimum of 5 percent to a maximum of 10 percent of the General Fund's most current adopted operating budget, the Board of Commissioners had taken the first steps in funding the Budget Stabilization Fund by authorizing advances of $600,000 in 1993; $482,581 in 1995; $176,624 in 1997; $71,562 in 1999; $75,829 in 2000; $374,175 in 2001; and $18,819 in 2002 bringing the total General Fund advance to the Budget Stabilization Fund to $1,799,590, which is equal to 5.64 percent of the adopted *2005 General Fund Operating Budget*. If funds are available, additional advances will be provided in the future. The Budget Stabilization Fund can be used to cover a General Fund fund deficit, to prevent a reduction in the level of public services or in the number of employees where revenues are not sufficient to cover expenditures, or to cover expenditures arising because of a natural disaster to the extent that such expenditures are not covered by federal or state funds.

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

Cash balances are invested according to the Statement of Investment Policy adopted by the Board of Commissioners. The Board of Commissioners has authorized the Bay County Treasurer to invest surplus funds of the county in accordance with those investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, M.C.L. 129.91. The Act generally allows the

county to deposit funds in banks, savings and loan associations, and credit unions in the state of Michigan. The act also provides for investments in U.S. government obligations; certificates of deposit, savings accounts and deposit accounts of banks, savings and loans, and credit unions who are members of the FDIC, FSLIC, and NACU, respectively; commercial paper; U. S. government or federal agency obligation repurchase agreements; bankers' acceptances of United States banks; and, with some restrictions, mutual funds.

Employees' Retirement System Fund

In 2005 the Bay County Employees' Retirement System experienced a 1.73% increase in its net assets held in trust for pension benefits. The net assets increased from $227,458,689 as of December 31, 2004 to $231,398,347, or a $3,939,658 increase. The system's funded ratio was 130.4% as of December 31, 2004.

Public Employees' Health Care Fund

In 2001, Bay County established and initiated funding the Bay County Voluntary Employees' Beneficiary Association (VEBA), a tax-exempt trust under section 501(c) (9) of the Internal Revenue Code of 1986, as amended and pursuant to the state of Michigan, Public Employee Healthcare Fund Investment Act, Public Act 149 of 1999. The purpose of the VEBA is to provide for medical or other benefits for retired employees of the employer, their spouses and dependents. In 2005 the Public Employees' Health Care Fund experienced a 34.9% increase in its net assets held in trust for medical or other benefits for retired employees. The net assets increased from $10,840,695 as of December 31, 2004 to $14,712,200 or a $3,871,505 increase. As of December 31, 2005 the Public Employees Health Care Fund has not begun paying benefits because its funding status is below the minimum required to enable the fund to begin paying benefits.

OTHER INFORMATION

Risk Management

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bay County, Michigan, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2004. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

A Certificate of Achievement is valid for a period of one year only. Bay County, Michigan, has received a Certificate of Achievement for the last sixteen consecutive years ended 1989 through

2004. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,

Bay County Executive Office
Thomas L. Hickner
County Executive

Bay County Finance Department
Michael J. Regulski CGFM
Finance Officer

THE BOARD OF COMMISSIONERS

EUGENE F. GWIZDALA
CHAIRMAN

RICHARD L. BYRNE
VICE CHAIRMAN

PATRICK H. BESON
SERGEANT AT ARMS

VAUGHN BEGICK
ERNIE KRYGIER
DAWN A. KLIDA

BRIAN ELDER
KIM COONAN
WILLIAM TACEY

ADMINISTRATION

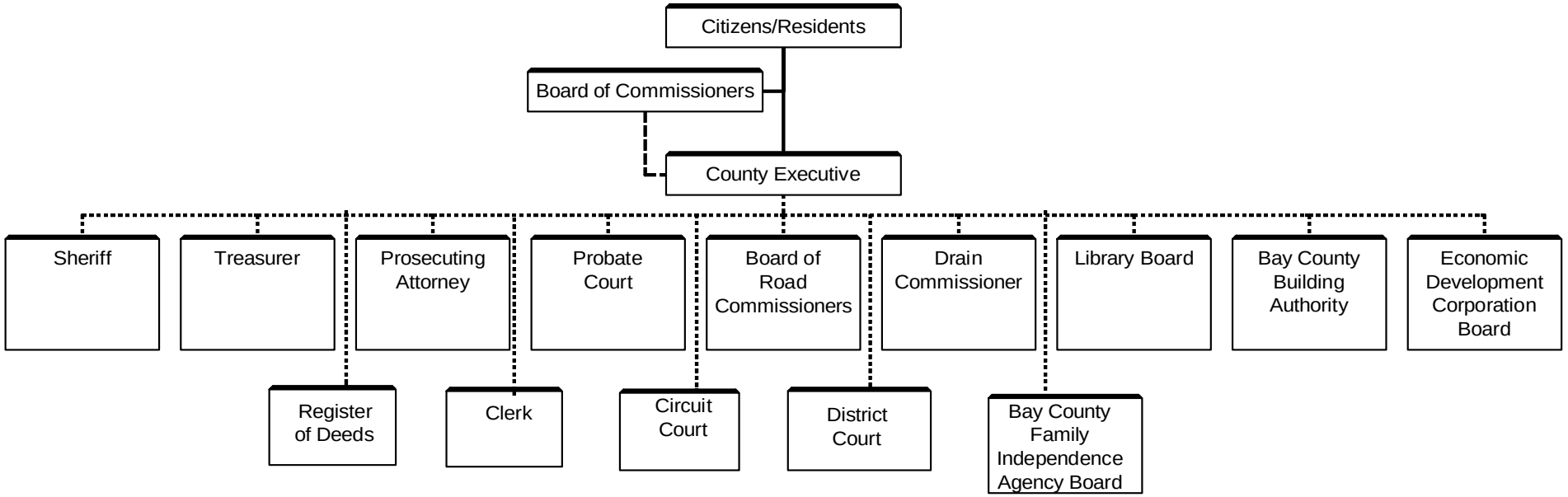
THOMAS L. HICKNER
COUNTY EXECUTIVE

MICHAEL J. REGULSKI CGFM
FINANCE OFFICER

INDEPENDENT AUDITORS

REHMANN ROBSON

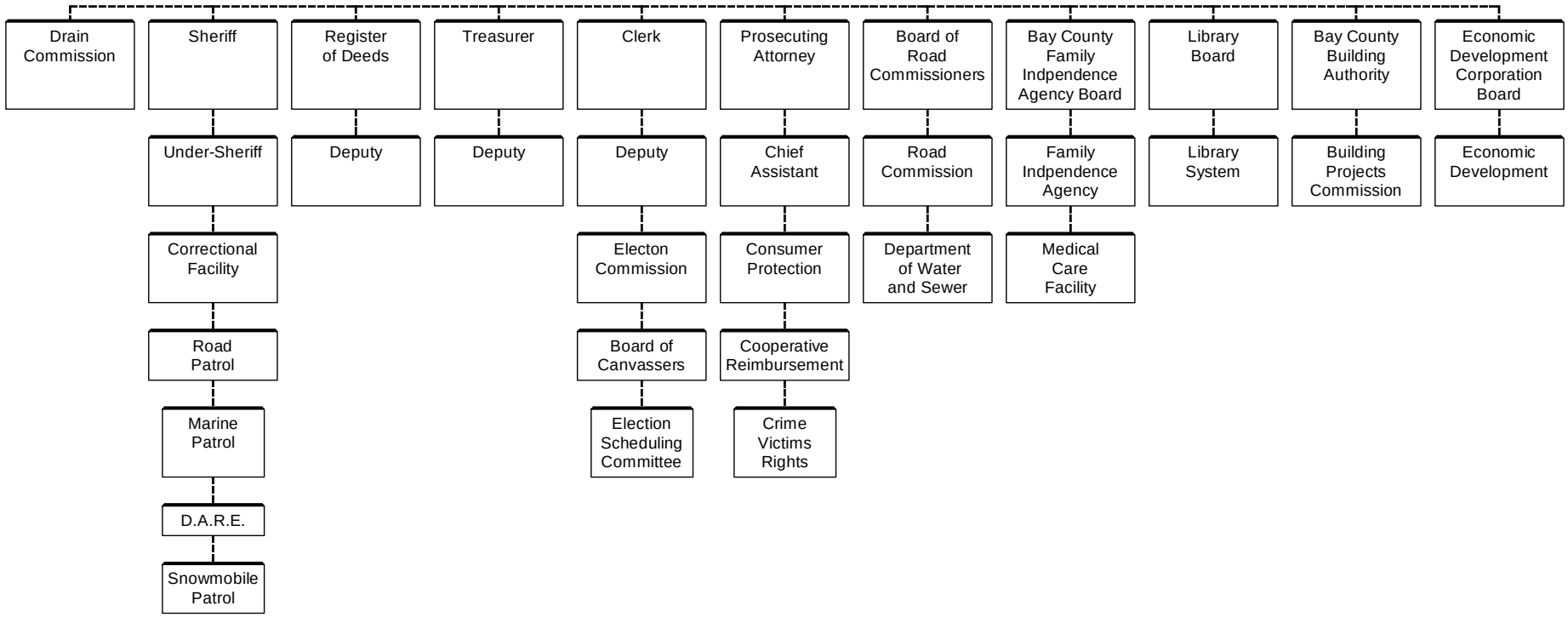
BAY COUNTY ORGANIZATIONAL CHART



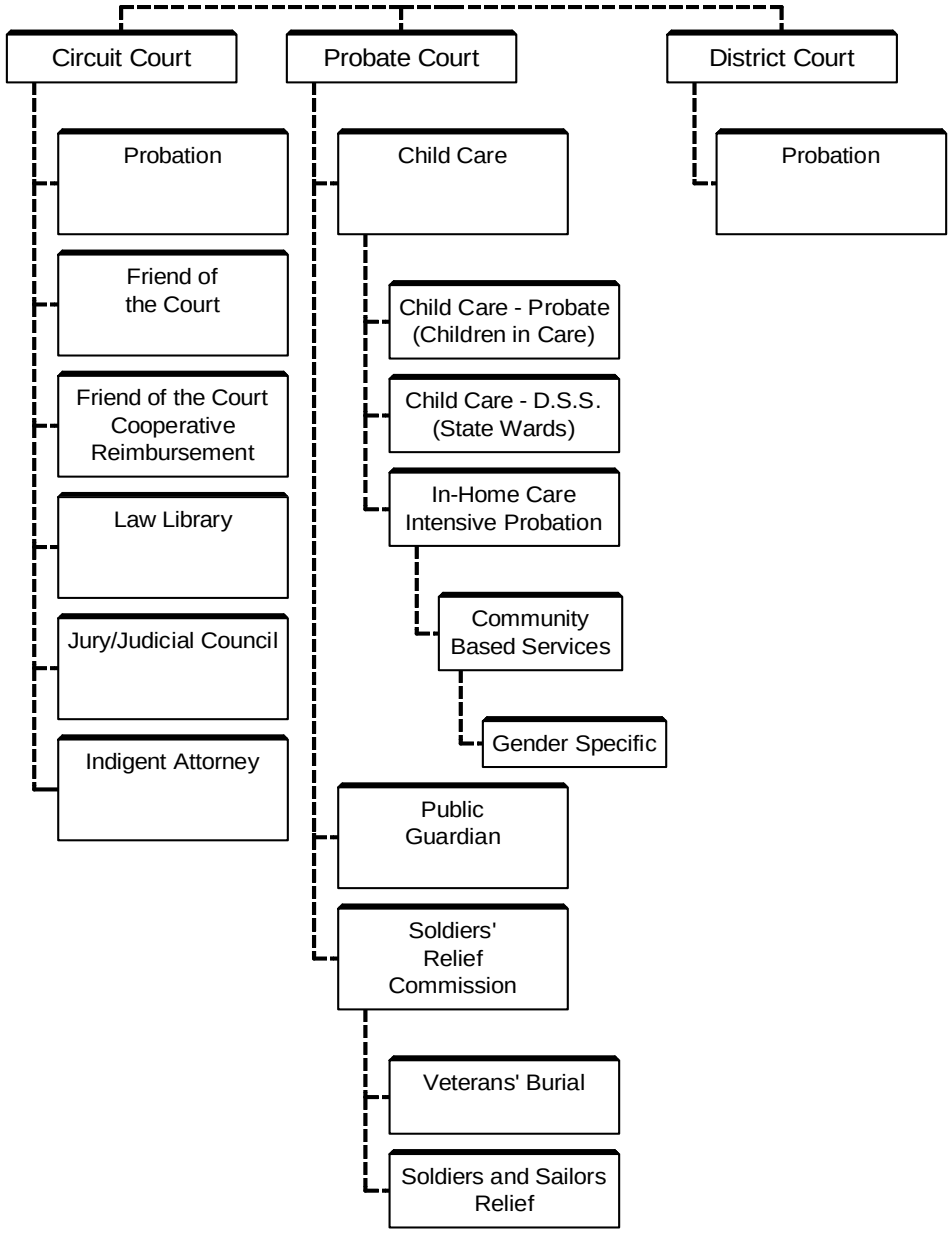
Legend:

Direct Control of County Executive
Coordinate Budget/Personnel, etc.
Legislative Coordination

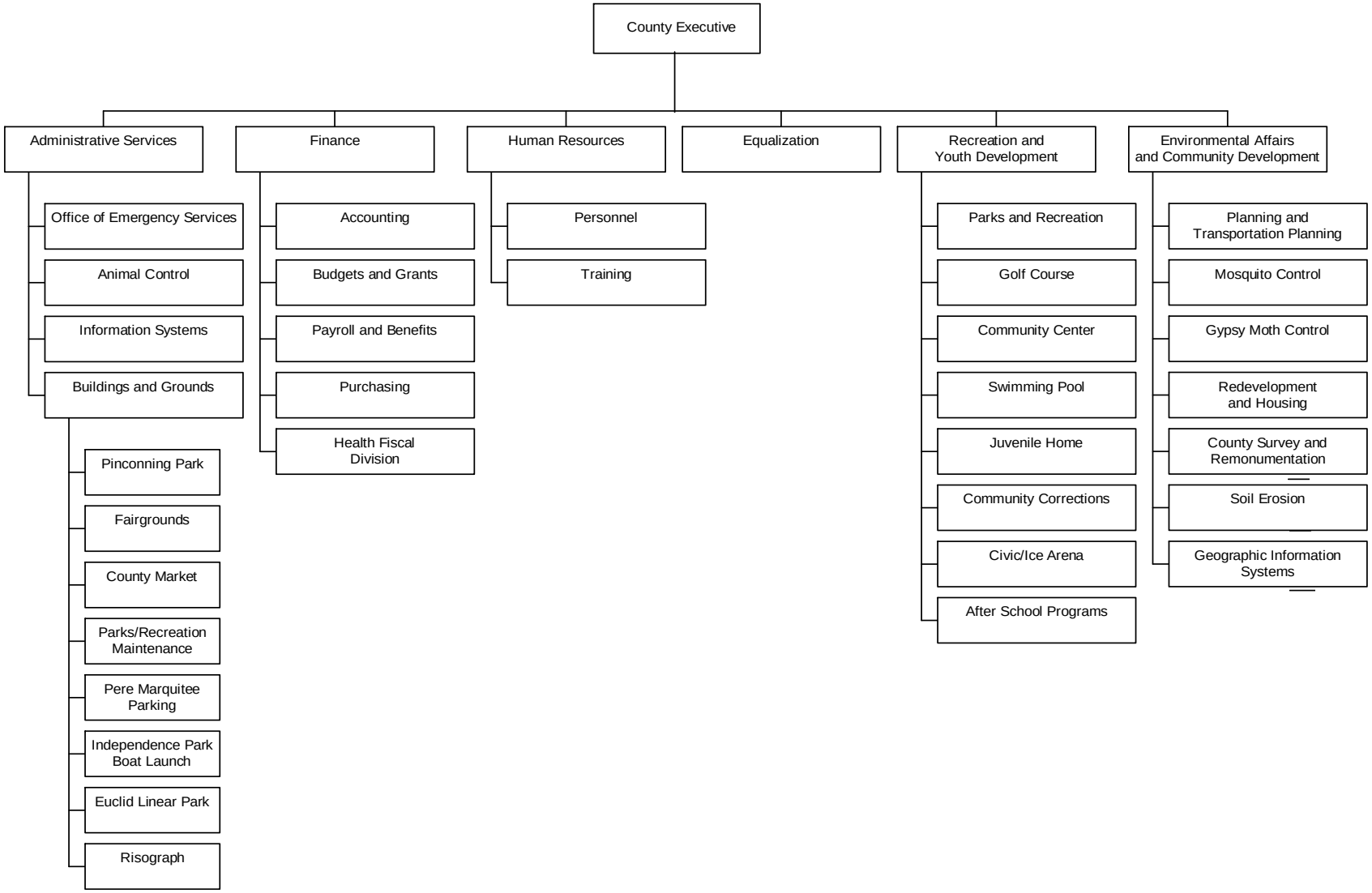
BAY COUNTY
ORGANIZATIONAL CHART
ELECTED/APPOINTED OFFICIALS



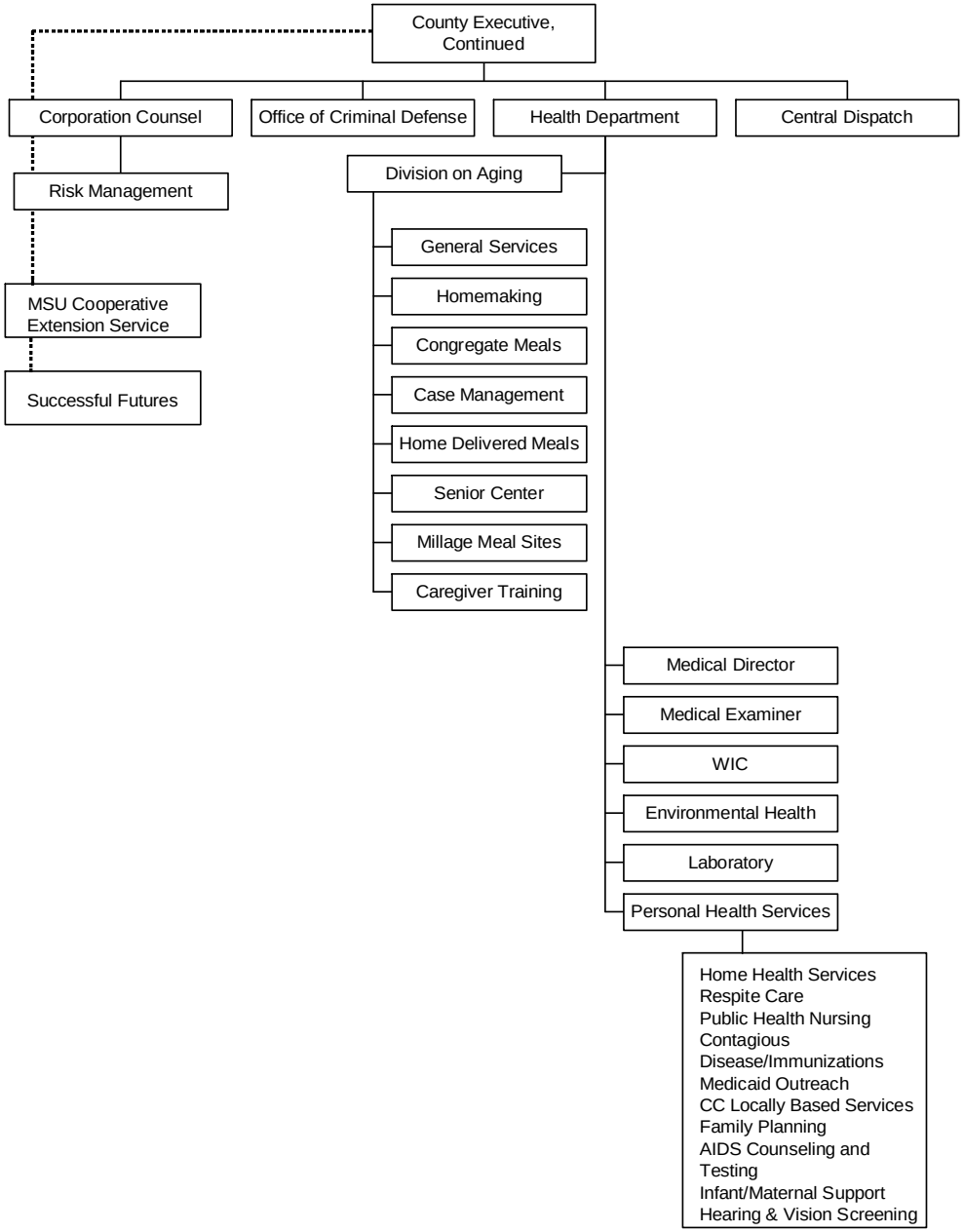
BAY COUNTY
ORGANIZATIONAL CHART
COURTS



BAY COUNTY
ORGANIZATIONAL CHART
COUNTY EXECUTIVE



BAY COUNTY
ORGANIZATIONAL CHART
COUNTY EXECUTIVE (CONTINUED)



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bay County, Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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

President

Executive Director

II. FINANCIAL SECTION

The Financial Section contains:

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

INDEPENDENT AUDITORS' REPORT

June 15, 2006

Board of Commissioners
County of Bay
Bay City, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Bay, Michigan***, as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the ***County of Bay*** management's. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bay County Housing Commission, which represents 100% of the assets and revenues of the Housing major fund opinion unit; the financial statements of the Bay County Road Commission Component Unit, which represents 58.59% of the assets and 53.95% of the revenues of the aggregate discretely presented component units; and the financial statements of the Bay County Department of Water and Sewer, which represents 25.35% of the assets and 14.40% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Commission, Road Commission and Department of Water and Sewer, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

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In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Bay, Michigan***, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons of the General Fund and major special revenue funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also separately issued our report dated June 15, 2006, on our consideration of the ***County of Bay, Michigan's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Rehmann Robson

Management's Discussion and Analysis

As management of ***Bay County, Michigan***, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the accompanying basic financial statements.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $62,950,232 (*net assets*). Of this amount, $16,831,412 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net assets increased by $8,337,562.

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $16,967,347 a decrease of $333,005 in comparison with the prior year. Approximately 31.25% of this total amount, or $5,301,508, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.

- At the end of the current fiscal year, the general fund's unreserved – undesignated fund balance was $1,614,445 or 6.21% of total general fund expenditures. Total fund balance for the general fund was $5,040,637.

- The County's total debt decreased by $5,371,479 or 9.4% during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. The business-type activities of the County include the 100% Tax Payment Fund, Delinquent Property Tax Foreclosure, Medical Care Facility, Public Golf Course, Housing, and Commissary Operations.

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

The government-wide financial statements can be found on pages 32-34 of this report.

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

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

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

The County maintains 25 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, 911 Service Fund, Budget Stabilization Fund, Revenue Sharing Reserve Fund and Building Authority Construction Fund, each of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 35-41 of this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its 100% Tax Payment Fund, Delinquent Property Tax Foreclosure Fund, Medical Care Facility, Public Golf Course, Housing, and Commissary operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Bay County uses internal service funds to account for its Workers' Compensation/Unemployment Compensation/Sick and Accident Self Insurance Fund and its Health Care Self Insurance Fund. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility Fund, the 100% Tax Payment Fund and the Housing Fund, each of which are considered to be major funds. Data from the other proprietary funds are combined and presented in two separate columns distinguishing between *business-type activities* and *governmental activities*. Individual fund data for each of these nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 42-45 of this report.

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

The basic fiduciary fund financial statements can be found on pages 46-47 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 51-97 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 99-137 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bay County, as the following table demonstrates, assets exceeded liabilities by $62,950,232 at the close of the most recent fiscal year.

Bay County's
Net Assets

Fiscal Year Ending December 31,	Governmental Activities 2005	Governmental Activities 2004	Business-Type Activities 2005	Business-Type Activities 2004	Total 2005	Total 2004
Current and other assets	$ 32,336,205	$ 36,974,812	$ 12,781,807	$ 13,550,252	$ 45,118,012	$ 50,525,064
Capital assets, net of accumulated depreciation	55,873,948	49,584,157	10,782,134	10,431,127	66,656,082	60,015,284
Total assets	88,210,153	86,558,969	23,563,941	23,981,379	111,774,094	110,540,348
Long-term liabilities outstanding	32,337,704	34,818,751	798,942	612,455	33,136,646	35,431,206
Other liabilities	13,562,515	18,185,405	2,124,701	2,256,580	15,687,216	20,441,985
Total liabilities	45,900,219	53,004,156	2,923,643	2,869,035	48,823,862	55,873,191
Net assets:						
Invested in capital assets, net of related debt	26,079,748	17,564,621	10,753,433	10,431,127	36,833,181	27,995,748
Restricted	8,760,979	9,713,464	524,660	-	9,285,639	9,713,464
Unrestricted	7,469,207	6,276,728	9,362,205	10,681,217	16,831,412	16,957,945
Total net assets	**$ 42,309,934**	**$ 33,554,813**	**$ 20,640,298**	**$ 21,112,344**	**$ 62,950,232**	**$ 54,667,157**

One of the largest portions of the County's net assets, $36,833,181 (58.51%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, $9,285,639 (14.75%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, $16,831,412 (26.74%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Bay County's
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
Fiscal Year Ending December 31,	2005	2004	2005	2004	2005	2004
Revenues						
Program revenue:						
Charges for services	$ 10,478,531	$ 11,758,258	$ 15,602,996	$ 15,631,024	$ 26,081,527	$ 27,389,282
Operating grants and contributions	7,751,052	7,855,638	193,467	225,955	7,944,519	8,081,593
Capital grants and contributions	194,734	67,009	110,868	-	305,602	67,009
General revenue:						
Property taxes	24,905,105	23,900,464	1,317,417	1,252,190	26,222,522	25,152,654
Grants and contributions not restricted to specific programs	-	653,614	-	-	-	653,614
Other	3,625,681	786,417	668,860	654,226	4,294,541	1,440,643
Total revenue	46,955,103	45,021,400	17,893,608	17,763,395	64,848,711	62,784,795
Expenses						
Legislative	451,423	470,261	-	-	451,423	470,261
Judicial	5,690,772	5,635,796	-	-	5,690,772	5,635,796
General government	8,835,146	10,295,927	-	-	8,835,146	10,295,927
Public safety	9,327,847	9,856,596	-	-	9,327,847	9,856,596
Public works	5,973	6,610	-	-	5,973	6,610
Health and welfare	10,292,445	10,998,306	-	-	10,292,445	10,998,306
Community and economic development	146,286	234,840	-	-	146,286	234,840
Recreation and culture	1,864,624	1,981,432	-	-	1,864,624	1,981,432
Other activities	1,157,939	971,437	-		1,157,939	971,437
Interest on debt	1,381,862	1,446,548	-	-	1,381,862	1,446,548
100% tax payment	-	-	121,694	115,316	121,694	115,316
Medical care facility	-	-	15,935,275	15,490,043	15,935,275	15,490,043
Delinquent Property Tax Foreclosure	-	-	65,090	-	65,090	-
Golf course	-	-	544,769	529,799	544,769	529,799
Housing	-	-	574,724	491,357	574,724	491,357
Commissary	-	-	115,280	112,839	115,280	112,839
Total expenses	39,154,317	41,897,753	17,356,832	16,739,354	56,511,149	58,637,107
Increase in net assets before transfers	7,800,786	3,123,647	536,776	1,024,041	8,337,562	4,147,688
Transfers	1,008,832	767,744	(1,008,832)	(767,744)	-	-
Increase in net assets	8,809,618	3,891,391	(472,056)	256,297	8,337,562	4,147,688
Net assets - beginning of year, as restated	33,500,316	29,663,422	21,112,354	20,856,047	54,612,670	50,519,469
Net assets - end of year	**$ 42,309,934**	**$ 33,554,813**	**$ 20,640,298**	**$ 21,112,344**	**$ 62,950,232**	**$ 54,667,157**

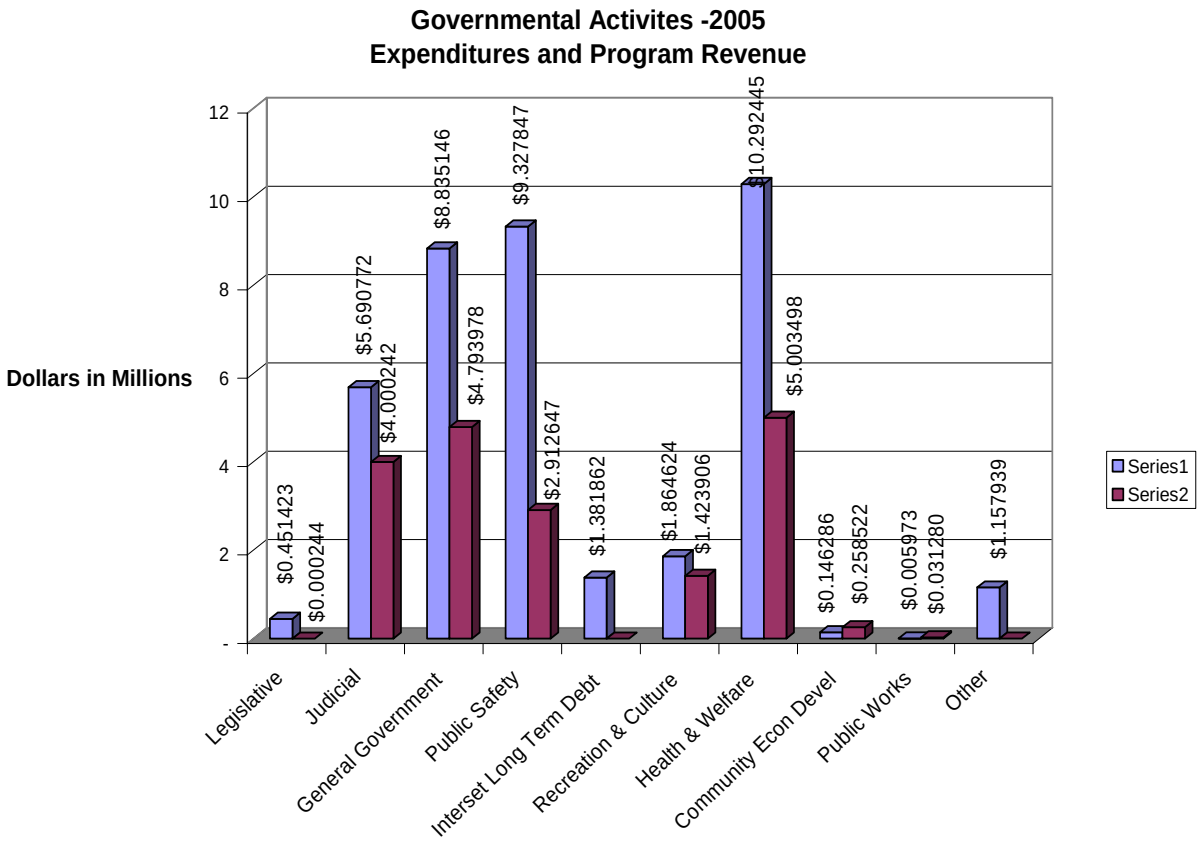
The County's net assets increased by $8,337,562 during the current fiscal year. This increase is mainly attributable to the Library Systems contribution to the Building Authority Fund to finance the construction of its new facility and to the degree to which revenues exceeded expenditures.

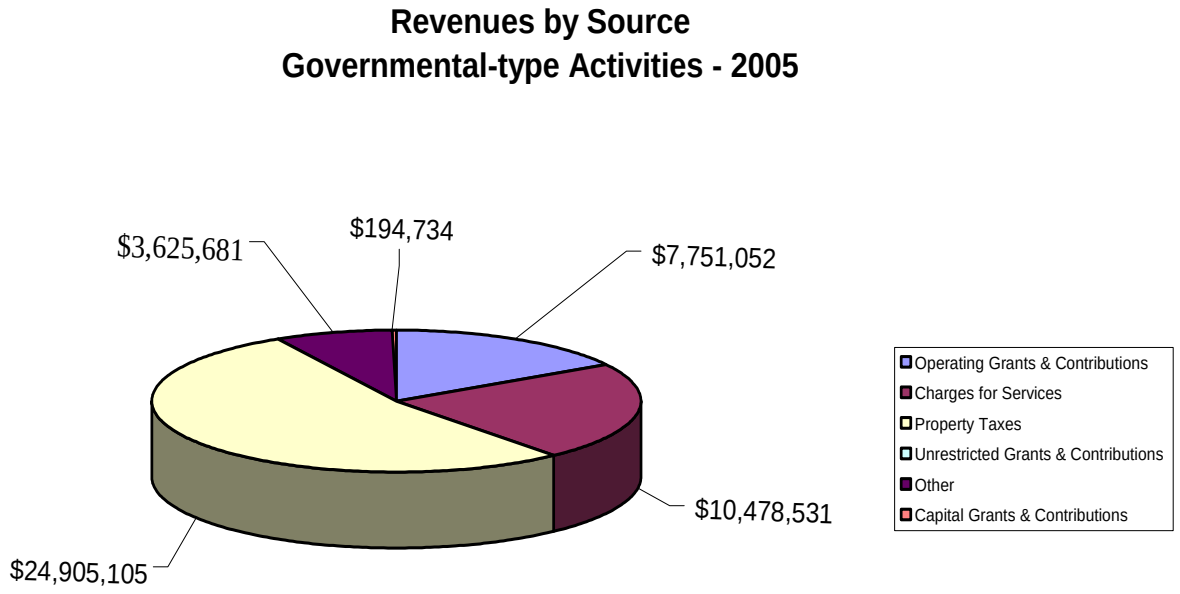
Governmental activities. Governmental activities increased the County's net assets by $8,809,618 thereby accounting for all the growth in the net assets of the County. Key elements of this increase are as follows:

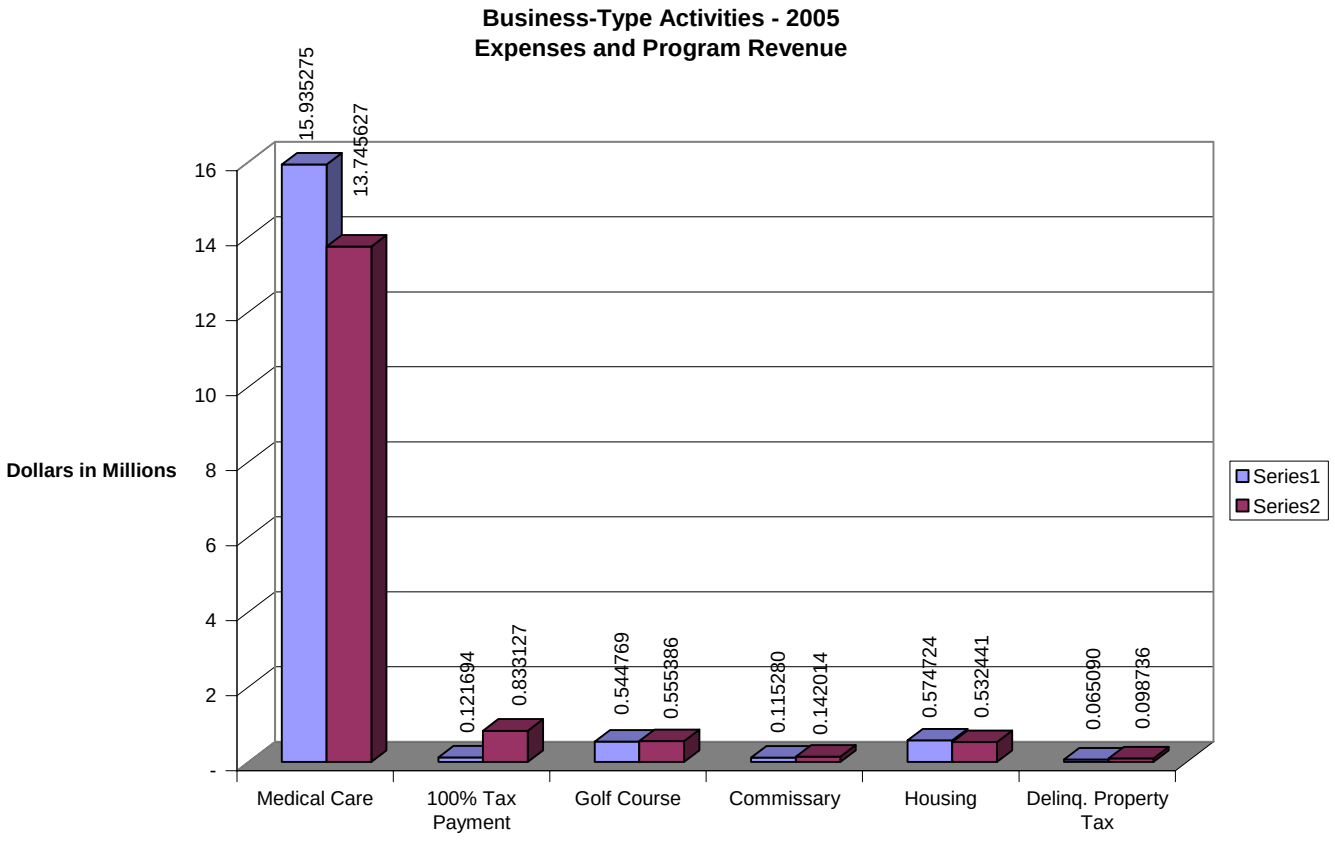
- Property taxes increased approximately $1,004,641 (4.20%) during the year. This increase is the product of increased taxable values and residential growth.

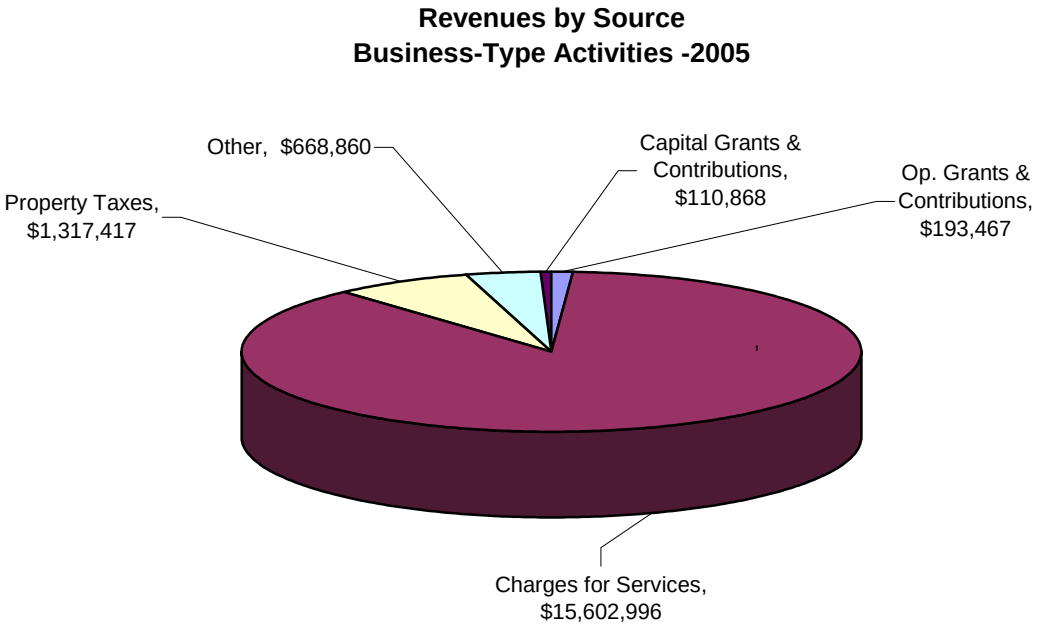
- Other general revenues increased $2,839,264 (361%) during the year. The increase was attributable to a $3,968,784 contribution from the Library System, a component unit of the County, to pay for construction expenditures incurred by the Bay County Building Authority. However, this increase is offset by a reduction of $1,045,456 of revenues in the Health Fund due mainly to the elimination of the Home Health Program.

- General Government, Public Safety, Health & Welfare and Recreation & Culture expenditures decreased by $1,460,781 (14.19%) due to a decrease in expenditures relating to non-capitalized equipment, charges to Internal Service Funds and Pensions and a reduction in the loss on the disposal of assets, $528,749 (5.36%) due to a decrease in the Health Insurance, Workers Compensation, transfers for Indirect Costs and contractual services, $705,861 (6.42%) due to a decrease in wages and health insurance due to the elimination of the Home Health Program and $116,808 (5.9%) due to a decrease in depreciation and depletion, wages, health insurance, professional services and workers compensation, respectively.


Governmental Activites -2005
Expenditures and Program Revenue
Dollars in Millions
12
10
8
6
4
2
-
$0.451423
$0.000244
$5.690772
$4.000242
$8.835146
$4.793978
$9.327847
$2.912647
$1.381862
$1.864624
$1.423906
$10.292445
$5.003498
$0.146286
$0.258522
$0.005973
$0.031280
$1.157939
Legislative
Judicial
General Government
Public Safety
Interset Long Term Debt
Recreation & Culture
Health & Welfare
Community Econ Devel
Public Works
Other
Series1
Series2


Revenues by Source
Governmental-type Activities - 2005
$3,625,681
$194,734
$7,751,052
$10,478,531
$24,905,105
Operating Grants & Contributions
Charges for Services
Property Taxes
Unrestricted Grants & Contributions
Other
Capital Grants & Contributions


Business-Type Activities - 2005
Expenses and Program Revenue
Dollars in Millions
16
14
12
10
8
6
4
2
-
15.935275
13.745627
0.121694
0.833127
0.544769
0.555386
0.115280
0.142014
0.574724
0.532441
0.065090
0.098736
Medical Care
100% Tax Payment
Golf Course
Commissary
Housing
Delinq. Property Tax
Series1
Series2


Revenues by Source
Business-Type Activities -2005
Other, $668,860
Capital Grants & Contributions, $110,868
Op. Grants & Contributions, $193,467
Property Taxes, $1,317,417
Charges for Services, $15,602,996

Business-type activities. Business-type activities decreased the County's net assets by $472,056. The key element of this decrease was the Medical Care Facilities $374,914 decrease in net assets as a result of reduced revenues and increased expenditures over 2004.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $16,967,347, a decrease of $333,005 compared to prior year. Approximately 31.25% of this total amount ($5,301,508) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. However, the *unreserved fund* balance amount is further separated into *unreserved – designated fund balance* ($771,018) and *unreserved – undesignated fund balance* ($4,530,490). The underlying distinction between the two is that *unreserved – designated fund balance* has been designated based upon a specific purpose. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for: 1) long-term advances ($2,299,590), 2) restricted assets ($6,320,168), 3) prepaid expenditures ($72,572), 4) non-current assets ($1,312,852), 5) debt service ($556,711), 6) encumbrances ($510,144), 7) restricted contributions ($571,248), and 8) inventory ($22,554). Of the $333,005 decrease in governmental fund balances, $4,369,388 was in the Building Authority Construction Fund that accounts for the construction and renovation of the Bay County Library System's buildings. However, the Building Authority Construction Fund decrease was offset by fund balance increases in the Revenue Sharing Reserve Fund of $2,848,578, the General Fund of $742,366, the 911 Service Fund of $152,762 and the Gypsy Moth Control Fund of $212,663.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved – undesignated fund balance of the general fund was $1,614,445 while total fund balance amounted to $5,040,637. As a measure of the general fund's liquidity, it may be useful to compare both unreserved – undesignated fund balance and total fund balance to total fund expenditures. Unreserved – undesignated fund balance represents 6.21% of total general fund expenditures, while total fund balance represents 19.40% of that same amount.

The fund balance of the County's general fund increased by $742,366 during the current fiscal year. The key factors in this increase are as follows:

- Property taxes and other taxes increased by $496,888 (3.41%).
- Interest, rents and royalties increased by $234,632 (24.20%)

The Building Authority Construction Fund has a total fund balance of $0, which decreased by $4,369,388 during the year. This decrease was the result of continued construction/renovation of the Library System's buildings.

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

Unrestricted net assets of the 100% Tax Payment Fund at the end of the year amounted to $6,647,494, while those for the Medical Care Facility and the Housing Fund amounted to $2,030,057 and $330,908, respectively. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were $353,746 and $0 respectively, at the end of the year. The 100% Tax Payment Fund, Medical Care Facility and Housing Fund had a decrease in net assets for the year of $103,322, $374,914 and $32,023, respectively. The combined increase in net assets of the nonmajor enterprise funds was $38,203 and the combined increase in net assets for the internal service funds was $ 628,592 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights. The differences between the original budget and final amended budget for expenditures resulted in a 6.5% increase ($1,456,417 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 3.6% increase ($1,136,701 increase in revenues and transfers in). The original budget for the addition to Fund Balance ($173,238) was affected by budgetary adjustments. These adjustments ($319,716) resulted in a use of Fund Balance ($146,478), including budgeted additions to fund balance reserves of $59,247. The budgetary differences are briefly summarized as follows:

- A $64,766 decrease in Friend of the Court Cooperative Reimbursement grant.
- A $241,928 increase in computer hardware for the purchase of the I-5 series mainframe, replacement PC's and network enhancements.
- A $19,351 increase in transfers out to the Building Authority Debt Service Fund to service the Animal Control Building debt.

General Fund Balance. The following schedule presents a comparative summary of changes in the Fund Balance of the General Fund for the fiscal years ended December 31, 2005, and December 31, 2004, along with the amount and percentage of increases and decreases in relation to the 2004 Fund Balance:

	2005	2004	Variance From 2004	Percent Increase/ (Decrease)
Revenues	$ 26,773,120	$ 26,988,069	$ (214,949)	-0.80%
Expenditures	(25,983,102)	(25,738,836)	(244,266)	0.95%
Revenue Over (Under) Expenditures	790,018	1,249,233	(459,215)	
Other Financing Sources (Uses):				
Transfers In	5,022,290	3,599,068	1,423,222	39.54%
Transfers Out	(5,069,942)	(4,395,178)	(674,764)	15.35%
Revenues & other financing sources over (under) expenditures & other financing uses	742,366	453,123	289,243	
Fund balance, beginning of year	4,298,271	3,864,259	434,012	
Fund balance, end of year	$ 5,040,637	$ 4,317,382	$ 723,255	16.75%

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

GENERAL FUND BALANCE ANALYSIS

	Reserve for Advances to Other Funds	Reserve for Future Use	Unreserved	Total Fund Balance
Fund balance beginning of year	$ 2,299,590	$ 520,215	$ 1,478,466	$ 4,298,271
2005 Transactions				
Revenues over (under) expenditures	-	556,387	233,631	790,018
Total other financing sources (uses)	-	-	(47,652)	(47,652)
2005 net increase (decrease)	-	556,387	185,979	742,366
Fund balance, end of year	$ 2,299,590	$ 1,076,602	$ 1,664,445	$ 5,040,637

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

The current long-term advance reserve consists of a reserve for budget stabilization of $1,799,590 or 5.9%, and a $500,000 cash flow advance to the Health Fund.

The reserve for restricted contributions ($525,293) consists of Health Care Self Insurance ($352,000), aerial photography ($73,695), prepaid animal neutering fees ($5,830), remonumentation recording fees ($27,386), and various revenues received for specific programs ($66,382). The reserve for encumbrances ($450,933) equaled the amount of the open 2005 purchase orders. The reserve for prepaid items ($67,387) consists of items like prepaid insurance, maintenance contracts, and postage. The reserve for restricted assets ($10,435) relates to a cash flow advance to the Flexible Spending Plan Fund and the reserve for inventories ($22,554) relates to resalable merchandise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2005 amounted to $66,656,082 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, machinery and equipment, office equipment and furniture, computer software, computer hardware, vehicles, leased assets, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 11.07% (a 12.69% increase for governmental activities and a 3.36% increase for business-type activities).

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

- Further expenditures were incurred on the construction of the Sage Branch Library of $72,591 attributable to the building, bringing the total construction cost to $4,006,060, exclusive of furniture and equipment.

- Further expenditures were incurred on the construction of the Pinconning Branch Library of $14,489 attributable to the building, bringing the total construction cost to $2,623,705, exclusive of furniture and equipment.

- A new console which electronically controls security and cell doors for the Law Enforcement Center intake area was purchased at a cost of $10,200.

- Converted the former Animal Control Facility to a record storage building at a cost of $18,008.

Bay County's

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
Fiscal Year Ending December 31,	2005	2004	2005	2004	2005	2004
Land	$ 2,305,048	$ 2,334,676	$ 569,392	$ 569,392	$ 2,874,440	$ 2,904,068
Land improvement	2,358,516	2,605,369	202,397	224,462	2,560,913	2,829,831
Buildings and buildings additions and improve	35,959,075	36,883,636	4,220,244	4,405,418	40,179,319	41,289,054
Machinery and equipment	550,144	370,603	325,182	501,199	875,326	871,802
Office equipment and furniture	507,309	498,388	-	-	507,309	498,388
Computer software	178,314	193,627	-	-	178,314	193,627
Computer hardware	238,575	138,101	-	-	238,575	138,101
Vehicles	445,480	425,393	-	-	445,480	425,393
Leased assets	32,211	28,922	-	-	32,211	28,922
Construction work in progress	13,299,276	6,105,442	5,464,919	4,730,656	18,764,195	10,836,098
Total	$ 55,873,948	$ 49,584,157	$ 10,782,134	$ 10,431,127	$ 66,656,082	$ 60,015,284

Additional information on the County's capital assets can be found in note III C on pages 68-75 of this report.

Long-term debt. At the end of the current fiscal year, the County had total outstanding debt of $51,500,729. Of this amount, $45,644,362 is general obligation bonds. The remainder of the County debt is comprised of installment purchase contracts, notes payable, compensated absences, claims, capital leases payable, and long term advances.

Bay County's
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
Fiscal Year Ending December 31,	2005	2004	2005	2004	2005	2004
Primary Government						
General obligation bonds	$ 29,385,000	$ 31,270,000	-	-	$ 29,385,000	$ 31,270,000
Installment purchase contracts	376,568	722,985	-	-	376,568	722,985
Capital leases payable	32,632	49,692	32,687	-	65,319	49,692
Long term advances	50,000	50,000	-	-	50,000	50,000
Internal service fund claims	674,945	1,001,498	-	-	674,945	1,001,498
Compensated absences	1,818,559	1,747,717	426,926	396,567	2,245,485	2,144,284
Claims	-	-	339,329	215,888	339,329	215,888
Component Units						
General obligation bonds	16,259,362	18,998,723	-	-	16,259,362	18,998,723
Notes payable	754,473	1,026,593	-	-	754,473	1,026,593
Revenue bonds	-	-	-	-	-	-
Compensated absenses	1,290,248	1,213,557	-	-	1,290,248	1,213,557
Claims	60,000	175,000	-	-	60,000	175,000
Total	$ 50,701,787	$ 56,255,765	$ 798,942	$ 612,455	$ 51,500,729	$ 56,868,220

The County's total gross long-term debt of $51,500,729 is equivalent to $472 per capita or 1.9% of the County's taxable value of property.

The County's total debt decreased by $5,367,491 (9.4%) during the fiscal year.

The County's current bond ratings are as follows:

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

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

Debt limit	$326,220
Debt margin	$280,639
Percent of limit	86.03%

Additional information on the County's long-term debt can be found in note III F on pages 78-81 of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2006 fiscal year:

- Rising taxable property values.
- Rising interest rates.
- Inflationary trends in the region compare favorably to national indices.
- $340,000 budgeted for wage increases for General Fund employees.
- Hardware and software upgrades were budgeted at $223,428.
- Increasing general liability insurance costs.
- Increasing health insurance costs for employees and retirees.
- Higher utility costs.
- Reduced federal and state grants and local government reimbursements

During the current fiscal year, unreserved–undesignated fund balance in the General Fund increased to $1,614,445. The County has not appropriated any of this amount for spending in the 2006 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in Bay County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Bay County Building, 515 Center Avenue, Suite 701, Bay City, Michigan 48708-5128.

BASIC FINANCIAL STATEMENTS

BAY COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
Assets				
Cash and cash equivalents	$ 1,843,591	$ 3,164,879	$ 5,008,470	$ 6,751,405
Investments	8,658,572	3,405,897	12,064,469	7,971,652
Receivables	21,143,064	5,905,221	27,048,285	26,156,866
Internal balances	(26,726)	26,726	-	-
Prepaid items and other assets	695,150	241,832	936,982	459,517
Inventory	22,554	37,252	59,806	905,310
Capital assets, net:				
Assets not being depreciated	15,604,324	6,034,311	21,638,635	41,306,383
Assets being depreciated	40,269,624	4,747,823	45,017,447	63,921,333
Total assets	88,210,153	23,563,941	111,774,094	147,472,466
Liabilities				
Accounts payable and accrued liabilities	3,140,096	751,047	3,891,143	4,653,881
Unearned revenue	10,422,419	1,373,654	11,796,073	6,052,708
Noncurrent liabilities:				
Due within one year	2,994,210	198,574	3,192,784	3,477,871
Due in more than one year	29,343,494	600,368	29,943,862	14,886,212
Total liabilities	45,900,219	2,923,643	48,823,862	29,070,672
Net Assets				
Invested in capital assets, net of related debt	26,079,748	10,753,433	36,833,181	103,180,700
Restricted for:				
Debt service	556,711	-	556,711	128,729
Capital projects	-	-	-	735,671
Noncurrent assets	1,312,852	-	1,312,852	-
Restricted contributions	571,248	-	571,248	-
Restricted assets	6,320,168	-	6,320,168	-
Future tax settlements	-	524,660	524,660	-
System replacement	-	-	-	332,034
Unrestricted	7,469,207	9,362,205	16,831,412	14,024,660
Total net assets	$ 42,309,934	$ 20,640,298	$ 62,950,232	$ 118,401,794

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

BAY COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions / Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government						
Governmental activities:						
Public safety	$ 9,248,388	$ 79,459	$ 1,698,407	$ 1,036,004	$ 178,236	$ (6,415,200)
Community and economic development	149,941	(3,655)	790	257,732	-	112,236
Health and welfare	10,005,433	287,012	1,980,414	3,011,786	11,298	(5,288,947)
Public works	5,973	-	31,280	-	-	25,307
General government	9,497,993	(662,847)	3,150,525	1,638,253	5,200	(4,041,168)
Judicial	5,436,806	253,966	2,273,203	1,727,039	-	(1,690,530)
Legislative	451,423	-	244	-	-	(451,179)
Recreation and culture	1,901,064	(36,440)	1,343,668	80,238	-	(440,718)
Other functions	1,164,121	(6,182)	-	-	-	(1,157,939)
Interest on long-term debt	1,381,862	-	-	-	-	(1,381,862)
Total governmental activities	39,243,004	(88,687)	10,478,531	7,751,052	194,734	(20,730,000)
Business-type activities:						
Medical Care Facility	15,921,708	13,567	13,745,627	-	-	(2,189,648)
100% Tax Payment	121,694	-	833,127	-	-	711,433
Golf Course	490,334	54,435	555,386	-	-	10,617
Delinquent Property Tax Foreclosure	65,090	-	98,736	-	-	33,646
Commissary	115,280	-	142,014	-	-	26,734
Housing	571,069	3,655	228,106	193,467	110,868	(42,283)
Total business-type activities	17,285,175	71,657	15,602,996	193,467	110,868	(1,449,501)
Total primary government	$ 56,528,179	$ (17,030)	$ 26,081,527	$ 7,944,519	$ 305,602	$ (22,179,501)
Component units						
Road Commission	$ 11,427,058	$ -	$ 1,711,418	$ 7,103,505	$ 6,806,736	$ 4,194,601
Library System	8,845,257	17,030	379,591	159,824	737,800	(7,585,072)
Department of Water and Sewer	4,615,939	-	4,145,005	-	-	(470,934)
Drain Commission	835,832	-	12,550	-	805,044	(18,238)
Bay Area Narcotics Enforcement Team	858,509	-	527,582	431,050	-	100,123
Total component units	$ 26,582,595	$ 17,030	$ 6,776,146	$ 7,694,379	$ 8,349,580	$ (3,779,520)

BAY COUNTY
STATEMENT OF ACTIVITIES (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Unit**
Changes in net assets				
Net (expense) revenue	$ (20,730,000)	$ (1,449,501)	$ (22,179,501)	$ (3,779,520)
General revenues:				
Property taxes	24,905,105	1,317,417	26,222,522	5,779,004
Unrestricted investment earnings	676,558	231,268	907,826	528,372
Other revenue	2,949,123	437,592	3,386,715	290,584
Transfers - internal activities	1,008,832	(1,008,832)	-	-
Total general revenues and transfers	29,539,618	977,445	30,517,063	6,597,960
Change in net assets	8,809,618	(472,056)	8,337,562	2,818,440
Net assets, beginning of year, as restated	33,500,316	21,112,354	54,612,670	115,583,354
Net assets, end of year	$ 42,309,934	$ 20,640,298	$ 62,950,232	$ 118,401,794

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

BAY COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General	911 Service	Budget Stabilization	Revenue Sharing Reserve	Building Authority Construction	Other Governmental Funds	Total Governmental Funds
ASSETS							
Assets							
Cash and cash equivalents	$ 58,467	$ 92,303	$ 132,211	$ 240,488	$ 29,345	$ 1,093,705	$ 1,646,519
Investments	1,308,714	1,534,890	1,667,379	1,122,688	-	1,881,512	7,515,183
Accounts receivable	347,234	710	-	-	-	1,474,509	1,822,453
Property taxes receivable	5,491,786	1,867,961	-	4,939,007	-	2,791,068	15,089,822
Accrued interest receivable	41,757	14,553	-	7,550	-	18,482	82,342
Inventories	22,554	-	-	-	-	-	22,554
Due from other funds	245,192	33,932	-	-	74,031	103,852	457,007
Due from component units	18,841	-	-	-	1,004,576	137,783	1,161,200
Due from other governmental units	2,100,396	47,630	-	-	-	778,401	2,926,427
Prepaid items and other current assets	212,483	4,233	-	-	-	1,062	217,778
Interfund advances	2,299,590	-	-	-	-	-	2,299,590
TOTAL ASSETS	$ 12,147,014	$ 3,596,212	$ 1,799,590	$ 6,309,733	$ 1,107,952	$ 8,280,374	$ 33,240,875
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 666,948	$ 22,490	$ -	$ -	$ 1,065,779	$ 171,047	$ 1,926,264
Accrued items and other liabilities	290,387	26,011	-	-	-	299,571	615,969
Accrued vacation and sick pay, current	107,600	983	-	-	-	4,762	113,345
Due to other funds	209,118	682	-	-	42,173	215,738	467,711
Due to component units	138,556	-	-	-	-	-	138,556
Due to other governmental units	69,436	4,012	-	-	-	72,111	145,559
Deposits	5,493	-	-	-	-	-	5,493
Interfund advances	29,292	-	1,799,590	-	-	500,000	2,328,882
Long term advances	-	-	-	-	-	50,000	50,000
Deferred revenue	5,589,547	1,913,257	-	-	-	2,978,945	10,481,749
Total liabilities	7,106,377	1,967,435	1,799,590	-	1,107,952	4,292,174	16,273,528
Fund balances:							
Reserved:							
Encumbrances	450,933	34,031	-	-	-	25,180	510,144
Debt service	-	-	-	-	-	556,711	556,711
Noncurrent assets	-	-	-	-	-	1,312,852	1,312,852
Restricted contributions	525,293	-	-	-	-	45,955	571,248
Prepaid items	67,387	4,233	-	-	-	952	72,572
Inventories	22,554	-	-	-	-	-	22,554
Restricted assets	10,435	-	-	6,309,733	-	-	6,320,168
Advances	2,299,590	-	-	-	-	-	2,299,590
Total reserves	3,376,192	38,264	-	6,309,733	-	1,941,650	11,665,839
Unreserved:							
Designated for capital outlay							
Special revenue funds	-	100,000	-	-	-	50,000	150,000
Designated for subsequent year's expenditures							
Special revenue funds	-	133,397	-	-	-	437,621	571,018
Designated for other projects and activities							
General fund	50,000	-	-	-	-	-	50,000
Undesignated:							
General fund	1,614,445	-	-	-	-	-	1,614,445
Special revenue fund	-	1,357,116	-	-	-	1,558,929	2,916,045
Total fund balances	5,040,637	1,628,777	-	6,309,733	-	3,988,200	16,967,347
TOTAL LIABILITIES AND FUND BALANCES	$ 12,147,014	$ 3,596,212	$ 1,799,590	$ 6,309,733	$ 1,107,952	$ 8,280,374	$ 33,240,875

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

BAY COUNTY

RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005

Fund balances - total governmental funds	$ 16,967,347
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 are not reported in the funds.	
Add - capital assets	75,521,623
Deduct - accumulated depreciation	(19,647,675)
Other long-term assets are not available to pay for current period expenditures and, therefore, either deferred or otherwise not recorded in the funds	
Add - deferred revenue for delinquent taxes receivable	59,332
Internal service funds are used by management to charge the costs of self insurance to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
Add - net assets of governmental activities accounted for in the internal service funds	1,127,930
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - long-term debt	(29,794,200)
Deduct - accrued interest on long-term debt	(220,232)
Deduct - long-term portion of compensated absences	(1,704,191)
Net assets of governmental activities	$ 42,309,934

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

BAY COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General	911 Service	Budget Stabilization	Revenue Sharing Reserve	Building Authority Construction	Other Governmental Funds	Total Governmental Funds
Revenues							
Property taxes and other taxes	$ 15,028,959	$ 1,838,192	$ -	$ 5,013,415	$ -	$ 3,008,376	$ 24,888,942
Licenses and permits	204,791	-	-	-	-	163,657	368,448
Federal grants	2,041,801	-	-	-	-	1,353,051	3,394,852
State grants	1,733,629	195,391	-	-	-	1,417,981	3,347,001
Interest, rents and royalties	1,204,339	71,262	-	30,632	62,695	370,564	1,739,492
Charges for services	3,120,031	-	-	-	-	242,558	3,362,589
Fines and forfeits	872,692	-	-	-	-	27,162	899,854
Refunds and other revenues	2,565,641	1,890	-	-	2,737,550	3,759,402	9,064,483
Insurance recoveries/proceeds	1,237	-	-	-	-	-	1,237
Total revenues	26,773,120	2,106,735	-	5,044,047	2,800,245	10,342,751	47,066,898
Expenditures							
Current:							
Legislative	463,288	-	-	-	-	-	463,288
Judicial	5,389,205	-	-	-	-	93,547	5,482,752
General government	8,757,381	-	-	-	-	180,490	8,937,871
Public safety	7,520,107	1,713,992	-	-	-	387,003	9,621,102
Public works	5,973	-	-	-	-	-	5,973
Health and welfare	987,173	-	-	-	-	8,949,728	9,936,901
Community and economic development	140,506	-	-	-	-	16,569	157,075
Recreation and culture	1,334,225	-	-	-	-	504,731	1,838,956
Other functions	1,164,137	-	-	-	-	-	1,164,137
Capital outlay	-	-	-	-	7,158,809	-	7,158,809
Debt service:							
Principal	200,120	8,297	-	-	-	2,040,060	2,248,477
Interest and other fees	20,987	2,303	-	-	-	1,370,104	1,393,394
Total expenditures	25,983,102	1,724,592	-	-	7,158,809	13,542,232	48,408,735
Revenues over (under) expenditures	790,018	382,143	-	5,044,047	(4,358,564)	(3,199,481)	(1,341,837)
Other financing sources (uses)							
Transfers in	5,022,290	33,932	-	-	24,851	4,986,536	10,067,609
Transfer (out)	(5,069,942)	(263,313)	-	(2,195,469)	(35,675)	(1,494,378)	(9,058,777)
Total other financing sources (uses)	(47,652)	(229,381)	-	(2,195,469)	(10,824)	3,492,158	1,008,832
Net change in fund balances	742,366	152,762	-	2,848,578	(4,369,388)	292,677	(333,005)
Fund balances, beginning of year	4,298,271	1,476,015	-	3,461,155	4,369,388	3,695,523	17,300,352
Fund balances, end of year	$ 5,040,637	$ 1,628,777	$ -	$ 6,309,733	$ -	$ 3,988,200	$ 16,967,347

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

BAY COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Net change in fund balances - total governmental funds	$ (333,005)
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	8,105,426
Deduct - loss on sale of capital assets	(40,952)
Deduct - depreciation expense	(1,774,688)
Certain revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenue in the funds, rather they are deferred to the following fiscal year	
Add - increase in delinquent property taxes	16,144
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Add - principal payments on long-term liabilities	2,248,477
Internal service funds are used by management to charge the costs of self insurance to individual governmental funds. The net revenue (expense) of the funds is reported with governmental activities.	
Add - interest revenue from governmental internal service funds	41,608
Add - net operating income from governmental activities in internal service funds	586,984
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in accrued interest payable on bonds	11,532
Deduct - increase in the accrual for compensated absences	(51,908)
Change in net assets of governmental activities	$ 8,809,618

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

BAY COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property taxes and other taxes	$ 15,134,204	$ 15,134,204	$ 15,028,959	$ (105,245)
Licenses and permits	176,100	182,100	204,791	22,691
Federal grants	2,103,828	2,672,154	2,041,801	(630,353)
State grants	1,744,669	1,882,753	1,733,629	(149,124)
Interest, rents and royalties	1,023,518	1,132,618	1,204,339	71,721
Charges for services	3,212,198	3,128,739	3,120,031	(8,708)
Fines and forfeits	1,025,750	905,750	872,692	(33,058)
Refunds and other revenues	2,521,191	2,603,341	2,565,641	(37,700)
Insurance recoveries/proceeds	500	500	1,237	737
TOTAL REVENUES	26,941,958	27,642,159	26,773,120	(869,039)
EXPENDITURES				
Current:				
Legislative	492,812	504,466	463,288	41,178
Judicial	5,454,534	5,705,875	5,389,205	316,670
General government	8,573,681	9,126,711	8,757,381	369,330
Public safety	7,472,142	8,188,102	7,520,107	667,995
Public works	5,850	5,850	5,973	(123)
Health and welfare	1,018,030	1,048,944	987,173	61,771
Community and economic development	131,109	150,677	140,506	10,171
Recreation and culture	1,471,351	1,429,400	1,334,225	95,175
Other functions	1,319,329	1,325,144	1,164,137	161,007
Debt service:				
Principal	190,865	200,057	200,120	(63)
Interest and other fees	19,499	20,657	20,987	(330)
TOTAL EXPENDITURES	26,149,202	27,705,883	25,983,102	1,722,781
REVENUES OVER (UNDER) EXPENDITURES	792,756	(63,724)	790,018	853,742
OTHER FINANCING SOURCES (USES)				
Transfers in	4,593,465	5,029,965	5,022,290	(7,675)
Transfer (out)	(5,212,983)	(5,112,719)	(5,069,942)	42,777
TOTAL OTHER FINANCING SOURCES (USES)	(619,518)	(82,754)	(47,652)	35,102
NET CHANGE IN FUND BALANCES	173,238	(146,478)	742,366	888,844
FUND BALANCE, BEGINNING OF PERIOD, AS RESTATED	4,298,271	4,298,271	4,298,271	-
FUND BALANCE, END OF PERIOD	$ 4,471,509	$ 4,151,793	$ 5,040,637	$ 888,844

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

BAY COUNTY
911 SERVICE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property and other taxes	$ 1,838,617	$ 1,838,617	$ 1,838,192	$ (425)
State grants	172,000	172,000	195,391	23,391
Interest, rents and royalties	25,000	25,000	71,262	46,262
Refunds and other revenues	400	400	1,890	1,490
TOTAL REVENUES	2,036,017	2,036,017	2,106,735	70,718
EXPENDITURES				
Public safety	1,868,699	1,858,854	1,713,992	144,862
Debt service				
Principal	-	8,054	8,297	(243)
Interest and other fees	-	2,547	2,303	244
TOTAL EXPENDITURES	1,868,699	1,869,455	1,724,592	144,863
REVENUES OVER (UNDER) EXPENDITURES	167,318	166,562	382,143	215,581
OTHER FINANCING (USES)				
Transfers in	33,932	33,932	33,932	-
Transfers (out)	(226,051)	(263,313)	(263,313)	-
TOTAL OTHER FINANCING SOURCES (USES)	(192,119)	(229,381)	(229,381)	-
NET CHANGE IN FUND BALANCES	(24,801)	(62,819)	152,762	215,581
FUND BALANCES, BEGINNING OF PERIOD	1,476,015	1,476,015	1,476,015	-
FUND BALANCES, END OF PERIOD	$ 1,451,214	$ 1,413,196	$ 1,628,777	$ 215,581

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

BAY COUNTY
REVENUE SHARING RESERVE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property taxes and other taxes	$ 4,910,215	$ 5,021,735	$ 5,013,415	$ (8,320)
Interest, rents and royalties	-	-	30,632	30,632
TOTAL REVENUES	4,910,215	5,021,735	5,044,047	22,312
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(2,213,171)	(2,195,469)	(2,195,469)	-
NET CHANGE IN FUND BALANCES	2,697,044	2,826,266	2,848,578	22,312
FUND BALANCE, BEGINNING OF PERIOD	3,461,155	3,461,155	3,461,155	-
FUND BALANCE, END OF PERIOD	$ 6,158,199	$ 6,287,421	$ 6,309,733	$ 22,312

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

BAY COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	**100% Tax Payment**	**Housing**	**Other Proprietary Funds**	**Total**	**Internal Service Funds**
Assets						
Current assets:						
Cash and cash equivalents	$ 1,589,823	$ 1,281,215	$ 216,155	$ 77,686	$ 3,164,879	$ 197,072
Investments	-	3,017,649	123,332	264,916	3,405,897	1,143,389
Accounts receivable, net of allowance	1,516,858	2,848	92,914	1,291	1,613,911	7,982
Property taxes receivable	1,334,596	2,493,493	-	-	3,828,089	-
Accrued interest receivable	12,798	333,333	-	2,203	348,334	9,581
Inventories	31,732	-	-	5,520	37,252	-
Due from other funds	25,273	-	-	25,581	50,854	13,275
Due from other governmental units	-	114,887	-	-	114,887	-
Prepaid items and other current assets	240,236	-	1,596	-	241,832	520,629
Interfund advances	-	-	-	29,292	29,292	-
Total current assets	4,751,316	7,243,425	433,997	406,489	12,835,227	1,891,928
Noncurrent assets:						
Land	-	-	402,371	167,021	569,392	-
Construction in progress	5,397,201	-	67,718	-	5,464,919	-
Land improvements	-	-	-	721,062	721,062	-
Buildings and improvements	5,969,442	-	4,163,463	406,224	10,539,129	-
Machinery and equipment	2,993,882	-	239,363	446,164	3,679,409	-
Office furniture and fixtures	-	2,035	-	6,418	8,453	-
Vehicles and other	60,002	-	-	8,458	68,460	-
Less accumulated depreciation	(6,988,236)	(2,035)	(2,185,851)	(1,092,568)	(10,268,690)	-
Total noncurrent assets	7,432,291	-	2,687,064	662,779	10,782,134	-
Total assets	12,183,607	7,243,425	3,121,061	1,069,268	23,617,361	1,891,928
Liabilities						
Current liabilities:						
Accounts payable	369,932	339	21,208	25,409	416,888	150
Accrued items and other liabilities	223,692	2,208	24,504	3,002	253,406	87,119
Accrued vacation and sick pay	17,443	-	7,026	3,080	27,549	-
Patient trust payable	1,908	-	-	-	1,908	-
Deposits payable	-	-	18,438	-	18,438	-
Due to other funds	38,118	15,139	-	163	53,420	5
Due to other governmental units	-	48,327	11,344	736	60,407	756
Claims, settlements, and judgements	160,440	-	-	-	160,440	584,180
Curent portion of lease payable	6,599	-	3,986	-	10,585	-
Unearned revenue	1,367,001	-	3,399	3,254	1,373,654	-
Total current liabilities	2,185,133	66,013	89,905	35,644	2,376,695	672,210
Noncurrent liabilities:						
Claims, settlements, and judgements	178,889	-	-	-	178,889	90,765
Lease payable	22,102	-	-	-	22,102	-
Accrued vacation and sick pay	363,836	5,258	13,184	17,099	399,377	1,023
Total noncurrent liabilities	564,827	5,258	13,184	17,099	600,368	91,788
Total liabilities	2,749,960	71,271	103,089	52,743	2,977,063	763,998
Net Assets						
Investment in capital assets, net of related debt	7,403,590	-	2,687,064	662,779	10,753,433	-
Restricted for future tax settlements	-	524,660	-	-	524,660	-
Restricted for insurance claims	-	-	-	-	-	1,127,930
Unrestricted	2,030,057	6,647,494	330,908	353,746	9,362,205	-
Total net assets	$ 9,433,647	$ 7,172,154	$ 3,017,972	$ 1,016,525	$ 20,640,298	$ 1,127,930

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

BAY COUNTY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	100% Tax Payment	Housing	Other Proprietary Funds	Total	Internal Service Funds
Operating revenues						
Program grants-subsidies	$ -	$ -	$ 193,467	$ -	$ 193,467	$ -
Charges for services	13,745,627	-	228,106	796,136	14,769,869	4,571,925
Refunds and other revenues	411,434	15,746	2,219	8,193	437,592	47,023
Total operating revenues	14,157,061	15,746	423,792	804,329	15,400,928	4,618,948
Operating expenses						
Personal services	12,423,701	100,261	103,930	280,845	12,908,737	3,280,930
Supplies	1,423,466	15,038	-	74,713	1,513,217	151
Other services	1,730,019	6,395	285,762	314,239	2,336,415	750,883
Depreciation	352,390	-	184,046	55,342	591,778	-
Total operating expenses	15,929,576	121,694	573,738	725,139	17,350,147	4,031,964
Operating income (loss)	(1,772,515)	(105,948)	(149,946)	79,190	(1,949,219)	586,984
Nonoperating revenues (expenses)						
Property and other taxes	1,317,417	833,127	-	-	2,150,544	-
Federal grants	-	-	110,868	-	110,868	-
Interest income	60,610	153,604	8,041	9,013	231,268	41,608
Interest expense	(5,699)	-	(986)	-	(6,685)	-
Total nonoperating revenues (expenses)	1,372,328	986,731	117,923	9,013	2,485,995	41,608
Income (loss) before transfers	(400,187)	880,783	(32,023)	88,203	536,776	628,592
Transfers						
Transfers in	25,273	-	-	-	25,273	-
Transfers (out)	-	(984,105)	-	(50,000)	(1,034,105)	-
Net transfers	25,273	(984,105)	-	(50,000)	(1,008,832)	-
Change in net assets	(374,914)	(103,322)	(32,023)	38,203	(472,056)	628,592
Net assets, beginning of year	9,808,561	7,275,476	3,049,995	978,322	21,112,354	499,338
Net assets, end of year	$ 9,433,647	$ 7,172,154	$ 3,017,972	$ 1,016,525	$ 20,640,298	$ 1,127,930

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

BAY COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	100% Tax Payment	Housing	Other Proprietary Funds	Total	Internal Service Funds
Cash flows from operating activities						
Cash received from customers	$ 14,261,571	$ (69,901)	$ 230,847	$ 930,606	$ 15,353,123	$ -
Cash received from interfund services provided	-	-	-	-	-	4,570,511
Cash received from grants and subsidies	-	-	195,347	-	195,347	-
Interfund reimbursements	(19,581)	(95,211)	-	(12,306)	(127,098)	(12,580)
Cash payments to suppliers for goods and services	(3,170,296)	(4,814)	(231,232)	(364,058)	(3,770,400)	(863,376)
Cash payments to employees and related taxes and insurance	(12,255,778)	(141,915)	(131,862)	(279,063)	(12,808,618)	(3,522,549)
Other operating revenues	411,434	15,746	-	8,193	435,373	47,023
Net cash provided (used) by operating activities	(772,650)	(296,095)	63,100	283,372	(722,273)	219,029
Cash flows from non-capital financing activities						
Taxes received	1,271,364	905,430	-	-	2,176,794	-
Proceeds from interfund advances	-	-	-	30,708	30,708	-
Claims, settlements, and judgements, long-term	(22,344)	-	-	-	(22,344)	(97,513)
Transfers in	25,273	-	-	-	25,273	-
Transfers (out)	-	(984,105)	-	(50,000)	(1,034,105)	-
Net cash provided (used) by non-capital financing activities	1,274,293	(78,675)	-	(19,292)	1,176,326	(97,513)
Cash flows from capital and related financing activities						
Acquisition and construction of capital assets	(798,951)	-	(125,519)	(18,317)	(942,787)	-
Cash received from capital grants	-	-	110,868	-	110,868	-
Cash received from capital lease	36,646	-	5,224	-	41,870	-
Principal paid on long-term debt	(7,945)	-	(1,238)	-	(9,183)	-
Interest paid on long-term debt	(5,699)	-	(986)	-	(6,685)	-
Net cash provided (used) by capital and related financing activities	(775,949)	-	(11,651)	(18,317)	(805,917)	-
Cash flows from investing activities						
Proceeds from sale of investments	-	3,144,274	-	6,035	3,150,309	-
Purchases of investments	-	(3,017,649)	(2,163)	(264,916)	(3,284,728)	(42,436)
Interest on investments	60,610	153,604	6,280	9,013	229,507	41,608
Net cash provided (used) by investing activities	60,610	280,229	4,117	(249,868)	95,088	(828)
Net increase (decrease) in cash and cash equivalents	(213,696)	(94,541)	55,566	(4,105)	(256,776)	120,688
Cash and cash equivalents, beginning of year	1,803,519	1,375,756	160,589	81,791	3,421,655	76,384
Cash and cash equivalents, end of year	$ 1,589,823	$ 1,281,215	$ 216,155	$ 77,686	$ 3,164,879	$ 197,072

(Continued)

BAY COUNTY
STATEMENT OF CASH FLOWS (CONCLUDED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-type Activities - Enterprise Funds					Governmental Activities
	Medical Care Facility	100% Tax Payment	Housing	Other Proprietary Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ (1,772,515)	$ (105,948)	$ (149,946)	$ 79,190	$ (1,949,219)	$ 586,984
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	352,390	-	184,046	55,342	591,778	-
Changes in assets and liabilities:						
Accounts receivable	511,205	(908)	2,402	134,605	647,304	1,997
Accrued interest receivable	4,046	21,180	-	(861)	24,365	(3,411)
Inventories	6,978	-	-	2,372	9,350	-
Due from other funds	-	48,109	-	(12,348)	35,761	(147)
Due from other governmental units	-	(90,173)	-	-	(90,173)	-
Prepaid items and other current assets	127,985	-	(832)	-	127,153	(112,022)
Accounts payable	(152,152)	(574)	(3,386)	22,472	(133,640)	(320)
Accrued items and other liabilities	14,995	(46,290)	30,816	558	79	(13,128)
Accrued vacation and sick pay, current	10,978	-	-	904	11,882	-
Patient trust payable	378	-	-	-	378	-
Due to other funds	(19,581)	(143,320)	-	42	(162,859)	(12,433)
Due to other governmental units	-	17,193	-	178	17,371	442
Claims, settlements, and judgments, current	145,785	-	-	-	145,785	(229,040)
Accrued vacation and sick pay, long term	(3,835)	4,636	-	192	993	107
Unearned revenue	693	-	-	726	1,419	-
Net cash provided (used) by operating activities	$ (772,650)	$ (296,095)	$ 63,100	$ 283,372	$ (722,273)	$ 219,029

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

BAY COUNTY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2005

ASSETS	PRIVATE PURPOSE TRUST FUNDS	PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS	AGENCY FUNDS
Cash and cash equivalents	$ 24,655	$ -	$ 1,470,844
Investments at fair value:			
Common stock	-	157,673,562	-
Corporate bonds	-	21,598,444	-
Corporate convertible bonds		14,293,318	
Governmental securities	-	27,244,975	-
Short-term investment funds	-	19,971,525	-
Other	-	16,793,783	7,478,675
Total Investments	-	257,575,607	7,478,675
Receivables:			
Interest and dividends	-	804,290	-
Trade	9	594,006	23,301
Due from component units	-	56,242	-
TOTAL ASSETS	24,664	259,030,145	$ 8,972,820
LIABILITIES			
Accounts payable	-	281,301	-
Accrued items and other liabilities	24,111	12,633,973	259,488
Accrued vacation and sick pay	-	4,093	-
Due to component units	-	-	8,283,742
Due to other governmental units	-	231	233,328
Deposits	-	-	170,029
Undistributed taxes	-	-	14,836
Advances	-	-	11,397
TOTAL LIABILITIES	24,111	12,919,598	$ 8,972,820
Net assets held in trust	$ 553	$ 246,110,547	

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

BAY COUNTY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005

	PRIVATE PURPOSE TRUST FUNDS	PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
ADDITIONS		
Contributions:		
Employer	$ -	$ 3,442,156
Plan members	-	607,606
Total contributions	-	4,049,762
Investment income:		
Net appreciation in fair value of investments	-	8,447,008
Interest and dividends	-	4,972,320
Less investment expense	-	(1,609,337)
Net investment income	-	11,809,991
Other revenue	272	28,404
TOTAL ADDITIONS	272	15,888,157
DEDUCTIONS		
Benefits	-	7,657,332
Administrative expenses	-	179,121
Refunds of contributions	-	240,092
Other services	4,908	-
Capital outlay	-	449
TOTAL DEDUCTIONS	4,908	8,076,994
CHANGE IN NET ASSETS	(4,636)	7,811,163
NET ASSETS HELD IN TRUST FOR PENSION AND HEALTHCARE BENEFITS AND OTHER PROGRAMS		
Beginning of year	5,189	238,299,384
End of year	$ 553	$ 246,110,547

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

BAY COUNTY
COMPONENT UNITS
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	ROAD COMMISSION	ECONOMIC DEVELOPMENT	LIBRARY SYSTEM
ASSETS			
Cash and cash equivalents	$ 1,264,873	$ 1,263	$ 1,604,607
Investments	-	15,925	4,967,827
Receivables	2,257,162	128	6,198,807
Inventories	573,609	-	-
Prepaid items and other current assets	247,643	-	182,296
Capital assets, net:			
Assets not being depreciated	41,036,340	-	119,487
Assets being depreciated	41,022,583	-	2,517,160
TOTAL ASSETS	86,402,210	17,316	15,590,184
LIABILITIES			
Accounts payable and accrued liabilities	1,262,340	-	2,248,898
Unearned revenue	-	-	6,043,555
Long-term liabilities:			
Due within one year	73,295	-	938
Due in more than one year	760,341	-	153,359
TOTAL LIABILITIES	2,095,976	-	8,446,750
NET ASSETS			
Investment in capital assets, net of related debt	82,058,923	-	2,636,647
Restricted for:			
Acquisition/construction of capital assets	-	-	-
Debt service	-	-	-
System replacement	-	-	-
Unrestricted	2,247,311	17,316	4,506,787
TOTAL NET ASSETS	$ 84,306,234	$ 17,316	$ 7,143,434

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

DEPARTMENT OF WATER AND SEWER	DRAIN COMMISSION	BAY AREA NARCOTICS ENFORCEMENT TEAM	TOTAL
$ 3,237,328	$ 362,580	$ 280,754	$ 6,751,405
-	2,987,900	-	7,971,652
14,883,242	2,761,669	55,858	26,156,866
331,701	-	-	905,310
18,444	8,080	3,054	459,517
71,056	79,500	-	41,306,383
18,838,748	1,506,747	36,095	63,921,333
37,380,519	7,706,476	375,761	147,472,466
738,119	317,040	87,484	4,653,881
9,153	-	-	6,052,708
2,828,709	574,929	-	3,477,871
12,122,968	1,849,544	-	14,886,212
15,698,949	2,741,513	87,484	29,070,672
19,287,261	(838,226)	36,095	103,180,700
-	735,671	-	735,671
40,000	88,729	-	128,729
332,034	-	-	332,034
2,022,275	4,978,789	252,182	14,024,660
$ 21,681,570	$ 4,964,963	$ 288,277	$ 118,401,794

BAY COUNTY
COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

		Program Revenues			
Functions / Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenues**
Component unit					
Road Commission					
Governmental Activities:					
Highways and streets	$ 11,427,058	$ 1,711,418	$ 7,103,505	$ 6,806,736	$ 4,194,601
Library System					
Governmental Activities:					
Recreation and culture	8,862,287	379,591	159,824	737,800	(7,585,072)
Department of Water and Sewer					
Business Type Activities:					
Water	1,310,448	1,502,702	-	-	192,254
Sewer	3,305,491	2,642,303	-	-	(663,188)
Total Department of Water and Sewer	4,615,939	4,145,005	-	-	(470,934)
Drain Commission					
Governmental Activities:					
Public works	708,535	12,550	-	805,044	109,059
Interest on long-term debt	127,297	-	-	-	(127,297)
Total Drain Commission	835,832	12,550	-	805,044	(18,238)
Bay Area Narcotics Enforcement Team					
Governmental Activities:					
Public safety	858,509	527,582	431,050	-	100,123
Total component units	$ 26,599,625	$ 6,776,146	$ 7,694,379	$ 8,349,580	$ (3,779,520)

BAY COUNTY
COMPONENT UNITS
STATEMENT OF ACTIVITIES (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Road Commission	Economic Development	Library System	Department of Water And Sewer	Drain Commission	Bay Area Narcotics Enforcement Team	Total
Change in net assets							
Net (expense) revenue	$ 4,194,601	$ -	$ (7,585,072)	$ (470,934)	$ (18,238)	$ 100,123	$ (3,779,520)
General revenues:							
Property taxes	-	-	5,779,004	-	-	-	5,779,004
Unrestricted investment earnings	57,699	628	265,945	76,789	123,573	3,738	528,372
Other revenue	190,660	-	71,838	13,797	14,289	-	290,584
Total general revenues	248,359	628	6,116,787	90,586	137,862	3,738	6,597,960
Change in net assets	4,442,960	628	(1,468,285)	(380,348)	119,624	103,861	2,818,440
Net assets, beginning of year, as restated	79,863,274	16,688	8,611,719	22,061,918	4,845,339	184,416	115,583,354
Net assets, end of year	$ 84,306,234	$ 17,316	$ 7,143,434	$21,681,570	$4,964,963	$ 288,277	$ 118,401,794

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

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Bay, Michigan (the "County") was incorporated in 1857. The County operates under the unified form of government and provides services to its 112,000 residents in many areas, including law enforcement, administration of justice, community enrichment and development, and human services.

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

A. REPORTING ENTITY

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

Blended Component Units

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

Discretely Presented Component Units

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

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

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

Bay County Library System (Library System) - The Library System is governed by a board comprised of five appointees of the Bay County Board of Commissioners who are not County Board members. The County, which is the Library System's taxing authority, also has appropriation authority, but not budgetary control, over its activities. The Library System provides services and materials in a variety of formats to satisfy the educational, personal, and professional interests of the Bay County community, with funds primarily raised through local property taxes. The Library System's activities are reported discretely as a governmental fund type. Separate financial statements for the Library System can be obtained from its administrative offices at 307 Lafayette Avenue, Bay City, Michigan, 48708.

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

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

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

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

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

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Medical Care Facility, the 100% Tax

Payment, and Housing enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. DEPOSITS AND INVESTMENTS

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

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

2. RECEIVABLES AND PAYABLES

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

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

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

3. INVENTORIES AND PREPAID ITEMS

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

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

4. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the County), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of 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 market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects when constructed. Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

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

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

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

5. LONG-TERM OBLIGATONS

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

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

6. FUND EQUITY

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

7. INTERFUND TRANSACTIONS

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

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

8. COMPENSATED ABSENCES

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

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

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

Compensated Absence Liability Recognition

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Governmental funds are under formal budgetary control. For 2005, no budget was adopted for the Budget Stabilization fund, a Special Revenue fund, as no activity occurred during the year. Capital Projects funds are budgeted by project. Budget and actual comparisons for the Budget Stabilization fund, a Special Revenue fund, and Capital Projects funds are not reported in the financial statements, because annual budgets are not prepared. The County follows these procedures in establishing the budgetary data reflected in the financial statements.

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

2. Public hearings are conducted to obtain comments.

3. Prior to January 1, the budget is legally enacted by a budget adopting resolution.

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

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS FOR BUDGETARY FUNDS

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

Fund	Appropriation	Expenditure	Excess Expenditure
General Fund:			
Public works	$ 5,850	$ 5,973	$ (123)
Principal	200,057	200,120	(63)
Interest and other fees	20,657	20,987	(330)
Special Revenue Funds:			
911 Service:			
Principal	8,054	8,297	(243)
Child Care:			
Health and welfare	2,203,141	2,255,462	(52,321)

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

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Amount
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and cash equivalents	$ 5,008,470
Investments	12,064,469
Component Units:	
Cash and cash equivalents	6,751,405
Investments	7,971,652
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	1,495,499
Investments	265,054,282
Total	$ 298,345,777

Notes to Financial Statements:	
Bank deposits (checking accounts, savings accounts and certificates of deposit)	$ 21,593,108
Investments:	
Asset backed securities	435,988
U.S. government securities	20,608,685
U.S. agencies	1,991,250
Commercial paper	6,959,000
Government bonds	
On securities loan	9,708,940
Not on securities loan	3,865,930
Corporate bonds	
On securities loan	19,679,712
Not on securities loan	1,918,732
Common stock	
On securities loan	12,729,849
Not on securities loan	144,943,713
Other short-term investments	53,873,955
Cash on hand	36,915
Total	$ 298,345,777

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

	Investment Maturities (In Years)					Credit Rating Range	
	Fair Value	Less Than 1	1-5	6-10	More Than 10	Standard & Poors	Moody's Investor's Services
Asset backed securities	$ 435,988	$ -	$ -	$ 87,202	$ 348,786	A to AAA	Aa3 to Aaa
U.S. government securities	20,608,685	7,772,180	3,217,536	-	9,618,969	AAA	Aaa
U.S. agencies	1,991,250	-	1,991,250	-	-	AAA	Aaa
Commercial paper	6,959,000	6,959,000	-	-	-	A1 to A2	P1 to P2
Government bonds	13,574,870	748,829	6,086,544	2,273,734	4,465,763	AAA	Aaa
Corporate bonds	21,598,444	-	7,816,448	9,436,150	4,345,846	B+ to AAA	B2 to Aaa
	$ 65,168,237	$ 15,480,009	$ 19,111,778	$ 11,797,086	$ 18,779,364		

**The County's investments in U.S. government securities, U.S. Agencies, and Government bonds include call options with a market value of $2,966,570, $1,991,250, and $3,972,010, respectively.

Investment and deposit risk

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year end $21,691,766 of the County's bank balance of $23,316,189 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy states that with the exception of U.S. Treasury securities and authorized pools, no more than sixty percent of the County investment portfolio should be invested in a single security type. No single investment represents more than five percent of the County's investments. However, amounts invested in two (2) separate mutual funds represent 5.2% and 9.5% of the County's investments, respectively at December 31, 2005. All investments held at year end are reported above.

Investments and Securities Lending

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

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

B. RECEIVABLES

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

	Governmental Activities	Business-type Activities	Component Units
Taxes/special assessments	$ 15,655,417	$ 3,828,089	$ 8,185,138
Accounts	1,765,140	1,960,279	447,890
Notes			
Due within one year	49,686	-	3,292,398
Due after one year	1,313,184	-	11,239,566
Interest	91,923	348,334	181,023
Intergovernmental	2,953,989	114,887	2,817,851
Less: allowance for uncollectible accounts	(686,275)	(346,368)	(7,000)
Total	$ 21,143,064	$ 5,905,221	$ 26,156,866

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

	Unavailable	Unearned
Property taxes receivable (General Fund)	$ 45,009	$ 5,429,675
Property taxes receivable (911 Service Fund)	5,696	1,907,561
Property taxes receivable (Non-major Governmental fund types)	8,627	2,850,112
Grant drawdowns prior to meeting all eligibility requirements	-	235,071
Total	$ 59,332	$10,422,419

C. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2005 was as follows:

Primary Government

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 2,334,676	$ -	$ (29,628)	$ 2,305,048
Construction in progress	6,105,442	7,193,834	-	13,299,276
Total capital assets not being depreciated	8,440,118	7,193,834	(29,628)	15,604,324
Capital assets being depreciated:				
Land improvements	4,220,933	-	-	4,220,933
Buildings and improvements	49,465,623	181,138	(15,804)	49,630,957
Machinery and equipment	1,346,694	272,319	(24,421)	1,594,592
Office furniture and equipment	2,706,446	298,887	(91,317)	2,914,016
Vehicles	1,563,151	159,249	(165,599)	1,556,801
Total capital assets being depreciated	59,302,847	911,593	(297,141)	59,917,299
Less accumulated depreciation				
Land improvements	(1,615,564)	(246,853)	-	(1,862,417)
Buildings and improvements	(12,581,987)	(1,105,699)	15,804	(13,671,882)
Machinery and equipment	(976,091)	(92,778)	24,421	(1,044,448)
Office furniture and equipment	(1,847,408)	(195,154)	84,955	(1,957,607)
Vehicles	(1,137,758)	(134,204)	160,641	(1,111,321)
Total accumulated depreciation	(18,158,808)	(1,774,688)	285,821	(19,647,675)
Total capital assets being depreciated, net	41,144,039	(863,095)	(11,324)	40,269,624
Governmental activities capital assets, net	$49,584,157	$ 6,330,739	$ (40,952)	$ 55,873,948

	Beginning Balance	Additions	Ending Disposals	Balance
Business-type activities				
Capital assets not being depreciated:				
Land	$ 569,392	$ -	$ -	$ 569,392
Construction in progress	4,730,656	834,903	(100,640)	5,464,919
Total capital assets not being depreciated	5,300,048	834,903	(100,640)	6,034,311
Capital assets being depreciated:				
Land improvements	721,062	-	-	721,062
Buildings and improvements	10,443,885	95,244	-	10,539,129
Machinery and equipment	3,570,349	113,280	(4,220)	3,679,409
Office furniture and fixtures	10,487	-	(2,034)	8,453
Vehicles	68,460	-	-	68,460
Total capital assets being depreciated	14,814,243	208,524	(6,254)	15,016,513
Less accumulated depreciation				
Land improvements	(496,600)	(22,065)	-	(518,665)
Buildings and improvements	(6,038,467)	(280,417)	-	(6,318,884)
Machinery and equipment	(3,069,151)	(289,296)	4,220	(3,354,227)
Office furniture and fixtures	(10,487)	-	2,034	(8,453)
Vehicles	(68,461)	-	-	(68,461)
Total accumulated depreciation	(9,683,166)	(591,778)	6,254	(10,268,690)
Total capital assets being depreciated, net	5,131,077	(383,254)	-	4,747,823
Business-type activities capital assets, net	$10,431,125	$ 451,649	$ (100,640)	$10,782,134

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

Governmental activities:	
Judicial	$ 35,561
General government	1,128,053
Public safety	254,916
Health and welfare	204,106
Recreation and culture	152,052
Total depreciation expense – governmental activities	**$ 1,774,688**

Business-type activities:	
Medical Care Facility	$ 352,390
Public Golf Course	184,046
Housing Commission	55,342
Total depreciation expense – business-type activities	**$ 591,778**

Construction commitments

The County has one active construction project as of December 31, 2005: the Building Authority Library Construction project, which is for the construction and renovation of various branches of the Bay County Library System. The commitment for the project is financed by property taxes, local donations and the proceeds from bonds issued in 2002. The total project cost is expected to be $26,805,300 and at December 31, 2005 the County had spent $22,529,344. At December 31, 2005 the remaining project commitment is $4,275,956.

Discretely presented component units

Activity for the Road Commission for the year ended December 31, 2005, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	$ 472,961	$ 10,936	$ -	$ 483,897
Land improvements	37,154,761	3,048,021	-	40,202,782
Right of ways	349,661	-	-	349,661
Total capital assets not being depreciated	37,977,383	3,058,957	-	41,036,340

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets being depreciated:				
Buildings and improvements	$ 2,402,666	$ 21,523	$ -	$ 2,424,189
Road equipment	9,222,916	793,022	(473,796)	9,542,142
Shop equipment	129,370	4,651	-	134,021
Office equipment	169,584	12,181	-	181,765
Engineering equipment	104,064	10,519	-	114,583
Yard and storage	1,294,302	12,619	-	1,306,921
Infrastructure:				
Roads	42,061,250	4,572,031	(1,606,274)	45,027,007
Bridges	16,736,690	1,380,190	-	18,116,880
Traffic signals	294,083	-	-	294,083
Depletable assets:				
Gravel pits	53,037	-	-	53,037
Total capital assets being depreciated	72,467,962	6,806,736	(2,080,070)	77,194,628
Less accumulated depreciation				
Buildings and improvements	(1,374,681)	(65,924)	-	(1,440,605)
Road equipment	(7,149,164)	(1,008,244)	462,052	(7,695,356)
Shop equipment	(94,009)	(7,231)	-	(101,240)
Office equipment	(102,535)	(19,855)	-	(122,390)
Engineering equipment	(67,686)	(6,678)	-	(74,364)
Yard and storage	(618,337)	(53,992)	-	(672,329)
Infrastructure:				
Roads	(18,271,163)	(2,394,731)	1,606,274	(19,059,620)
Bridges	(6,403,631)	(348,388)	-	(6,752,019)
Traffic signals	(229,034)	(12,937)	-	(241,971)
Depletable assets:				
Gravel pits	(12,151)	-	-	(12,151)
Total accumulated depreciation	(34,322,391)	(3,917,980)	2,068,326	(36,172,045)
Total capital assets being depreciated, net	38,145,571	2,888,756	11,744	41,022,583
Road Commission capital assets, net	$76,122,954	$ 5,947,713	$ 11,744	$ 82,058,923

Activity for the Library System for the year ended December 31, 2005, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	$ 122,588	$ 6,900	$ (10,001)	$ 119,487
Capital assets being depreciated:				
Land improvements	147,013	-	-	147,013
Buildings and improvements	1,230,846	249,600	(154,721)	1,325,725
Machinery and equipment	52,580	30,113	-	82,693
Office furniture & fixtures	644,066	483,883	(10,051)	1,117,898
Books and a/v materials	4,339,862	455,170	(216,175)	4,578,857
Vehicles and other	168,964	13,806	-	182,770
Total capital assets being depreciated	6,583,331	1,232,572	(380,947)	7,434,956
Less accumulated depreciation				
Land improvements	(122,361)	(3,341)	-	(125,702)
Buildings and improvements	(794,674)	(45,807)	91,953	(748,528)
Machinery and equipment	(43,572)	(2,248)	-	(45,820)
Office furniture & fixtures	(400,377)	(20,420)	10,051	(410,746)
Books and a/v materials	(3,279,113)	(361,750)	216,175	(3,424,688)
Vehicles and other	(160,078)	(2,234)	-	(162,312)
Total accumulated depreciation	(4,800,175)	(435,800)	318,179	(4,917,796)
Total capital assets being depreciated, net	1,783,156	796,772	(62,768)	2,517,160
Library System capital assets, net	$ 1,905,744	$ 803,672	$ (72,769)	$ 2,636,647

Activity for the Department of Water & Sewer for the year ended December 31, 2005, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	$ 62,791	$ -	$ -	$ 62,791
Construction in progress	2,700	8,265	(2,700)	8,265
Total capital assets not being depreciated	65,491	8,265	(2,700)	71,056
Capital assets being depreciated:				
Buildings	13,250,892	-	-	13,250,892
Improvements other than buildings	76,474	-	-	76,474
Machinery and Equipment	8,451,423	324,386	(115,941)	8,659,868
Water System	3,435,610	81,058	-	3,516,668
Sewer System	17,169,768	-	-	17,169,768
Total capital assets being depreciated	42,384,167	405,444	(115,941)	42,673,670
Less accumulated depreciation				
Buildings	(6,097,823)	(279,972)	-	(6,377,795)
Improvements other than buildings	(71,169)	(589)	-	(71,758)
Machinery and Equipment	(7,664,072)	(189,461)	110,959	(7,742,574)
Water System	(1,327,732)	(78,010)	-	(1,405,742)
Sewer System	(7,893,658)	(343,395)	-	(8,237,053)
Total accumulated depreciation	(23,054,454)	(891,427)	110,959	(23,834,922)
Total capital assets being depreciated, net	19,329,713	(485,983)	(4,982)	18,838,748
Department of Water & Sewer capital assets, net	$19,395,204	$ (477,718)	$ (7,682)	$ 18,909,804

Activity for the Drain Commission for the year ended December 31, 2005, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	$ 79,500	$ -	$ -	$ 79,500
Capital assets being depreciated:				
Land improvements (infrastructure)	1,068,919	294,953	-	1,363,872
Buildings	171,681	-	-	171,681
Machinery and equipment	230,761	57,046	-	287,807
Office furniture and equipment	46,848	-	-	46,848
Vehicles	95,819	71,788	(33,514)	134,093
Total capital assets being depreciated	1,614,028	423,787	(33,514)	2,004,301
Less accumulated depreciation				
Land improvements (infrastructure)	(17,431)	(21,838)	-	(39,269)
Buildings	(142,226)	(5,727)	-	(147,953)
Machinery and equipment	(219,917)	(3,780)	-	(223,697)
Office furniture and equipment	(46,630)	(218)	-	(46,848)
Vehicles	(51,804)	(10,897)	22,914	(39,787)
Total accumulated depreciation	(478,008)	(42,460)	22,914	(497,554)
Total capital assets being depreciated, net	1,136,020	381,327	(10,600)	1,506,747
Drain commission capital assets, net	$ 1,215,520	$ 381,327	$ (10,600)	$ 1,586,247

Activity for the Bay Area Narcotics Enforcement Team for the year ended December 31, 2005, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets being depreciated:				
Equipment	$ 52,382	$ 25,995	$ (13,243)	$ 65,134
Less accumulated depreciation				
Equipment	(31,165)	(11,117)	13,243	(29,039)
Bay Area Narcotics Enforcement Team capital assets, net	$ 21,217	$ 14,878	$ -	$ 36,095

D. PAYABLES

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

	Governmental Activities	Business-type Activities
Accounts	$ 2,285,200	$ 416,888
Wages, fringe benefits and other accrued liabilities	703,088	253,406
Deposits	5,493	20,346
Intergovernmental	146,315	60,407
Total	$ 3,140,096	$ 751,047

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Due from:							
Due to:	General	911 Service	Building Authority Construction	Nonmajor Governmental	Medical Care Facility	Nonmajor Enterprise	Internal Service	**Total**
General	$ -	$ 33,932	$ 74,031	$ 51,832	$ 25,273	$ 13,941	$ 10,109	$ 209,118
911 Service	-	-	-	-	-	-	682	682
Building Authority Construction	42,173	-	-	-	-	-	-	42,173
Nonmajor Governmental	161,446	-	-	52,020	-	-	2,272	215,738
Medical Care Facility	38,118	-	-	-	-	-	-	38,118
100% Tax	3,455	-	-	-	-	11,640	44	15,139
Nonmajor Enterprise	-	-	-	-	-	-	163	163
Internal Service	-	-	-	-	-	-	5	5
Total	**$ 245,192**	**$ 33,932**	**$ 74,031**	**$ 103,852**	**$ 25,273**	**$ 25,581**	**$ 13,275**	**$ 521,136**

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

Advances to/from other funds:

General	$ 2,299,590	$ 29,292
Nonmajor governmental funds	-	2,299,590
Nonmajor enterprise funds	29,292	-
Total	$ 2,328,882	$ 2,328,882

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

	Transfer from:							
Transfer to:	General	911 Service	Revenue Sharing Reserve	Building Authority Construction	Nonmajor Governmental	100% Tax	Nonmajor Enterprise	**Total**
General	$ -	$ 263,313	$2,195,469	$ 35,025	$ 1,494,378	$ 984,105	$ 50,000	$ 5,022,290
911 Service	33,932	-	-	-	-	-	-	33,932
Building Authority Construction	24,851	-	-	-	-	-	-	24,851
Nonmajor Governmental	4,985,886	-	-	650	-	-	-	4,986,536
Medical Care Facility	25,273	-	-	-	-	-	-	25,273
Total	**$5,069,942**	**$ 263,313**	**$2,195,469**	**$ 35,675**	**$ 1,494,378**	**$ 984,105**	**$ 50,000**	**$10,092,882**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund and state revenue sharing special revenue fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. LONG-TERM DEBT

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
Building Authority – General obligation bonds	$31,270,000	$ -	$(1,885,000)	$29,385,000	$ 1,985,000
Installment purchase contracts payable	722,985	-	(346,417)	376,568	293,541
Leases payable	49,692	-	(17,060)	32,632	18,144
Long-term advances	50,000	-	-	50,000	-
Internal service funds – Claims	1,001,498	-	(326,553)	674,945	584,180
Compensated absences	1,747,717	1,746,259	(1,675,417)	1,818,559	113,345
	$34,841,892	$ 1,746,259	$(4,250,447)	$32,337,704	$ 2,994,210
Business-type activities					
Claims	$ 215,888	$ 123,441	$ -	$ 339,329	$ 160,440
Leases payable	-	41,870	(9,183)	32,687	10,585
Compensated absences	396,567	30,359	-	426,926	27,549
	$ 612,455	$ 195,670	$ (9,183)	$ 798,942	$ 198,574
Component Units					
Road Commission:					
Claims	$ 175,000	$ -	$ (115,000)	$ 60,000	$ 60,000
Compensated absences	701,687	71,949	-	773,636	13,295
	$ 876,687	$ 71,949	$ (115,000)	$ 833,636	$ 73,295
Library System:					
Compensated absences	$ 168,631	$ -	$ (14,334)	$ 154,297	$ 938
Department of Water & Sewer					
General obligation bonds	$17,228,723	$ -	$(2,639,361)	$14,589,362	$ 2,774,362
Compensated absences	343,239	19,076	-	362,315	54,347
	$17,571,962	$ 19,076	$(2,639,361)	$14,951,677	$ 2,828,709
Drain Commission					
General obligation bonds	$ 1,770,000	$ 165,000	$ (265,000)	$ 1,670,000	$ 303,000
Notes payable	1,026,593	-	(272,120)	754,473	271,929
	$ 2,796,593	$ 165,000	$ (537,120)	$ 2,424,473	$ 574,929

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year end, $1,023 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

Primary Government

The County issues general obligation bonds, installment purchase contracts, and capital leases to provide funds for the acquisition, renovation, and / or construction of major capital facilities and purchase of major equipment. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds, installment purchase contracts, and capital leases issued in prior years was $40,552,765.

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

Purpose	Interest Rates	Amount
Governmental activities	2.5–8.0%	$ 29,761,568

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

Year Ending	Governmental Activities	
December 31	Principal	Interest
2006	$ 2,278,541	$ 1,304,214
2007	2,178,027	1,219,558
2008	2,205,000	1,137,169
2009	2,320,000	1,048,789
2010	2,305,000	953,468
2011-2015	10,070,000	3,312,859
2016-2020	8,405,000	971,978
Total	$29,761,568	$ 9,948,035

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

Year Ending	Governmental Activities		Business-type Activities	
December 31	Principal	Interest	Principal	Interest
2006	$ 18,144	$ 2,794	$ 10,585	$ 4,214
2007	14,488	1,201	7,434	2,310
2008	-	-	8,375	1,369
2009	-	-	6,293	339
Total	$ 32,632	$ 3,995	$ 32,687	$ 8,232

In the governmental activities, the equipment acquired through capital lease had a total value of $85,405. In the business-type activities, the Medical Care Facility phone system acquired through capital lease had a value of $36,646 and the Housing Fund phone system acquired through capital lease had a value of $5,224.

Component Units

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

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

Purpose	Interest Rates	Amount
Business-type activities	2.0 – 8.0%	$ 14,589,362

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

Year Ending	Business-type Activities	
December 31	Principal	Interest
2006	$ 2,774,362	$ 580,076
2007	2,645,000	442,550
2008	2,570,000	318,530
2009	970,000	240,515
2010	935,000	208,350
2011-2015	3,160,000	624,666
2016-2020	1,535,000	136,322
Total	$ 14,589,362	$ 2,551,009

Drain Commission. General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds and notes have been issued for governmental activities. The original amount of general obligation bonds and notes issued in prior years was $5,732,165. During the year general obligation bonds totaling $165,000 were issued.

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

Purpose	Interest Rates	Amount
Governmental activities	2.25 –8.0%	$ 2,424,473

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

Year Ending	Governmental Activities	
December 31	Principal	Interest
2006	$ 574,929	$ 108,488
2007	357,279	86,397
2008	362,086	68,164
2009	291,605	52,519
2010	316,456	38,172
2011-2014	522,118	40,233
Total	$ 2,424,473	$ 393,973

Advance refunding

On February 18, 2004, the Bay County Building Authority issued general obligation bonds of $2,035,000. Proceeds from this bond issue were used to advance refund two separately issued general obligation bonds, one issued in 1994 for jail renovations and one issued in 1995 for adult foster care homes. The refunded bonds mature as scheduled on November 1, 1995 through 2011. The balance of the defeased debt outstanding at December 31, 2005 was $1,415,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The refunding was undertaken to reduce total debt service payments by $70,426 and resulted in an economic gain of $64,415.

IV. OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLAN

Pension Plan

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

Funding Policy/Contributions - The County's policy is to fund normal costs which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. The provisions of the Plan require the County to contribute at an actuarially determined rate. The current rate is 0 percent of annual covered payroll for General County, Medical Care Facility, Sheriff's Department, and Department of Water & Sewer, 0.68% for the Library, 1.11% for Bay Area Behavioral Health, and 8.19% for the Road Commission, which was determined through an actuarial valuation performed at December 31, 2004. Contributions from County funds for the year ended December 31, 2005, amounted to $0 and contributions from the component units and Bay Area Behavioral Health amounted to $393,515. Plan members contribute at a rate of 4 percent of their annual salary. The County pays the plan member contributions for all employee groups. Contributions received from plan members for the year ended December 31, 2005, amounted to $607,606. The Plan benefit provisions and contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners, who also administer the plan, in accordance with County policies, union contracts, and plan provisions.

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

Eligible employees are provided benefits based on 2.25 percent of their final average compensation times the number of years of credited service (2.0% for Behavioral Health AFSCME, 2.5% for Sheriff-Road Patrol, Road Commission AFSCME Local 1096 and Road Commission Class I Supervisory and Admin employees). Maximum retirement is 75 percent of final average compensation, defined as the average of the highest five years. For those who retire early, in accordance with the Plan provisions, the benefit is reduced to the actuarial equivalent of a pension at normal retirement age.

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

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

Classes of Employees - The Plan's membership consists of the following at December 31, 2004, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	591
Terminated plan members entitled to, but not yet receiving, benefits	75
Active plan members	1,203

Annual Pension Cost - For the year ended December 31, 2005, the County's annual pension cost of $393,515 was equal to the County's required and actual contribution. The required contribution was determined as part of the December 31, 2004 actuarial evaluation, using the entry age actuarial cost method.

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

The annual required contribution for the current year was determined as part of the December 31, 2004 actuarial valuation using the individual entry age normal cost method. Significant actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 4.0% per year pay inflation plus merit and longevity, (c) additional projected salary increases ranging from 1.0 to 8.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

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

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2003	$ -	100%	$ -
2004	-	100%	-
2005	393,515	100%	-

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

Net assets Reserved for Employees' Pension Benefits – Net assets reserved for employees' pension benefits includes legally required reserves. Net assets as of December 31, 2005 consists of the following reserves:

Annuity reserve	$ 73,192,222
Employer reserve	135,905,255
Employee accumulated reserve	22,300,870
	$ 231,398,347

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

Following are the financial statements for the Employees' Retirement System Pension Trust Fund for the year ended December 31, 2005.

Statement of Plan Net Assets
Assets

Investments at fair value:	
Common stock	$ 157,673,562
Corporate bonds	35,891,762
Governmental securities	27,244,975
Short-term investment funds	19,817,330
Other	2,365,537
Total investments	242,993,166
Receivables:	
Interest and dividends	716,939
Trade	464,611
Total receivables	1,181,550
Other current assets:	
Due from component units	56,242
Total Assets	244,230,958
Liabilities	
Accounts payable	281,290
Accrued items and other liabilities	12,546,997
Accrued vacation and sick pay	4,093
Due to other governmental units	231
Total liabilities	12,832,611
Net assets held in trust for pension benefits	$ 231,398,347

Statement of Changes in Plan Net Assets

Additions	
Contributions:	
Employer	$ 393,515
Plan members	607,606
Total additions	1,001,121
Investment income:	
Net appreciation in fair value of investments	7,905,983
Interest and dividends	4,675,571
Less investment expense	(1,604,837)
Net investment income	10,976,717
Other revenue	28,404
Total additions	12,006,242
Deductions	
Benefits	7,657,332
Administrative expenses	168,711
Refunds of contributions	240,092
Capital outlay	449
Total deductions	8,066,584
Change in net assets	3,939,658
Net assets held in trust for pension benefits:	
Beginning of year	227,458,689
End of year	$ 231,398,347

Retiree Health Care Plan

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

The Plan is a contributory defined benefit plan which covers substantially all employees of Bay County as defined above. At December 31, 2002, the date of the latest actuarial valuation, participants in the plan consisted of:

Retired members and beneficiaries:	
Under age 65	149
Age 65 and over	295
Total	444

The December 31, 2002 actuarial valuation identified the required employer contribution rate as 5.71% to 51.45% of covered payroll, depending on employee group and amortization period. Contributions to the Plan for the year-ended December 31, 2005 were $3,048,641, representing 5% of covered payroll.

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

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

The Plan's unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2002. Significant actuarial assumptions used in determining the Plan's unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 7.0% per year compounded annually, (b) projected salary increases of 5.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.5% to 14.3% per year, depending on age, attributable to seniority/merit, and (d) health care cost increases of 12.0% for 2003 and declining by 1% per year until 2010, where the projected annual increases for 2010 and thereafter remain at 5% per year.

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

The Plan’s unfunded accrued liability, which was determined by an actuary, is as follows at December 31, 2002, the date of the latest actuarial valuation:

Retirees and beneficiaries	$30,632,202
Vested terminated members	530,218
Current employees:	
Value of expected future benefit payments	79,934,200
Less: Value of future normal costs	(30,513,560)
Total accrued liability	80,583,060
Valuation assets	(4,305,770)
Unfunded accrued liability	$76,277,290

Net assets available to fund this Plan amount to $14,712,200 at December 31, 2005.

Following are the financial statements for the Public Employee Healthcare Trust Fund for the year ended December 31, 2005.

Statement of Plan Net Assets
Assets

Investments at fair value:	
Short-term investment funds	$ 154,195
Other	14,428,246
Total investments	14,582,441
Receivables:	
Interest and dividends	87,351
Trade	129,395
Total receivables	216,746
Total Assets	14,799,187
Liabilities	
Accounts payable	11
Accrued items and other liabilities	86,976
Total liabilities	86,987
Net assets held in trust for healthcare benefits	$ 14,712,200

Statement of Changes in Plan Net Assets

Additions	
Contributions	
Employer:	$ 3,048,641
Investment income:	
Net appreciation in fair value of investments	541,025
Interest and dividends	296,749
Less investment expense	(4,500)
Net investment income	833,274
Total additions	3,881,915
Deductions	
Administrative expenses	10,410
Change in net assets	3,871,505
Net assets held in trust for healthcare benefits:	
Beginning of year	10,840,695
End of year	$ 14,712,200

B. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The County provides certain post-retirement health care benefits, in accordance with contractual agreements, to substantially all eligible general County employees. The number of general County participants eligible to receive retiree health care insurance benefits upon retirement and number of retirees presently eligible at December 31, 2003 is 492. In addition, the Library System, Department of Water and Sewer, Road Commission, and Bay Medical Care Facility provide certain health insurance benefits to their employees. The Bay Medical Care Facility also provides life insurance to retirees. The coverage amount is either $2,500, $3,500, or $5,000, depending on the terms of the bargaining unit contract in effect at the time the employee retired. The County also provides life insurance to non-represented retirees as of March 1, 1998. The coverage amount is $10,000.

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

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

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

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

The post-retirement benefits are financed on a pay-as-you-go basis. The amount of expenditures for the benefits is recognized during the period incurred. The premiums are paid by the County. Employees make no contribution directly to the County for their share of the expense. The cost of retiree health care and life insurance benefits for 2005 was approximately $1,696,589 for the primary government and approximately $1,043,940 for component units.

C. SELF-INSURANCE

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

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

Specifically in the area of workers' compensation, the County purchases excess insurance to reduce its exposure to significant claim losses. Excess insurance allows recovery of a portion of the losses from the excess insurer, although it does not discharge the primary liability of the Self-Insurance fund as direct insurer of the risks. During 2005, Bay County purchased excess insurance from Safety National Casualty Corporation. The self-insured retention is $350,000 per occurrence. The maximum limit of indemnity per occurrence is statutory. The employers' liability maximum limit of indemnity is $1,000,000 per occurrence.

The County estimates the liability for claims that have been incurred through December 31, 2005, including both claims that have been reported as well as those that have not yet been reported and estimates of both future payments of losses and related claim adjustment expenses. Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses. Neither the County, the Road Commission, Bay Medical Care Facility, nor the Department of Water & Sewer has experienced settlements in excess of insurance coverage during the past three years.

In 2005 the County was self-insured for general liability insurance coverage with Michigan Municipal Risk Management Authority (MMRMA). Bay County's contributions to this fund are determined each year by MMRMA based on its review of an application filed by the County, which identifies County assets such as property, vehicles, buildings, and equipment. Bay County's retention levels and policy coverage through MMRMA are as follows:

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

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

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

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

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

Changes in the estimated claims liabilities for workers compensation claims (excluding the Medical Care Facility) for the years ended December 31, 2004 and 2005 are as follows:

	December 31, 2005	December 31, 2004
Beginning of year liability	$ 707,836	$ 281,648
Estimated claims incurred, claim adjustment expense, and changes in estimates		
Provision for current year events	124,394	305,258
Increase (decrease) in provision for prior year events	(13,601)	288,871
Total incurred claims, claim adjustment expense, and changes in estimates	110,793	594,129
Claim payments and claim adjustment expenses:		
Related to current year events	(13,911)	(86,872)
Related to prior year events	(288,662)	(81,069)
Total claim payments and claim adjustment expenses	(302,573)	(167,941)
End of year liability	$ 516,056	$ 707,836

Changes in the estimated claims liabilities for workers compensation claims of the Medical Care Facility for the years ended December 31, 2004 and 2005 are as follows:

	December 31, 2005	December 31, 2004
Beginning of year liability	$ 215,888	$ 197,348
Estimated claims incurred, claim adjustment expense, and changes in estimates		
Provision for current year events	206,779	27,660
Increase (decrease) in provision for prior year events	(544)	141,844
Total incurred claims, claim adjustment expense, and changes in estimates	206,235	169,505
Claim payments and claim adjustment expenses:		
Related to current year events	(25,090)	(14,655)
Related to prior year events	(57,704)	(136,310)
Total claim payments and claim adjustment expenses	(82,794)	(150,965)
End of year liability	$ 339,329	$ 215,888

Changes in the estimated claims liabilities for healthcare claims for the year ended December 31, 2004 and 2005 are as follows:

	December 31, 2005	December 31, 2004
Beginning of year liability	$ 293,662	$ 94,729
Estimated claims incurred, claim adjustment expense, and changes in estimates		
Provision for current year events	2,922,907	2,873,165
Increase (decrease) in provision for prior year events	(214,575)	(153,027)
Total incurred claims, claim adjustment expense, and changes in estimates	2,708,332	2,720,138
Claim payments and claim adjustment expenses:		
Related to current year events	(3,362,112)	(2,564,108)
Related to prior year events	519,007	42,903
Total claim payments and claim adjustment expenses	(2,843,105)	(2,521,205)
End of year liability	$ 158,889	$ 293,662

The Department of Water and Sewer is self-insured for workers' compensation claims. This program is administered by an independent company which furnishes safety inspection, claims review, and claims processing services. The employers' liability maximum limit of indemnity per occurrence is $1,000,000 and the self insured retention per occurrence is $350,000. Net cost for the year ended December 31, 2005 was $6,968.

The Department of Water and Sewer is further insured for general, automobile, and errors or omissions claims as a member of the Michigan County Road Commission Self-Insurance Pool and is insured for liabilities up to a limit of $10,500,000 per occurrence, subject to a $1,000 deductible. Payments made for the year ended December 31, 2005 were $57,110.

The Department of Water and Sewer is further insured as a member of the Michigan County Road Commission Self-Insurance Pool for building, contents, off-road equipment and licensed vehicles claims and is insured for the lessor of the scheduled value of property or the cost of repairs or replacement, subject to a $500 deductible. Payments made for the year ended December 31, 2005 were $40,615.

D. PROPERTY TAXES

The County property tax is levied each July 1st and Dec 1st through 2007 on the taxable valuation of property located in the County as of the preceding December 31. On July or December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next September or February, respectively. Assessed values are established annually by the County and are equalized by the State at an estimated 50 percent of current market value. Taxable values change annually, due to the Consumer Price Index (CPI) and any construction added to the property. Real and personal property in Bay County for the 2004 levy had a taxable value of $2,777,696,489. The County's operating tax rate for the 2004 levy, collected in 2005, was 10.2838 mills.

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

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

E. CONTINGENCIES AND PENDING LITIGATION

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

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

F. RESTATEMENTS

During the year ended December 31, 2005, a prior period adjustment in the amount of $20,757 was necessary to properly account for unspent grant proceeds received in the General Fund as of December 31, 2004. In addition, an adjustment was required to void a check in the amount of $1,666 that was included in 2004 General Fund expenditures. The effect on the General Fund fund balance was as follows:

Beginning net fund balance, as previously reported	$ 4,317,362
Adjustment for unspent grant proceeds	(20,757)
Adjustment to void expenditure	1,666
Beginning fund balance, as restated	$ 4,298,271

During the year ended December 31, 2005, a prior period adjustment in the amount of $12,265 was necessary to properly account for loans receivable in the Home Rehabilitation Special Revenue Fund as of December 31, 2004. The effect on the Home Rehabilitation Special Revenue Fund fund balance was as follows:

Beginning net fund balance, as previously reported	$ 1,294,975
Adjustment for uncollectible loans	(12,265)
Beginning fund balance, as restated	$ 1,282,710

During the year ended December 31, 2005, a restatement in the amount of $23,141 was necessary to include two capital leases that were outstanding at December 31, 2004 on the Governmental Activities Statement of Net Assets. In addition, the governmental funds' prior period adjustments also had an effect on beginning of the year net assets. These errors have been corrected and had the following effect on the beginning net assets:

Beginning net assets, as previously reported	$ 33,554,813
Adjustment for capital leases	(23,141)
Net effect of governmental fund corrections	(31,356)
Beginning net assets, as restated	$ 33,500,316

On the Drain Commission Component Unit Statement of Net Assets for the year ended December 31, 2004, errors were made in accounting for long-term debt. These errors have been corrected and had the following effect on the beginning net assets:

Beginning net assets, as previously reported	$ 4,843,430
Adjustment for long-term debt	1,909
Beginning net assets, as restated	$ 4,845,339

G. SUBSEQUENT EVENT

On May 10, 2006, the County issued Building Authority general obligation bonds in the amount of $7,205,000 to refund three outstanding issues from 1995 and 1997 for the County Courthouse and Related Buildings and Ice Skating Arena construction and improvements.

BAY COUNTY
Required Supplementary Information

Employees' Retirement System

Schedule of Funding Progress and Employer Contributions
Six-Year Historical Trend Information - Unaudited

Schedule of Funding Progress

Actuarial Valuation Date December 31,	Actuarial Value of Assets (in thousands)	Actuarial Accrued Liability (AAL) Entry Age (in thousands)	Funded Ratio	Excess of Assets Over AAL (in thousands)	Covered Payroll (in thousands)	Excess as a Percentage of Covered Payroll
1999	$ 177,639	$ 119,100	149.2%	$ 58,539	$ 35,764	163.7%
2000	192,311	129,302	148.7%	63,009	38,315	164.4%
2001	203,174	140,670	144.4%	62,504	39,762	157.2%
2002	200,786	151,663	132.4%	49,123	41,332	118.8%
2003	225,029	156,242	144.0%	68,787	43,054	159.8%
2004	227,174	174,175	130.4%	52,999	43,551	121.7%

Schedule of Employer Contributions:

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2000	$ -	100%
2001	-	100
2002	-	100
2003	-	100
2004	-	100
2005	393,515	100

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

The Mosquito Control Fund is used to account for revenues received from property taxes and State grants for controlling mosquitoes.

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

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

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

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

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

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

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

Special Revenue Funds (concluded)

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

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

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

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

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

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

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

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

BAY COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS		
ASSETS	FRIEND OF THE COURT	HEALTH DEPARTMENT / DISTRICT HEALTH	GYPSY MOTH CONTROL
Cash and cash equivalents	$ 62,292	$ 505,819	$ 27,873
Investments	61,893	-	342,451
Accounts receivable, net of allowance	70	17,923	-
Property taxes receivable, net of allowance	-	-	341
Accrued interest receivable	-	-	2,643
Due from other funds	-	52,020	-
Due from component units	-	137,783	-
Due from other governmental units	109	251,710	-
Prepaid items and other current assets	-	329	36
TOTAL ASSETS	$ 124,364	$ 965,584	$ 373,344
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 247	$ 28,185	$ 222
Accrued items and other liabilities	1,248	237,550	910
Accrued vacation and sick pay	-	821	-
Due to other funds	33	682	21
Due to other governmental units	304	21,326	154
Interfund advances	-	500,000	-
Long term advances	-	-	-
Deferred revenue	-	120,208	341
TOTAL LIABILITIES	1,832	908,772	1,648
FUND BALANCES			
Reserved:			
Encumbrances	-	23,158	-
Debt service	-	-	-
Non-current assets	-	-	-
Restricted contributions	-	-	-
Prepaid items	-	255	-
Total reserved	-	23,413	-
Unreserved:			
Designated for capital outlay	-	-	-
Designated for subsequent year's expenditures	1,638	33,399	107,321
Undesignated	120,894	-	264,375
TOTAL FUND BALANCES	122,532	56,812	371,696
TOTAL LIABILITIES AND FUND BALANCES	$ 124,364	$ 965,584	$ 373,344

SPECIAL REVENUE FUNDS

MOSQUITO CONTROL	PUBLIC IMPROVEMENT	REGISTER OF DEEDS AUTOMATION	LOCAL C.F.O. TRAINING	DRUG LAW ENFORCEMENT	LAW LIBRARY	COMMUNITY CORRECTIONS
$ 75,566	$ 1,216	$ 35,405	$ 32,976	$ 51,549	$ 44,643	$ -
130,874	15,333	146,050	-	-	-	-
130	-	-	2,187	1,596	-	970
1,200,848	-	-	-	-	-	-
2,704	123	1,109	-	-	-	-
22,746	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	53,557
-	-	-	-	-	-	-
$ 1,432,868	$ 16,672	$ 182,564	$ 35,163	$ 53,145	$ 44,643	$ 54,527
$ 5,896	$ -	$ 1,049	$ -	$ -	$ 3,180	$ 21,451
5,669	-	-	-	1,910	-	846
-	-	-	-	-	-	-
151	-	-	-	-	-	15,947
1,149	-	-	-	-	-	125
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,229,967	-	-	-	-	-	-
1,242,832	-	1,049	-	1,910	3,180	38,369
1,372	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,153	-	-	-	-	3,639
-	-	-	-	-	-	-
1,372	15,153	-	-	-	-	3,639
-	-	-	-	-	-	-
60,291	-	-	9,309	-	-	4,724
128,373	1,519	181,515	25,854	51,235	41,463	7,795
190,036	16,672	181,515	35,163	51,235	41,463	16,158
$ 1,432,868	$ 16,672	$ 182,564	$ 35,163	$ 53,145	$ 44,643	$ 54,527

(Continued)

BAY COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS (CONTINUED)			
ASSETS	DIVISION ON AGING	HOME REHABILITATION	SOCIAL WELFARE	SOCIAL SERVICES PROTECTIVE SERVICES
Cash and cash equivalents	$ 111,064	$ 38,211	$ 13,991	$ -
Investments	590,948	-	128,020	-
Accounts receivable, net of allowance	23,344	1,361,887	30	-
Property taxes receivable, net of allowance	1,334,223	-	-	-
Accrued interest receivable	6,650	-	-	-
Due from other funds	24,238	-	-	-
Due from component units	-	-	-	-
Due from other governmental units	123,075	11,436	19,795	-
Prepaid items and other current assets	661	36	-	-
TOTAL ASSETS	$ 2,214,203	$ 1,411,570	$ 161,836	$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 31,234	$ 155	$ -	$ -
Accrued items and other liabilities	25,929	70	-	-
Accrued vacation and sick pay	453	-	-	-
Due to other funds	630	2	-	-
Due to other governmental units	4,901	12,193	-	-
Interfund advances	-	-	-	-
Long term advances	-	-	50,000	-
Deferred revenue	1,366,576	-	-	-
TOTAL LIABILITIES	1,429,723	12,420	50,000	-
FUND BALANCES				
Reserved:				
Encumbrances	-	-	-	-
Debt service	-	-	-	-
Non-current assets	-	1,312,852	-	-
Restricted contributions	-	-	25,778	-
Prepaid items	661	36	-	-
Total reserved	661	1,312,888	25,778	-
Unreserved:				
Designated for capital outlay	50,000	-	-	-
Designated for subsequent year's expenditures	214,354	2,835	-	-
Undesignated	519,465	83,427	86,058	-
TOTAL FUND BALANCES	784,480	1,399,150	111,836	-
TOTAL LIABILITIES AND FUND BALANCES	$ 2,214,203	$ 1,411,570	$ 161,836	$ -

SPECIAL REVENUE FUNDS (CONTINUED)					DEBT SERVICE FUND	
CHILD CARE	CHILD CARE / SOCIAL SERVICES	VETERANS' TRUST	DONALD C. PERO WILDLIFE RESTORATION	HISTORICAL PRESERVATION	BUILDING AUTHORITY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ -	$ 4,179	$ 1,426	$ 8,609	$ 6,371	$ 72,515	$ 1,093,705
-	-	-	-	-	465,943	1,881,512
53,372	-	-	-	-	13,000	1,474,509
-	-	-	-	255,656	-	2,791,068
-	-	-	-	-	5,253	18,482
-	-	-	-	4,848	-	103,852
-	-	-	-	-	-	137,783
315,930	756	2,033	-	-	-	778,401
-	-	-	-	-	-	1,062
$ 369,302	$ 4,935	$ 3,459	$ 8,609	$ 266,875	$ 556,711	$ 8,280,374
$ 78,948	$ -	$ 480	$ -	$ -	$ -	$ 171,047
25,439	-	-	-	-	-	299,571
3,488	-	-	-	-	-	4,762
198,268	-	4	-	-	-	215,738
26,937	-	-	-	5,022	-	72,111
-	-	-	-	-	-	500,000
-	-	-	-	-	-	50,000
-	-	-	-	261,853	-	2,978,945
		-				
333,080	-	484	-	266,875	-	4,292,174
650	-	-	-	-	-	25,180
-	-	-	-	-	556,711	556,711
-	-	-	-	-	-	1,312,852
200	1,185	-	-	-	-	45,955
-	-	-	-	-	-	952
850	1,185	-	-	-	556,711	1,941,650
-	-	-	-	-	-	50,000
-	3,750	-	-	-	-	437,621
35,372	-	2,975	8,609	-	-	1,558,929
36,222	4,935	2,975	8,609	-	556,711	3,988,200
$ 369,302	$ 4,935	$ 3,459	$ 8,609	$ 266,875	$ 556,711	$ 8,280,374

BAY COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS		
	FRIEND OF THE COURT	HEALTH DEPARTMENT / DISTRICT HEALTH	GYPSY MOTH CONTROL
REVENUES			
Property and other taxes	$ -	$ -	$ 262,542
Licenses and permits	-	163,657	-
Federal grants	54,836	448,249	26,828
State grants	-	967,422	-
Interest, rents and royalties	-	1,100	11,383
Charges for services	41,429	126,505	-
Fines and forfeitures	-	-	-
Refunds and other revenues	-	390,547	-
TOTAL REVENUES	96,265	2,097,480	300,753
EXPENDITURES			
Current			
Judicial	93,547	-	-
General government	-	-	63,168
Public safety	-	-	-
Health and welfare	-	3,014,439	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Debt service:			
Principal	-	-	-
Interest and other fees	-	-	-
TOTAL EXPENDITURES	93,547	3,014,439	63,168
REVENUES OVER (UNDER) EXPENDITURES	2,718	(916,959)	237,585
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,626,276	-
Transfers (out)	-	(867,618)	(24,922)
TOTAL OTHER FINANCING SOURCES (USES)	-	758,658	(24,922)
NET CHANGE IN FUND BALANCES	2,718	(158,301)	212,663
FUND BALANCES (DEFICIT), BEGINNING OF PERIOD, AS RESTATED	119,814	215,113	159,033
FUND BALANCES, END OF PERIOD	$ 122,532	$ 56,812	$ 371,696

SPECIAL REVENUE FUNDS

MOSQUITO CONTROL	PUBLIC IMPROVEMENT	REGISTER OF DEEDS AUTOMATION	LOCAL C.F.O. TRAINING	DRUG LAW ENFORCEMENT	LAW LIBRARY	COMMUNITY CORRECTIONS
$ 1,181,646	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	324,667
15,416	605	5,433	-	-	-	-
-	-	-	24,790	-	-	9,795
-	-	-	-	20,662	6,500	-
415	-	-	-	-	13	-
1,197,477	605	5,433	24,790	20,662	6,513	334,462
-	-	-	-	-	-	-
-	-	95,268	-	-	22,054	-
-	-	-	5,469	21,435	-	360,099
1,101,635	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
		-				
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,101,635	-	95,268	5,469	21,435	22,054	360,099
95,842	605	(89,835)	19,321	(773)	(15,541)	(25,637)
22,746	-	121,210	-	-	19,425	10,263
(107,613)	-	-	-	-	-	-
(84,867)	-	121,210	-	-	19,425	10,263
10,975	605	31,375	19,321	(773)	3,884	(15,374)
179,061	16,067	150,140	15,842	52,008	37,579	31,532
$ 190,036	$ 16,672	$ 181,515	$ 35,163	$ 51,235	$ 41,463	$ 16,158

(Continued)

BAY COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS (CONTINUED)			
	DIVISION ON AGING	HOME REHABILITATION	SOCIAL WELFARE	SOCIAL SERVICES PROTECTIVE SERVICES
REVENUES				
Property and other taxes	$ 1,312,905	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Federal grants	658,154	131,085	-	-
State grants	89,875	-	-	-
Interest, rents and royalties	32,049	1,594	-	-
Charges for services	8,773	330	-	-
Fines and forfeitures	-	-	-	-
Refunds and other revenues	339,155	-	280,276	-
TOTAL REVENUES	2,440,911	133,009	280,276	-
EXPENDITURES				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	2,240,546	-	305,354	-
Community and economic development	-	16,569	-	-
Recreation and culture	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other fees	-	-	-	-
TOTAL EXPENDITURES	2,240,546	16,569	305,354	-
REVENUES OVER (UNDER) EXPENDITURES	200,365	116,440	(25,078)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	104,098	-	-	-
Transfers (out)	(307,428)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(203,330)	-	-	-
NET CHANGE IN FUND BALANCES	(2,965)	116,440	(25,078)	-
FUND BALANCES (DEFICIT), BEGINNING OF PERIOD, AS RESTATED	787,445	1,282,710	136,914	-
FUND BALANCES, END OF PERIOD	$ 784,480	$ 1,399,150	$ 111,836	$ -

SPECIAL REVENUE FUNDS (CONTINUED)					DEBT SERVICE FUND	
CHILD CARE	CHILD CARE / SOCIAL SERVICES	VETERANS' TRUST	DONALD C. PERO WILDLIFE RESTORATION	HISTORICAL PRESERVATION	BUILDING AUTHORITY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ -	$ 251,283	$ -	$ 3,008,376
-	-	-	-	-	-	163,657
33,899	-	-	-	-	-	1,353,051
36,017	-	-	-	-	-	1,417,981
2,700	-	-	-	56	300,228	370,564
-	1,116	29,820	-	-	-	242,558
-	-	-	-	-	-	27,162
1,483,342	-	-	-	-	1,265,654	3,759,402
1,555,958	1,116	29,820	-	251,339	1,565,882	10,342,751
-	-	-	-	-	-	93,547
-	-	-	-	-	-	180,490
-	-	-	-	-	-	387,003
2,255,462	2,232	30,060	-	-	-	8,949,728
-	-	-	-	-	-	16,569
248,544	-	-	-	256,187	-	504,731
155,060	-	-	-	-	1,885,000	2,040,060
10,469	-	-	-	-	1,359,635	1,370,104
2,669,535	2,232	30,060	-	256,187	3,244,635	13,542,232
(1,113,577)	(1,116)	(240)	-	(4,848)	(1,678,753)	(3,199,481)
1,344,182	-	-	1,475	4,848	1,732,013	4,986,536
(186,797)	-	-	-	-	-	(1,494,378)
1,157,385	-	-	1,475	4,848	1,732,013	3,492,158
43,808	(1,116)	(240)	1,475	-	53,260	292,677
(7,586)	6,051	3,215	7,134	-	503,451	3,695,523
$ 36,222	$ 4,935	$ 2,975	$ 8,609	$ -	$ 556,711	$ 3,988,200

BAY COUNTY
FRIEND OF THE COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Federal grants	$ 57,500	$ 61,971	$ 54,836	$ (7,135)
Charges for services	21,500	21,500	41,429	19,929
TOTAL REVENUES	79,000	83,471	96,265	12,794
EXPENDITURES				
Judicial	93,195	98,481	93,547	4,934
NET CHANGE IN FUND BALANCES	(14,195)	(15,010)	2,718	17,728
FUND BALANCES, BEGINNING OF PERIOD	119,814	119,814	119,814	-
FUND BALANCES, END OF PERIOD	$ 105,619	$ 104,804	$ 122,532	$ 17,728

BAY COUNTY
HEALTH DEPARTMENT / DISTRICT HEALTH SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Licenses and permits	$ 152,750	$ 152,750	$ 163,657	$ 10,907
Federal grants	424,198	426,429	448,249	21,820
State grants	1,075,127	1,098,500	967,422	(131,078)
Interest, rents and royalties	-	-	1,100	1,100
Charges for services	117,750	117,750	126,505	8,755
Refunds and other revenues	525,808	531,808	390,547	(141,261)
TOTAL REVENUES	2,295,633	2,327,237	2,097,480	(229,757)
EXPENDITURES				
Health and welfare	3,091,593	3,156,457	3,014,439	142,018
REVENUES OVER (UNDER) EXPENDITURES	(795,960)	(829,220)	(916,959)	(87,739)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,654,578	1,602,111	1,626,276	24,165
Transfers (out)	(867,618)	(867,618)	(867,618)	-
TOTAL OTHER FINANCING SOURCES (USES)	786,960	734,493	758,658	24,165
NET CHANGE IN FUND BALANCES	(9,000)	(94,727)	(158,301)	(63,574)
FUND BALANCES, BEGINNING OF PERIOD	215,113	215,113	215,113	-
FUND BALANCES, END OF PERIOD	$ 206,113	$ 120,386	$ 56,812	$ (63,574)

BAY COUNTY
GYPSY MOTH CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property and other taxes	$ -	$ 271,485	$ 262,542	$ (8,943)
Federal grants	25,000	25,000	26,828	1,828
Interest, rents and royalties	1,000	1,000	11,383	10,383
TOTAL REVENUES	26,000	297,485	300,753	3,268
EXPENDITURES				
General government	109,027	99,511	63,168	36,343
REVENUES OVER (UNDER) EXPENDITURES	(83,027)	197,974	237,585	39,611
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(14,922)	(24,922)	(24,922)	-
NET CHANGE IN FUND BALANCES	(97,949)	173,052	212,663	39,611
FUND BALANCES, BEGINNING OF PERIOD	159,033	159,033	159,033	-
FUND BALANCES, END OF PERIOD	$ 61,084	$ 332,085	$ 371,696	$ 39,611

BAY COUNTY
MOSQUITO CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property and other taxes	$ 1,224,426	$ 1,224,426	$ 1,181,646	$ (42,780)
Federal grants	5,000	5,000	-	(5,000)
Interest, rents and royalties	1,000	1,000	15,416	14,416
Refunds and other revenues	100	100	415	315
TOTAL REVENUES	1,230,526	1,230,526	1,197,477	(33,049)
EXPENDITURES				
Health and welfare	1,157,021	1,168,739	1,101,635	67,104
REVENUES OVER (UNDER) EXPENDITURES	73,505	61,787	95,842	34,055
OTHER FINANCING SOURCES (USES)				
Transfers in	22,746	22,746	22,746	-
Transfers (out)	(97,613)	(107,613)	(107,613)	-
TOTAL OTHER FINANCING SOURCES (USES)	(74,867)	(84,867)	(84,867)	-
NET CHANGE IN FUND BALANCES	(1,362)	(23,080)	10,975	34,055
FUND BALANCES, BEGINNING OF PERIOD	179,061	179,061	179,061	-
FUND BALANCES, END OF PERIOD	$ 177,699	$ 155,981	$ 190,036	$ 34,055

BAY COUNTY

PUBLIC IMPROVEMENT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Interest, rents and royalties	$ 150	$ 150	$ 605	$ 455
FUND BALANCES, BEGINNING OF PERIOD	16,067	16,067	16,067	-
FUND BALANCES, END OF PERIOD	$ 16,217	$ 16,217	$ 16,672	$ 455

BAY COUNTY
REGISTER OF DEEDS AUTOMATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Interest, rents and royalties	$ -	$ -	$ 5,433	$ 5,433
EXPENDITURES				
General government	125,000	128,550	95,268	33,282
REVENUES OVER (UNDER) EXPENDITURES	(125,000)	(128,550)	(89,835)	38,715
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	125,000	121,210	(3,790)
NET CHANGE IN FUND BALANCES	-	(3,550)	31,375	34,925
FUND BALANCES, BEGINNING OF PERIOD	150,140	150,140	150,140	-
FUND BALANCES, END OF PERIOD	$ 150,140	$ 146,590	$ 181,515	$ 34,925

BAY COUNTY
LOCAL C.F.O. TRAINING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Charges for services	$ 25,000	$ 25,000	$ 24,790	$ (210)
EXPENDITURES				
Public safety	25,000	25,000	5,469	19,531
NET CHANGE IN FUND BALANCES	-	-	19,321	19,321
FUND BALANCES, BEGINNING OF PERIOD	15,842	15,842	15,842	-
FUND BALANCES, END OF PERIOD	$ 15,842	$ 15,842	$ 35,163	$ 19,321

BAY COUNTY
DRUG LAW ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Fines and forfeitures	$ -	$ -	$ 20,662	$ 20,662
EXPENDITURES				
Public safety	-	21,435	21,435	-
NET CHANGE IN FUND BALANCES	-	(21,435)	(773)	20,662
FUND BALANCES, BEGINNING OF PERIOD	52,008	52,008	52,008	-
FUND BALANCES, END OF PERIOD	$ 52,008	$ 30,573	$ 51,235	$ 20,662

BAY COUNTY
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Fines and forfeitures	$ 6,500	$ 6,500	$ 6,500	$ -
Refunds and other revenues	-	-	13	13
TOTAL REVENUES	6,500	6,500	6,513	13
EXPENDITURES				
Judicial	25,925	25,925	22,054	3,871
REVENUES OVER (UNDER) EXPENDITURES	(19,425)	(19,425)	(15,541)	3,884
OTHER FINANCING SOURCES				
Transfer in	19,425	19,425	19,425	-
NET CHANGE IN FUND BALANCES	-	-	3,884	3,884
FUND BALANCES, BEGINNING OF PERIOD	37,579	37,579	37,579	-
FUND BALANCES, END OF PERIOD	$ 37,579	$ 37,579	$ 41,463	$ 3,884

BAY COUNTY
COMMUNITY CORRECTIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
State grants	$ 387,403	$ 387,403	$ 324,667	$ (62,736)
Charges for services	9,500	9,500	9,795	295
TOTAL REVENUES	396,903	396,903	334,462	(62,441)
EXPENDITURES				
Public safety	407,166	413,996	360,099	53,897
REVENUES OVER (UNDER) EXPENDITURES	(10,263)	(17,093)	(25,637)	(8,544)
OTHER FINANCING SOURCES				
Transfer in	10,263	10,263	10,263	-
NET CHANGE IN FUND BALANCES	-	(6,830)	(15,374)	(8,544)
FUND BALANCES, BEGINNING OF PERIOD	31,532	31,532	31,532	-
FUND BALANCES, END OF PERIOD	$ 31,532	$ 24,702	$ 16,158	$ (8,544)

BAY COUNTY
DIVISION ON AGING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property and other taxes	$ 1,309,295	$ 1,309,065	$ 1,312,905	$ 3,840
Federal grants	599,922	660,109	658,154	(1,955)
State grants	99,230	87,769	89,875	2,106
Interest, rents and royalties	1,000	1,000	32,049	31,049
Charges for services	8,140	9,181	8,773	(408)
Refunds and other revenues	348,862	345,270	339,155	(6,115)
TOTAL REVENUES	2,366,449	2,412,394	2,440,911	28,517
EXPENDITURES				
Health and welfare	2,448,686	2,515,374	2,240,546	274,828
REVENUES OVER (UNDER) EXPENDITURES	(82,237)	(102,980)	200,365	303,345
OTHER FINANCING SOURCES (USES)				
Transfers in	223,001	123,001	104,098	(18,903)
Transfers (out)	(287,012)	(307,928)	(307,428)	500
TOTAL OTHER FINANCING SOURCES (USES)	(64,011)	(184,927)	(203,330)	(18,403)
NET CHANGE IN FUND BALANCES	(146,248)	(287,907)	(2,965)	284,942
FUND BALANCES, BEGINNING OF PERIOD	787,445	787,445	787,445	-
FUND BALANCES, END OF PERIOD	$ 641,197	$ 499,538	$ 784,480	$ 284,942

BAY COUNTY
HOME REHABILITATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Federal grants	$ 192,000	$ 192,000	$ 131,085	$ (60,915)
Interest, rents and royalties	2,500	2,500	1,594	(906)
Charges for services	-	-	330	330
TOTAL REVENUES	194,500	194,500	133,009	(61,491)
EXPENDITURES				
Community and economic development	242,382	273,485	16,569	256,916
NET CHANGE IN FUND BALANCES	(47,882)	(78,985)	116,440	195,425
FUND BALANCES, BEGINNING OF PERIOD, AS RESTATED	1,282,710	1,282,710	1,282,710	-
FUND BALANCES, END OF PERIOD	$ 1,234,828	$ 1,203,725	$ 1,399,150	$ 195,425

BAY COUNTY
SOCIAL WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Refunds and other revenues	$ 641,353	$ 641,353	$ 280,276	$ (361,077)
EXPENDITURES				
Health and welfare	671,753	671,753	305,354	366,399
NET CHANGE IN FUND BALANCES	(30,400)	(30,400)	(25,078)	5,322
FUND BALANCES, BEGINNING OF PERIOD	136,914	136,914	136,914	-
FUND BALANCES, END OF PERIOD	$ 106,514	$ 106,514	$ 111,836	$ 5,322

BAY COUNTY
SOCIAL SERVICES PROTECTIVE SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Refunds and other revenues	$ 500	$ 500	$ -	$ (500)
EXPENDITURES				
Health and welfare	500	500	-	500
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF PERIOD	-	-	-	-
FUND BALANCES, END OF PERIOD	$ -	$ -	$ -	$ -

BAY COUNTY
CHILD CARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Federal grants	$ 28,000	$ 28,000	$ 33,899	$ 5,899
State grants	30,800	33,195	36,017	2,822
Interest, rents and royalties	3,000	3,000	2,700	(300)
Refunds and other revenues	1,408,119	1,412,042	1,483,342	71,300
TOTAL REVENUES	1,469,919	1,476,237	1,555,958	79,721
EXPENDITURES				
Health and welfare	2,197,452	2,203,141	2,255,462	(52,321)
Recreation and culture	251,154	253,310	248,544	4,766
Debt service				
Principal	155,120	155,120	155,060	60
Interest and other fees	10,826	10,826	10,469	357
TOTAL EXPENDITURES	2,614,552	2,622,397	2,669,535	(47,138)
REVENUES OVER (UNDER) EXPENDITURES	(1,144,633)	(1,146,160)	(1,113,577)	32,583
OTHER FINANCING SOURCES (USES)				
Transfers in	1,331,430	1,339,430	1,344,182	4,752
Transfers (out)	(186,797)	(186,797)	(186,797)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,144,633	1,152,633	1,157,385	4,752
NET CHANGE IN FUND BALANCES	-	6,473	43,808	37,335
FUND BALANCES (DEFICIT), BEGINNING OF PERIOD	(7,586)	(7,586)	(7,586)	-
FUND BALANCES (DEFICIT), END OF PERIOD	$ (7,586)	$ (1,113)	$ 36,222	$ 37,335

BAY COUNTY
CHILD CARE / SOCIAL SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Charges for services	$ 3,750	$ 3,750	$ 1,116	$ (2,634)
EXPENDITURES				
Health and welfare	7,500	7,500	2,232	5,268
NET CHANGE IN FUND BALANCES	(3,750)	(3,750)	(1,116)	2,634
FUND BALANCES, BEGINNING OF PERIOD	6,051	6,051	6,051	-
FUND BALANCES, END OF PERIOD	$ 2,301	$ 2,301	$ 4,935	$ 2,634

BAY COUNTY
VETERANS' TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	$ 40,000	$ 40,000	$ 29,820	$ (10,180)
EXPENDITURES				
Health and welfare	40,000	40,000	30,060	9,940
NET CHANGE IN FUND BALANCES	-	-	(240)	(240)
FUND BALANCES, BEGINNING OF PERIOD	3,215	3,215	3,215	-
FUND BALANCES, END OF PERIOD	$ 3,215	$ 3,215	$ 2,975	$ (240)

BAY COUNTY

DONALD C. PERO WILDLIFE RESTORATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
EXPENDITURES				
Recreation and culture	$ 2,000	$ 2,000	$ -	$ 2,000
OTHER FINANCING SOURCES				
Transfers in	2,000	2,000	1,475	(525)
NET CHANGE IN FUND BALANCES	-	-	1,475	1,475
FUND BALANCES, BEGINNING OF PERIOD	7,134	7,134	7,134	-
FUND BALANCES, END OF PERIOD	$ 7,134	$ 7,134	$ 8,609	$ 1,475

BAY COUNTY
HISTORICAL PRESERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Property and other taxes	$ 251,363	$ 251,363	$ 251,283	$ (80)
Interest, rents and royalties	-	-	56	56
TOTAL REVENUES	251,363	251,363	251,339	(24)
EXPENDITURES				
Recreation and culture	256,211	256,211	256,187	24
REVENUES OVER (UNDER) EXPENDITURES	(4,848)	(4,848)	(4,848)	-
OTHER FINANCING SOURCES				
Transfers in	4,848	4,848	4,848	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF PERIOD	-	-	-	-
FUND BALANCES, END OF PERIOD	$ -	$ -	$ -	$ -

Debt Service Funds

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

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

BAY COUNTY
BUILDING AUTHORITY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Interest, rents and royalties	$ 280,200	$ 280,200	$ 300,228	$ 20,028
Refunds and other revenues	1,270,014	1,270,014	1,265,654	(4,360)
TOTAL REVENUES	1,550,214	1,550,214	1,565,882	15,668
EXPENDITURES				
Debt service:				
Principal	1,885,000	1,885,000	1,885,000	-
Interest and other fees	1,359,637	1,359,637	1,359,635	2
TOTAL EXPENDITURES	3,244,637	3,244,637	3,244,635	2
REVENUES (UNDER) EXPENDITURES	(1,694,423)	(1,694,423)	(1,678,753)	15,670
OTHER FINANCING SOURCES (USES)				
Transfers in	1,732,013	1,732,013	1,732,013	-
NET CHANGE IN FUND BALANCES	37,590	37,590	53,260	15,670
FUND BALANCES, BEGINNING OF PERIOD	503,451	503,451	503,451	-
FUND BALANCES, END OF PERIOD	$ 541,041	$ 541,041	$ 556,711	$ 15,670

Nonmajor Enterprise Funds

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

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

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

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

BAY COUNTY
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2005

ASSETS	GOLF COURSE	DELINQUENT PROPERTY TAX FORECLOSURE	COMMISSARY	TOTAL
CURRENT ASSETS				
Cash and cash equivalents	$ 23,309	$ 42,196	$ 12,181	$ 77,686
Investments	243,078	-	21,838	264,916
Accounts receivable, net of allowance	-	-	1,291	1,291
Accrued interest receivable	2,063	-	140	2,203
Inventories	5,520	-	-	5,520
Due from other funds	13,941	11,640	-	25,581
Interfund advances	29,292	-	-	29,292
TOTAL CURRENT ASSETS	317,203	53,836	35,450	406,489
CAPITAL ASSETS				
Land	167,021	-	-	167,021
Land improvements	721,062	-	-	721,062
Buildings and improvements	406,224	-	-	406,224
Machinery and equipment	446,164	-	-	446,164
Office furniture and fixtures	6,418	-	-	6,418
Vehicles and other	8,458	-	-	8,458
	1,755,347	-	-	1,755,347
Less accumulated depreciation	(1,092,568)	-	-	(1,092,568)
TOTAL CAPITAL ASSETS	662,779	-	-	662,779
TOTAL ASSETS	979,982	53,836	35,450	1,069,268
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	5,486	19,923	-	25,409
Accrued items and other liabilities	3,002	-	-	3,002
Accrued vacation and sick pay	3,080	-	-	3,080
Due to other funds	163	-	-	163
Due to other governmental units	523	-	213	736
Unearned revenue	3,254	-	-	3,254
TOTAL CURRENT LIABILITIES	15,508	19,923	213	35,644
LONG-TERM LIABILITIES				
Accrued vacation and sick pay	17,099	-	-	17,099
TOTAL LIABILITIES	32,607	19,923	213	52,743
NET ASSETS				
Investment in capital assets	662,779	-	-	662,779
Unrestricted	284,596	33,913	35,237	353,746
TOTAL NET ASSETS	$ 947,375	$ 33,913	$ 35,237	$ 1,016,525

BAY COUNTY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005

	GOLF COURSE	DELINQUENT PROPERTY TAX FORECLOSURE	COMMISSARY	TOTAL
OPERATING REVENUES				
Charges for services	$ 555,386	$ 98,736	$ 142,014	$ 796,136
Refunds and other revenues	8,184	-	9	8,193
TOTAL OPERATING REVENUES	563,570	98,736	142,023	804,329
OPERATING EXPENSES				
Personal services	280,845	-	-	280,845
Supplies	74,603	-	110	74,713
Other services	133,979	65,090	115,170	314,239
Depreciation	55,342	-	-	55,342
TOTAL OPERATING EXPENSES	544,769	65,090	115,280	725,139
OPERATING INCOME (LOSS)	18,801	33,646	26,743	79,190
NONOPERATING REVENUE (EXPENSE)				
Interest income	8,277	267	469	9,013
INCOME (LOSS) BEFORE TRANSFERS	27,078	33,913	27,212	88,203
TRANSFERS				
Transfers (out)	(50,000)	-	-	(50,000)
CHANGE IN NET ASSETS	(22,922)	33,913	27,212	38,203
NET ASSETS, BEGINNING OF PERIOD	970,297	-	8,025	978,322
NET ASSETS, END OF PERIOD	$ 947,375	$ 33,913	$ 35,237	$ 1,016,525

BAY COUNTY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	PUBLIC GOLF COURSE	DELINQUENT PROPERTY TAX FORECLOSURE	COMMISSARY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 690,652	$ 98,736	$ 141,218	$ 930,606
Interfund reimbursements	(666)	(11,640)	-	(12,306)
Cash payments to suppliers for goods and services	(203,661)	(45,167)	(115,230)	(364,058)
Cash payments to employees and related taxes and insurance	(279,063)	-	-	(279,063)
Other operating revenues	8,184	-	9	8,193
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	215,446	41,929	25,997	283,372
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Proceeds from interfund advances	30,708	-	-	30,708
Transfers (out)	(50,000)	-	-	(50,000)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	(19,292)	-	-	(19,292)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(18,317)	-	-	(18,317)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	-	-	6,035	6,035
Purchases of investments	(243,078)	-	(21,838)	(264,916)
Interest on investments	8,277	267	469	9,013
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(234,801)	267	(15,334)	(249,868)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(56,964)	42,196	10,663	(4,105)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	80,273	-	1,518	81,791
CASH AND CASH EQUIVALENTS END OF PERIOD	$ 23,309	$ 42,196	$ 12,181	$ 77,686

BAY COUNTY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	PUBLIC GOLF COURSE	DELINQUENT PROPERTY TAX FORECLOSURE	COMMISSARY	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 18,801	$ 33,646	$ 26,743	$ 79,190
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	55,342	-	-	55,342
Changes in assets and liabilities:				
Accounts receivable	135,404	-	(799)	134,605
Accrued interest receivable	(864)	-	3	(861)
Inventories	2,372	-	-	2,372
Prepaid items and other current assets	(708)	(11,640)	-	(12,348)
Accounts payable	2,549	19,923	-	22,472
Accrued items and other liabilities	558	-	-	558
Accrued vacation and sick pay, current	904	-	-	904
Due to other funds	42	-	-	42
Due to other governmental units	128	-	50	178
Accrued vacation and sick pay, long term	192	-	-	192
Unearned revenue	726	-	-	726
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 215,446	$ 41,929	$ 25,997	$ 283,372

Internal Service Funds

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

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

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

BAY COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2005

ASSETS	SELF INSURANCE	HEALTHCARE SELF INSURANCE	TOTAL
CURRENT ASSETS			
Cash and cash equivalents	$ -	$ 197,072	$ 197,072
Investments	1,143,389	-	1,143,389
Accounts receivable, net of allowance	657	7,325	7,982
Accrued interest receivable	9,581	-	9,581
Due from other funds	13,275	-	13,275
Prepaid items and other current assets	24	520,605	520,629
TOTAL ASSETS	1,166,926	725,002	1,891,928
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	150	-	150
Accrued items and other liabilities	86,145	974	87,119
Due to other funds	5	-	5
Due to other governmental units	756	-	756
Claims, settlements, and judgements	425,291	158,889	584,180
TOTAL CURRENT LIABILITIES	512,347	159,863	672,210
LONG-TERM LIABILITIES			
Claims, settlements, and judgements	90,765	-	90,765
Accrued vacation and sick pay	1,023	-	1,023
TOTAL LONG-TERM LIABILITIES	91,788	-	91,788
TOTAL LIABILITIES	604,135	159,863	763,998
Net assets:			
Reserved:			
Insurance claims	$ 562,791	$ 565,139	$ 1,127,930

BAY COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005

	SELF INSURANCE	HEALTHCARE SELF INSURANCE	TOTAL
OPERATING REVENUES:			
Charges for services	$ 529,157	$ 4,042,768	$ 4,571,925
Refunds and other revenues	-	47,023	47,023
TOTAL OPERATING REVENUES	529,157	4,089,791	4,618,948
OPERATING EXPENSES			
Personal services	342,646	2,938,284	3,280,930
Supplies	151	-	151
Other services	54,354	696,529	750,883
TOTAL OPERATING EXPENSES	397,151	3,634,813	4,031,964
OPERATING INCOME (LOSS)	132,006	454,978	586,984
NONOPERATING REVENUE (EXPENSE)			
Interest income	41,608	-	41,608
CHANGE IN NET ASSETS	173,614	454,978	628,592
NET ASSETS, BEGINNING OF PERIOD	389,177	110,161	499,338
NET ASSETS, END OF PERIOD	$ 562,791	$ 565,139	$ 1,127,930

BAY COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	SELF INSURANCE	HEALTHCARE SELF INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services provided	$ 526,437	$ 4,044,074	$ 4,570,511
Interfund reimbursements	(147)	(12,433)	(12,580)
Cash payments to suppliers for goods and services	(54,841)	(808,535)	(863,376)
Cash payments to employees and related taxes and insurance	(449,492)	(3,073,057)	(3,522,549)
Other operating revenues	-	47,023	47,023
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	21,957	197,072	219,029
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Claims, settlements and judgements - long term	(97,513)	-	(97,513)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(42,436)	-	(42,436)
Interest on investments	41,608	-	41,608
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(828)	-	(828)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,384)	197,072	120,688
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	76,384	-	76,384
CASH AND CASH EQUIVALENTS END OF PERIOD	$ -	$ 197,072	$ 197,072

BAY COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	SELF INSURANCE	HEALTHCARE SELF INSURANCE	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	$ 132,006	$ 454,978	$ 586,984
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Changes in assets and liabilities:			
Accounts receivable	691	1,306	1,997
Accrued interest receivable	(3,411)	-	(3,411)
Due from other funds	(147)	-	(147)
Prepaid items and other current assets	(16)	(112,006)	(112,022)
Accounts payable	(320)	-	(320)
Accrued items and other liabilities	(13,128)	-	(13,128)
Due to other funds	-	(12,433)	(12,433)
Due to other governmental units	442	-	442
Claims, settlements, and judgements, current	(94,267)	(134,773)	(229,040)
Accrued vacation and sick pay, long term	107	-	107
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 21,957	$ 197,072	$ 219,029

Fiduciary Funds

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

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

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

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

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

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

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

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

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

BAY COUNTY
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2005

ASSETS	PROBATE COURT TRUST	INMATE TRUST	TOTAL
CURRENT ASSETS			
Cash and cash equivalents	$ 7,728	$ 16,927	$ 24,655
Accounts receivable	-	9	9
TOTAL ASSETS	7,728	16,936	24,664
LIABILITIES			
Accrued items and other liabilities	7,728	16,383	24,111
NET ASSETS			
Held in trust for specific programs	$ -	$ 553	$ 553

BAY COUNTY
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005

	PROBATE COURT TRUST	INMATE TRUST	TOTAL
ADDITIONS			
Interest	$ -	$ 75	$ 75
Refunds and other revenues	-	197	197
TOTAL ADDITIONS	-	272	272
DEDUCTIONS			
Other services	-	4,908	4,908
CHANGE IN NET ASSETS	-	(4,636)	(4,636)
NET ASSETS, BEGINNING OF PERIOD	-	5,189	5,189
NET ASSETS, END OF PERIOD	$ -	$ 553	$ 553

BAY COUNTY
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
DECEMBER 31, 2005

ASSETS	EMPLOYEES' RETIREMENT SYSTEM	PUBLIC EMPLOYEE HEALTH CARE	TOTAL
Investments at fair value:			
Common stock	$ 157,673,562	$ -	$ 157,673,562
Corporate bonds	21,598,444	-	21,598,444
Corporate convertible bonds	14,293,318	-	14,293,318
Governmental securities	27,244,975	-	27,244,975
Short-term investment funds	19,817,330	154,195	19,971,525
Other	2,365,537	14,428,246	16,793,783
Total investments	242,993,166	14,582,441	257,575,607
Receivables:			
Interest and dividends	716,939	87,351	804,290
Trade	464,611	129,395	594,006
Total receivables	1,181,550	216,746	1,398,296
Other current assets:			
Due from component units	56,242	-	56,242
TOTAL ASSETS	244,230,958	14,799,187	259,030,145
LIABILITIES			
Accounts payable	281,290	11	281,301
Accrued items and other liabilities	12,546,997	86,976	12,633,973
Accrued vacation and sick pay	4,093	-	4,093
Due to other governmental units	231	-	231
TOTAL LIABILITIES	12,832,611	86,987	12,919,598
Net assets held in trust for pension and healthcare benefits	$ 231,398,347	$ 14,712,200	$ 246,110,547

A schedule of funding progress for the Employees' Retirement System is presented on page 97.

BAY COUNTY
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005

	EMPLOYEES' RETIREMENT SYSTEM	PUBLIC EMPLOYEE HEALTH CARE	TOTAL
ADDITIONS			
Contributions:			
Employer	$ 393,515	$ 3,048,641	$ 3,442,156
Plan members	607,606	-	607,606
Total contributions	1,001,121	3,048,641	4,049,762
Investment income:			
Net appreciation in fair value of investments	7,905,983	541,025	8,447,008
Interest and dividends	4,675,571	296,749	4,972,320
Less investment expense	(1,604,837)	(4,500)	(1,609,337)
Net investment income	10,976,717	833,274	11,809,991
Other revenue	28,404	-	28,404
TOTAL ADDITIONS	12,006,242	3,881,915	15,888,157
DEDUCTIONS			
Benefits	7,657,332	-	7,657,332
Administrative expenses	168,711	10,410	179,121
Refunds of contributions	240,092	-	240,092
Capital outlay	449	-	449
TOTAL DEDUCTIONS	8,066,584	10,410	8,076,994
CHANGE IN NET ASSETS	3,939,658	3,871,505	7,811,163
NET ASSETS HELD IN TRUST FOR PENSION AND HEALTHCARE BENEFITS:			
Beginning of year	227,458,689	10,840,695	238,299,384
End of year	$ 231,398,347	$ 14,712,200	$ 246,110,547

BAY COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2005

ASSETS	GENERAL AGENCY	CURRENT TAX COLLECTION	LIBRARY PENAL FINE	FLEXIBLE SPENDING PLAN	TOTAL
CURRENT ASSETS					
Cash and cash equivalents	$ 1,256,692	$ 185,125	$ -	$ 29,027	$ 1,470,844
Investments	7,478,675	-	-	-	7,478,675
Accounts receivable, net of allowance	395	-	22,906	-	23,301
TOTAL ASSETS	$ 8,735,762	$ 185,125	$ 22,906	$ 29,027	$ 8,972,820
LIABILITIES					
LIABILITIES					
Accrued items and other liabilities	$ 241,858	$ -	$ -	$ 17,630	$ 259,488
Due to component units	8,075,711	185,125	22,906	-	8,283,742
Due to other governmental units	233,328	-	-	-	233,328
Deposits	170,029	-	-	-	170,029
Undistributed taxes	14,836	-	-	-	14,836
Advances	-	-	-	11,397	11,397
TOTAL LIABILITIES	$ 8,735,762	$ 185,125	$ 22,906	$ 29,027	$ 8,972,820

BAY COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BALANCE JANUARY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31, 2005
GENERAL AGENCY FUND				
ASSETS				
Cash and cash equivalents	$ 1,110,884	$ 40,170,464	$ 40,024,656	$ 1,256,692
Investments	3,844,406	7,478,675	3,844,406	7,478,675
Accounts receivable	803	5,597	6,005	395
Due from other funds	-	662	662	-
Due from component units	1,101	-	1,101	-
TOTAL ASSETS	$ 4,957,194	$ 47,655,398	$ 43,876,830	$ 8,735,762
LIABILITIES				
Accrued items and other liabilities	$ 236,185	$ 4,279,991	$ 4,274,318	$ 241,858
Due to other funds	-	55,754	55,754	-
Due to component units	4,096,951	8,099,145	4,120,385	8,075,711
Due to other governmental units	311,400	18,977,518	19,055,590	233,328
Deposits	298,597	97,156	225,724	170,029
Undistributed taxes	14,061	187,999	187,224	14,836
TOTAL LIABILITIES	$ 4,957,194	$ 31,697,563	$ 27,918,995	$ 8,735,762
CURRENT TAX COLLECTION FUND				
ASSETS				
Cash and cash equivalents	$ 118,101	$ 37,545,152	$ 37,478,128	$ 185,125
Due from component units	-	10,286	10,286	-
TOTAL ASSETS	$ 118,101	$ 37,555,438	$ 37,488,414	$ 185,125
LIABILITIES				
Due to other funds	$ -	$ 1,540,198	$ 1,540,198	$ -
Due to component units	118,101	4,464,352	4,397,328	185,125
Undistributed taxes	-	31,620,188	31,620,188	-
TOTAL LIABILITIES	$ 118,101	$ 37,624,738	$ 37,557,714	$ 185,125
LIBRARY PENAL FINE				
ASSETS				
Cash and cash equivalents	$ -	$ 333,513	$ 333,513	$ -
Accounts receivable, net of allowance	20,574	22,906	20,574	22,906
TOTAL ASSETS	$ 20,574	$ 356,419	$ 354,087	$ 22,906
LIABILITIES				
Due to other funds	$ -	$ 3,250	$ 3,250	$ -
Due to component units	20,574	337,594	335,262	22,906
TOTAL LIABILITIES	$ 20,574	$ 340,844	$ 338,512	$ 22,906

(Continued)

BAY COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	BALANCE JANUARY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31, 2005
FLEXIBLE SPENDING PLAN FUND				
ASSETS				
Cash and cash equivalents	$ 21,376	$ 21,868	$ 14,217	$ 29,027
LIABILITIES				
Accrued items and other liabilities	$ 10,941	$ 21,825	$ 15,136	$ 17,630
Advances	10,435	1,058	96	11,397
TOTAL LIABILITIES	$ 21,376	$ 22,883	$ 15,232	$ 29,027
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 1,250,361	$ 78,070,997	$ 77,850,514	$ 1,470,844
Investments	3,844,406	7,478,675	3,844,406	7,478,675
Accounts receivable, net of allowance	21,377	28,503	26,579	23,301
Due from other funds	-	662	662	-
Due from component units	1,101	10,286	11,387	-
TOTAL ASSETS	$ 5,117,245	$ 85,589,123	$ 81,733,548	$ 8,972,820
LIABILITIES				
LIABILITIES				
Accrued items and other liabilities	$ 247,126	$ 4,301,816	$ 4,289,454	$ 259,488
Due to other funds	-	1,599,202	1,599,202	-
Due to component units	4,235,626	12,904,341	8,856,225	8,283,742
Due to other governmental units	311,400	18,977,518	19,055,590	233,328
Deposits	298,597	97,156	225,724	170,029
Undistributed taxes	14,061	31,808,187	31,807,412	14,836
Advances	10,435	1,058	96	11,397
TOTAL LIABILITIES	$ 5,117,245	$ 69,689,278	$ 65,833,703	$ 8,972,820

Library System

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

BAY COUNTY
LIBRARY SYSTEM COMPONENT UNIT
STATEMENT OF NET ASSETS AND BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2005

ASSETS	LIBRARY SYSTEM	ADJUSTMENTS	STATEMENT OF ACTIVITIES
CURRENT ASSETS			
Cash and cash equivalents	$ 1,604,607	$ -	$ 1,604,607
Investments	4,967,827	-	4,967,827
Property taxes receivable, net of allowance	6,004,000	-	6,004,000
Accounts receivable	45,485	-	45,485
Accrued interest receivable	40,795	-	40,795
Due from primary government	60,053	-	60,053
Due from state	48,474	-	48,474
Prepaid items and other current assets	182,296	-	182,296
TOTAL CURRENT ASSETS	12,953,537	-	12,953,537
CAPITAL ASSETS			
Land	-	119,487	119,487
Land improvements	-	147,013	147,013
Buildings and improvements	-	1,325,725	1,325,725
Machinery and equipment	-	82,693	82,693
Office furniture and fixtures	-	1,117,898	1,117,898
Books and audio/visual materials	-	4,578,857	4,578,857
Vehicles and other	-	182,770	182,770
Less accumulated depreciation	-	(4,917,796)	(4,917,796)
TOTAL CAPITAL ASSETS	-	2,636,647	2,636,647
TOTAL ASSETS	$ 12,953,537	$ 2,636,647	15,590,184
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 1,200,003	$ -	$ 1,200,003
Accrued items and other liabilities	44,319	938	45,257
Due to primary government	1,004,576	-	1,004,576
Unearned revenue	6,043,555	-	6,043,555
TOTAL CURRENT LIABILITIES	8,292,453	938	8,293,391
NONCURRENT LIABILITIES			
Accrued vacation and sick pay, long term	-	153,359	153,359
TOTAL LIABILITIES	8,292,453	154,297	8,446,750
FUND BALANCES			
Unreserved:			
Designated for projects and activities	4,661,084	(4,661,084)	-
TOTAL LIABILITIES AND FUND BALANCES	$ 12,953,537		
NET ASSETS			
Invested in capital assets		2,636,647	2,636,647
Unrestricted		4,506,787	4,506,787
TOTAL NET ASSETS		$ 7,143,434	$ 7,143,434

BAY COUNTY
LIBRARY SYSTEM COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	LIBRARY SYSTEM	ADJUSTMENTS	STATEMENT OF ACTIVITIES
REVENUES			
Property and other taxes	$ 5,779,004	$ -	$ 5,779,004
Federal grants	15,746	-	15,746
State grants	144,078	-	144,078
Interest income	265,945	-	265,945
Charges for services	379,591	-	379,591
Refunds and other revenues	71,838	-	71,838
Donations	737,800	-	737,800
TOTAL REVENUES	7,394,002	-	7,394,002
EXPENDITURES / EXPENSES			
Current			
Recreation and culture	5,606,139	58,435	5,664,574
Depreciation	-	435,800	435,800
Capital outlay	4,001,385	(1,239,472)	2,761,913
TOTAL EXPENDITURES / EXPENSES	9,607,524	(745,237)	8,862,287
NET CHANGE IN FUND BALANCES / NET ASSETS	(2,213,522)	745,237	(1,468,285)
FUND BALANCE / NET ASSETS, BEGINNING OF PERIOD	6,874,606	1,737,113	8,611,719
FUND BALANCE / NET ASSETS, END OF PERIOD	$ 4,661,084	$ 2,482,350	$ 7,143,434

III. STATISTICAL SECTION

The Statistical Section contains comprehensive data, frequently covering the last ten years, relating to the financial, economic, physical, and societal characteristic of Bay County.

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

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Governmental activities										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,658	$ 17,565	$ 26,080
Restricted	-	-	-	-	-	-	-	11,990	9,713	8,761
Unrestricted	-	-	-	-	-	-	-	6,015	6,277	7,469
Total governmental activities net assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,663	$ 33,555	$ 42,310
Business-type activities										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,888	$ 10,431	$ 10,753
Restricted	-	-	-	-	-	-	-	-	-	525
Unrestricted	-	-	-	-	-	-	-	13,954	10,681	9,362
Total business-type activities net assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,842	$ 21,112	$ 20,640
Primary government										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,546	$ 27,996	$ 36,833
Restricted	-	-	-	-	-	-	-	11,990	9,713	9,286
Unrestricted	-	-	-	-	-	-	-	19,969	16,958	16,831
Total primary activities net assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,505	$ 54,667	$ 62,950

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

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Expenses										
Governmental activities:										
Public safety	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,790	$ 9,857	$ 9,328
Community and economic development	-	-	-	-	-	-	-	253	235	146
Health and welfare	-	-	-	-	-	-	-	10,593	10,998	10,292
Public works	-	-	-	-	-	-	-	5	7	6
General government	-	-	-	-	-	-	-	9,369	10,296	8,835
Judicial	-	-	-	-	-	-	-	5,459	5,636	5,691
Legislative	-	-	-	-	-	-	-	455	470	451
Recreation and culture	-	-	-	-	-	-	-	2,397	1,981	1,865
Other functions	-	-	-	-	-	-	-	1,226	971	1,158
Interest on long-term debt	-	-	-	-	-	-	-	1,859	1,447	1,382
Total governmental activities expenses	-	-	-	-	-	-	-	40,406	41,898	39,154
Business-type activities:										
Medical Care Facility	-	-	-	-	-	-	-	14,623	15,490	15,935
100% Tax Payment	-	-	-	-	-	-	-	119	115	122
Golf Course	-	-	-	-	-	-	-	498	530	545
Delinquent Property Tax Foreclosure	-	-	-	-	-	-	-	-	-	65
Commissary	-	-	-	-	-	-	-	97	113	115
Housing	-	-	-	-	-	-	-	482	491	575
Total business-type activities expenses	-	-	-	-	-	-	-	15,819	16,739	17,357
Total primary government expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 56,225	$ 58,637	$ 56,511
Program Revenues										
Governmental activities:										
Charges for services										
Public safety	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,494	$ 1,572	$ 1,698
Health and welfare	-	-	-	-	-	-	-	3,229	3,081	1,980
General government	-	-	-	-	-	-	-	3,119	3,385	3,151
Judicial	-	-	-	-	-	-	-	2,334	2,368	2,273
Recreation and culture	-	-	-	-	-	-	-	1,251	1,289	1,344
Other	-	-	-	-	-	-	-	63	63	32
Operating grants and contributions	-	-	-	-	-	-	-	7,215	7,856	7,751
Capital grants and contributions	-	-	-	-	-	-	-	158	67	195
Total governmental activities program revenues	-	-	-	-	-	-	-	18,863	19,681	18,424

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Business-type activities:										
Charges for services										
Medical Care Facility	-	-	-	-	-	-	-	13,649	13,983	13,746
100 % Tax Payment	-	-	-	-	-	-	-	786	741	833
Golf Course	-	-	-	-	-	-	-	601	570	555
Delinquent Property Tax Foreclosure	-	-	-	-	-	-	-	-	-	99
Commissary	-	-	-	-	-	-	-	118	132	142
Housing	-	-	-	-	-	-	-	173	205	228
Operating grants and contributions	-	-	-	-	-	-	-	343	226	193
Capital grants and contributions	-	-	-	-	-	-	-	-	-	111
Total business-type activities program revenues	-	-	-	-	-	-	-	15,670	15,857	15,907
Total primary government program revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 34,533	$ 35,538	$ 34,331
Net (expense)/revenue										
Governmental activitites	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (21,543)	$ (22,217)	$ (20,730)
Business-type activities	-	-	-	-	-	-	-	(149)	(882)	(1,450)
Total primary government net expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (21,692)	$ (23,099)	$ (22,180)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,444	$ 23,900	$ 24,905
Unrestricted grants and contributions	-	-	-	-	-	-	-	2,179	654	-
Unrestricted investment earnings	-	-	-	-	-	-	-	462	377	677
Other revenue	-	-	-	-	-	-	-	1,633	409	2,949
Transfers - internal activities	-	-	-	-	-	-	-	531	768	1,009
Total governmental activities	-	-	-	-	-	-	-	23,249	26,108	29,540
Business-type activities:										
Property taxes	-	-	-	-	-	-	-	1,224	1,252	1,317
Unrestricted investment earnings	-	-	-	-	-	-	-	154	149	231
Other revenue	-	-	-	-	-	-	-	431	506	438
Transfers - internal activities	-	-	-	-	-	-	-	(531)	(768)	(1,009)
Total business-type activities	-	-	-	-	-	-	-	1,278	1,139	977
Total primary government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,527	$ 27,247	$ 30,517
Change in Net Assets										
Governmental activities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,706	$ 3,891	$ 8,810
Business-type activities	-	-	-	-	-	-	-	1,129	257	(473)
Total primary government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,835	$ 4,148	$ 8,337

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

Fiscal Year	Property Tax
1996	$ -
1997	-
1998	-
1999	-
2000	-
2001	-
2002	-
2003	18,443,783
2004	23,900,464
2005	24,905,105

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

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,711	$ 2,820	$ 3,376
Unreserved	-	-	-	-	-	-	-	1,153	1,497	1,664
Total general fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,864	$ 4,317	$ 5,040
All other governmental funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,054	$ 9,705	$ 8,290
Unreserved	-	-	-	-	-	-	-	572	453	721
Special revenue funds	-	-	-	-	-	-	-	2,307	2,857	2,916
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,933	$ 13,015	$ 11,927

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

	Fiscal Year									
	1996	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Revenues										
Property taxes and other taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,342	$ 23,959	$ 24,889
Licenses and permits	-	-	-	-	-	-	-	352	352	368
Federal grants	-	-	-	-	-	-	-	3,222	3,531	3,395
State grants	-	-	-	-	-	-	-	5,418	4,125	3,347
Interest, rents and royalities	-	-	-	-	-	-	-	1,501	1,451	1,739
Charges for services	-	-	-	-	-	-	-	4,267	3,389	3,363
Fines and forfeits	-	-	-	-	-	-	-	1,031	971	900
Reimbursements, refunds and other revenue	-	-	-	-	-	-	-	7,317	7,406	9,064
Insurance recoveries/proceeds	-	-	-	-	-	-	-	11	-	1
Total revenues	-	-	-	-	-	-	-	41,461	45,184	47,066
Expenditures										
Legislative	-	-	-	-	-	-	-	454	480	463
Judicial	-	-	-	-	-	-	-	5,281	5,311	5,483
General government	-	-	-	-	-	-	-	9,217	8,987	8,938
Public safety	-	-	-	-	-	-	-	8,681	9,478	9,621
Public works	-	-	-	-	-	-	-	5	7	6
Health and welfare	-	-	-	-	-	-	-	11,320	10,600	9,937
Community and economic development	-	-	-	-	-	-	-	256	233	157
Recreation and culture	-	-	-	-	-	-	-	2,262	1,867	1,839
Other functions	-	-	-	-	-	-	-	1,244	995	1,164
Capital outlay	-	-	-	-	-	-	-	8,639	5,597	7,159
Debt service:										
Principal	-	-	-	-	-	-	-	1,468	2,421	2,248
Interest and other fees	-	-	-	-	-	-	-	1,606	1,468	1,393
Total expenditures	-	-	-	-	-	-	-	50,433	47,444	48,408
Excess of revenues over (under) expenditures	-	-	-	-	-	-	-	(8,972)	(2,260)	(1,342)

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Other financing sources (uses)										
Proceeds from capital leases	-	-	-	-	-	-	-	53	2,035	-
Transfers in	-	-	-	-	-	-	-	6,768	(2,022)	10,068
Payment to escrow agents to refund debt	-	-	-	-	-	-	-	-	8,170	-
Transfers (out)	-	-	-	-	-	-	-	(6,224)	(7,388)	(9,059)
Total other financing sources (uses)	-	-	-	-	-	-	-	597	795	1,009
Net change in fund balances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (8,375)	$ (1,465)	$ (333)
Debt service as a percentage of noncapital expenditures								7.36%	9.29%	8.83%

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

Fiscal Year	Property Tax
1996	$ -
1997	-
1998	-
1999	-
2000	-
2001	-
2002	-
2003	18,342
2004	23,959
2005	24,889

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

Fiscal Year Ended December 31,	Real Property Residential	Real Property Commercial	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
1996	$ 1,102,593	$ 244,234	$ 209,373	$ 1,556,200	9.8022	$ 3,112,400	50.00%
1997	1,187,363	253,537	213,195	1,654,095	9.6597	3,308,190	50.00%
1998	1,290,792	274,566	220,183	1,785,541	9.9499	3,571,082	50.00%
1999	1,395,294	291,450	235,085	1,921,829	9.9476	3,843,658	50.00%
2000	1,516,962	319,927	227,801	2,064,690	10.9469	4,129,380	50.00%
2001	1,637,046	330,136	252,895	2,220,077	10.9471	4,440,154	50.00%
2002	1,756,819	343,859	255,154	2,355,832	10.9486	4,711,664	50.00%
2003	1,892,485	362,139	250,125	2,504,749	10.9486	5,009,498	50.00%
2004	1,994,489	374,267	249,474	2,618,230	11.0326	5,236,460	50.00%
2005	2,095,440	385,772	256,049	2,737,261	10.9338	5,474,522	50.00%

Source: Bay County Equalization Department

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

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

	Bay County				Overlapping Rates				Cities					
Fiscal Year (1) (2)	Operating Millage	Special Millage	Debt Millage	Total County Millage	SET Schools (3)	Inter-mediate Schools	Community College	Townships	Auburn	Bay City	Essexville	Pinconning	Midland	Total Direct & Overlapping Rates
1996	5.7540	3.9057	0.1425	9.8022	6.0000	0.1910	2.0427	1.3500	14.0000	23.9600	15.2600	15.0000	9.3000	96.9059
1997	5.7540	3.9057	0.0000	9.6597	6.0000	0.1910	2.0427	1.3500	14.0000	23.9600	10.9500	15.0000	11.6000	94.7534
1998	5.7540	4.1959	0.0000	9.9499	6.0000	0.1910	2.0427	1.3500	14.0000	23.9600	11.4000	15.0000	11.6000	95.4936
1999	5.7528	4.1948	0.0000	9.9476	6.0000	0.1908	2.0427	1.3500	14.0000	23.8700	10.4170	15.0000	12.1200	94.9381
2000	5.7528	5.1941	0.0000	10.9469	6.0000	0.1907	2.0427	1.3500	16.0000	21.7500	15.2130	15.0000	12.4800	100.9733
2001	5.7528	5.1943	0.0000	10.9471	6.0000	0.1907	2.5427	1.3500	16.0000	21.4000	15.3775	15.0000	12.0000	100.8080
2002	5.7528	5.1958	0.0000	10.9486	6.0000	0.1907	2.5427	1.3500	16.0000	21.4000	14.9538	15.0000	11.6700	100.0558
2003	5.7528	5.1958	0.0000	10.9486	5.0000	0.1906	2.5427	1.3500	16.0000	21.2027	15.2728	14.8530	12.9000	100.2604
2004	5.7441	5.2885	0.0000	11.0326	6.0000	0.1901	2.5427	1.3500	16.0000	21.2027	15.2700	14.8530	12.9000	101.3411
2005	5.7441	5.1897	0.0000	10.9338	6.0000	0.1899	2.0427	1.3500	16.0000	20.0505	15.3481	14.7965	9.7900	96.5015

Source: Bay County Equalization Department

(1) Rates reduced to comply with the Headlee Amendment.
(2) This is the year in which the tax is levied. 1997 refers to the 1998 tax collection, 1999 refers to the 2000 tax collection, and so on.
(3) Proposal A voted in on March 15, 1994 implemented a 6 mill state education tax with the exception of 2003 which was reduced to 5 mills.

Table 8

BAY COUNTY
Principal Property Taxpayers
December 31, 2005

	2005			1996		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Consumers Energy	$ 250,456,402	1	9.07%	$ 269,779,493	1	14.16%
General Motors/CPC	126,609,100	2	4.59%	128,034,900	2	6.72%
Dow Corning Corporation	47,332,894	3	1.71%	44,830,235	3	2.35%
S C Johnson	45,891,354	4	1.66%	-		-
Monitor Sugar	12,731,225	5	0.46%	21,005,689	5	1.10%
Bay City Mall Associates	11,611,924	6	0.42%	13,934,800	6	0.73%
The Herald Company	10,458,832	7	0.38%			
Meijer/Good Will Co. Inc	10,214,211	8	0.37%	5,731,000	8	0.30%
Charter Communications	7,542,950	9	0.27%	-		-
Enbridge Energy	5,321,950	10	0.19%	-		-
Dow Chemical Corporation	-		-	38,876,600	4	2.04%
Thompson Bay Company, Inc.	-		-	11,294,350	7	0.59%
SLT Realty Partnership	-		-	4,359,402	10	0.23%
Lakehead Pipeline	-		-	4,951,550	9	0.26%
Totals	$ 528,170,842		19.12%	$ 542,798,019		28.48%

Source: Bay County Equalization Department

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

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by Treasurer	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
1996	$ 10,964	$ 9,901	90.30%	$ 702	$ 3	$ 10,606	96.73%
1997	11,374	10,622	93.39%	731	21	11,374	100.00%
1998	11,872	11,087	93.39%	750	35	11,872	100.00%
1999	12,351	11,506	93.16%	807	30	12,349	99.98%
2000	12,648	11,705	92.54%	804	25	12,555	99.26%
2001	13,369	12,422	92.92%	794	33	13,260	99.18%
2002	14,121	13,274	94.00%	766	23	14,112	99.94%
2003	14,601	13,725	94.00%	793	18	14,544	99.61%
2004	15,107	14,205	94.03%	836	39	15,080	99.82%
2005	15,733	14,857	94.43%	778	(1)	15,635	99.38%

Source: Bay County Treasurer

Note: 1995 and 1996 delinquent personal property tax collections could not be verified, therefore for the years 1995, 1996 and 1997, the total collections may be less than the stated collections.

(1) This information is not yet available.

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

	Governmental Activities					
Fiscal Year	**General Obligation Bonds**	**Installment Purchase Contracts**	**Capital Leases**	**Total Primary Government**	**Percentage of Personal Income (1)**	**Per Capita (1)**
1996	$ -	$ -	$ -	$ -	0.00%	$ -
1997	-	-	-	-	0.00%	-
1998	-	-	-	-	0.00%	-
1999	-	-	-	-	0.00%	-
2000	-	-	-	-	0.00%	-
2001	-	-	-	-	0.00%	-
2002	-	-	-	-	0.00%	-
2003	33,160,000	1,051,880	42,400	34,254,280	11.70%	313
2004	31,270,000	722,985	26,551	32,019,536	10.94%	291
2005	29,385,000	376,568	32,630	29,794,198	(2)	270

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

(1) See Statistical Table Number 15 for personal income and population data.
(2) This information is not yet available.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (1)
1996	$ -	$ -	$ -	0.00%	$ -
1997	-	-	-	0.00%	-
1998	-	-	-	0.00%	-
1999	-	-	-	0.00%	-
2000	-	-	-	0.00%	-
2001	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2003	33,160,000	469,274	32,690,726	1.29%	298
2004	31,270,000	503,451	31,773,451	1.20%	288
2005	29,385,000	556,711	29,941,711	1.08%	275

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

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

BAY COUNTY
Direct and Overlapping Governmental Activities Debt
As of December 31, 2005

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	$ 213,542,410	66.94%	$ 142,953,933
Subtotal, overlapping debt			142,953,933
Bay County direct debt			47,360,585
Total direct and overlapping debt			$ 190,314,518

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

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

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

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

	Fiscal Year									
	1996	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Debt limit	$ 200,445	$ 211,502	$ 223,414	$ 238,049	$ 252,075	$ 268,116	$ 284,773	$ 301,109	$ 313,567	$ 326,220
Total net debt applicable to limit	35,621	38,222	40,205	44,902	43,808	40,800	56,039	53,475	50,220	45,581
Legal debt margin	$ 164,824	$ 173,280	$ 183,209	$ 193,147	$ 208,267	$ 227,316	$ 228,734	$ 247,634	$ 263,347	$ 280,639
Total net debt applicable to the limit as a percentage of debt limit	17.77%	18.07%	18.00%	18.86%	17.38%	15.22%	19.68%	17.76%	16.02%	13.97%

Legal Debt Margin Calculation for Fiscal Year 2005

State equalized value of real property			$ 3,006,153
State equalized value of personal property			$ 256,049
Total state equalized value			$ 3,262,202
Debt limit (10% of total state equalized value)			326,220
Debt applicable to limit: (1)		$ 51,500	
Less:			
Assets in Debt Service funds available for pymnt of principal	$ 557		
Debt not subject to legal debt limit: Special assessment debt	5,359		
Total deductions		5,916	
Total amount of debt applicable to debt limit			45,584
Legal debt margin			$ 280,636

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

(1) Includes primary government and component units.

BAY COUNTY
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water Supply System No. 1 Revenue Bonds (1)

Fiscal Year	Operating Revenue (2)	Operating Expenses (3)	Net Available Revenue	Debt Service (4) (5) Principal	Debt Service (4) (5) Interest	Total	Coverage
1996	$ 644,286	$ 560,569	$ 83,717	$ 39,017	$ 41,903	$ 80,920	1.03
1997	690,259	593,989	96,270	39,020	39,026	78,046	1.23
1998	827,257	612,796	214,461	48,689	36,091	84,780	2.53
1999	804,320	652,689	151,631	48,690	32,363	81,053	1.87
2000	1,180,660	933,679	246,981	54,520	28,597	83,117	2.97
2001	1,429,956	930,147	499,809	50,053	24,634	74,687	6.69
2002	1,047,283	669,257	378,026	50,051	20,633	70,684	5.35
2003	1,266,089	924,846	341,243	50,443	16,592	67,035	5.09
2004	1,162,003	902,321	259,682	50,443	12,552	62,995	4.12
2005	1,099,600	888,271	211,329	48,115	8,512	56,627	3.73

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

(1) Component unit - Department of Water and Sewer
(2) Excludes all non-operating revenue except interest earned.
(3) Excludes depreciation and interest expense on bonded debt.
(4) Includes the Water Supply System No. 1 Portsmouth Extension bonds through 2004 and Bay County Water Supply System 1987 Series bonds.
(5) Debt service requirements are met with net revenue available for debt service and net assets.

BAY COUNTY
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2) (amounts expressed in thousands)	Per Capita Personal Income	School Enrollment (3)	Unemployment Rate (4)
1996	110,687	2,415,920	21,827	17,164	5.00%
1997	110,396	2,530,115	22,919	16,951	4.60%
1998	109,980	2,616,290	23,789	16,786	4.50%
1999	109,514	2,718,432	24,823	16,385	4.30%
2000	110,157	2,857,805	25,943	16,309	4.00%
2001	109,725	2,859,582	26,061	16,209	5.20%
2002	109,733	2,841,552	25,895	16,136	6.70%
2003	109,532	2,927,325	26,726	16,140	7.70%
2004	109,480	3,018,537	27,572	15,989	8.40%
2005	109,029	(5)	(5)	14,952	6.90%

Data Sources:
(1) Population Division, U.S. Census Bureau - Population is an estimate as of July 1, of fiscal year with the exception of 2000 which reflects the actual census.
(2) Bureau of Economic Analysis, U.S. Department of Commerce
(3) Local school districts
(4) U.S. Departmen of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.
(5) Personal income not available at this time for 2005.

BAY COUNTY
Principal Employers
2005 and 1998

	2005			1998 (4)		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Bay Regional Medical Center (3)	1,639	1	3.12%	2,447	1	4.66%
Dow Corning Corporation	1,200	2	2.28%	1,622	2	3.09%
Bay City Public Schools (1)	1,168	3	2.22%	1,278	4	2.43%
Delta College	941	4	1.79%	571	8	1.09%
General Motors Powertrain	871	5	1.66%	1,409	3	2.68%
Meijer Inc.	800	6	1.52%	711	6	1.35%
Michigan Sugar Company (2)	700	7	1.33%	-	-	-
Bay County	554	8	1.05%	578	7	1.10%
Consumers Energy	505	9	0.96%	532	9	1.01%
SC Johnson	450	10	0.86%	-	0	-
City of Bay City	-	0	-	429	10	0.82%
Monitor Sugar Company (2)	-	0	-	800	5	1.52%
Totals	$ 8,828		16.80%	$ 10,377		19.76%

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

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

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

	Full-time Equivalent Employees as of December 31,									
	1996	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Function										
Public safety	115	117	124	127	124	127	126	126	122	120
Community and economic development	2	2	-	-	-	1	1	1	7	6
Health and welfare	159	164	163	159	153	147	150	148	145	143
General government	98	98	129	126	126	135	133	131	120	110
Judicial	126	126	93	96	97	94	97	93	93	91
Legislative	11	11	11	12	12	12	12	12	12	11
Recreation and culture	17	17	20	21	31	45	40	40	29	25
100% tax payment	1	1	-	-	-	1	1	2	2	2
Golf course	7	7	10	10	10	11	11	11	6	6
Total	536	544	551	550	552	573	570	564	536	514

Source: Bay County Budget Department
Note: There are no full-time equivalent positions in the public works or commissary functions.
Full-time equivalent positions are not available for Medical Care Facility and Housing Department.

BAY COUNTY
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Function										
Public safety										
Number of incarcerated offenders	-	-	-	-	-	-	-	-	4,460	4,485
Health and welfare										
Division on aging										
Meal site meals served	-	-	-	-	-	-	-	57,051	57,213	55,279
Home delivered meals served	-	-	-	-	-	-	-	147,521	136,654	145,665
Public works										
Number of parking spaces leased	-	-	-	-	-	-	-	2,721	2,772	1,947
Judicial										
Circuit court total caseload	-	-	-	-	-	-	-	-	4,530	4,369
District court total caseload	-	-	-	-	-	-	-	-	28,556	27,387
Probate court total caseload	-	-	-	-	-	-	-	-	733	791
Recreation and culture										
Community center events	-	-	-	-	-	-	-	-	45	54
Community center total average event participants	-	-	-	-	-	-	-	-	31,762	37,087
Swimming pool admissions	-	-	-	-	-	-	-	-	5,117	4,364
Medical care facility										
Patient days	73,345	74,204	73,984	73,507	73,727	73,653	74,340	73,830	73,070	73,164
Patient admits	193	161	175	244	266	272	220	252	285	274
Golf course										
Memberships	-	-	-	-	-	-	-	268	197	201
Housing										
Number of lease days	-	-	-	36,341	34,219	36,416	36,405	(1)	36,263	36,232

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

(1) This information is not available

BAY COUNTY
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Function										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	26	27	27	27	25	25	25	25	26	28
Boats	-	-	-	-	-	-	-	-	3	4
Animal control										
Vehicles	-	-	-	-	-	-	-	-	6	5
Community and economic development										
Streets (miles)	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,403	1,565
Traffic signals	92	92	92	92	92	92	92	92	101	107
Health and welfare										
Division on aging										
Meal sites	9	9	9	9	8	8	8	8	8	8
Mosquito control										
Vehicles	-	-	-	-	-	-	-	-	28	30
Public works										
Pere marquette/madison avenue										
Parking spaces available for lease	-	-	-	-	-	-	432	432	432	432
Recreation and culture										
Parks	3	3	3	4	4	4	4	4	4	4
Medical care facility										
Beds	206	206	206	206	206	206	206	206	206	206
Golf course										
Golf carts	-	-	54	54	54	54	54	54	54	54
Housing										
Apartments	100	100	100	100	100	100	100	100	100	100

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

REHMANN ROBSON
Certified Public Accountants
A member of THE REHMANN GROUP
An Independent Member of Baker Tilly International

June 15, 2006

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

In planning and performing our audit of the basic financial statements of the ***County of Bay*** for the year ended December 31, 2005, we considered the County's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated June 15, 2006, on the basic financial statements of the ***County of Bay***.

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

Rehmann Robson

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COUNTY OF BAY

COMMENTS AND RECOMMENDATIONS

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

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

Recommendation:

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

Management's Response:

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

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

2) New Auditing Procedures Report

The Local Audit and Finance Division of the State of Michigan recently modified its Auditing Procedures Report. One of the modifications requires the auditor to report whether or not the County reconciles its bank accounts in a timely manner (generally six weeks after the month-end) and whether the bank reconciliations are reviewed by someone independent of the reconciliation process. That requirement has been interpreted to include investment accounts, including investments of the retirement system.

Recommendation:

The County should implement procedures to ensure that all depository and investment accounts are not only reconciled in a timely manner, but that the date of the review is properly documented.

Management's Response:

The County has and will continue to reconcile all depository and investment accounts in a timely manner with proper documentation.

Bay County, Michigan

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

Year Ended December 31, 2005

BAY COUNTY

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

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THOMAS L. HICKNER
Bay County Executive

Michael J. Regulski CGFM
Finance Officer

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FAX (989) 895-4039

June 15, 2006

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

Herein submitted is a budgetary report which presents a comparison of actual operations to the legally adopted budget and the schedule reflecting the amount of any excess of expenditures over appropriations, at the level of control, for Bay County, Michigan, for the year ended December 31, 2005. This report may best be utilized in conjunction with the Bay County's *Comprehensive Annual Financial Report.*

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

The intent of this report is to help you in evaluating the operations of Bay County for the year ended December 31, 2005. If additional information is necessary, please feel free to contact either one of us.

Sincerely,

Bay County Executive Office
Thomas L. Hickner, County Executive

Bay County Finance Department
Michael J. Regulski, Finance Officer

Schedule 1

BAY COUNTY

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

For the year ended December 31, 2005

Fund / Activity / Category	Total Appropriations	Expenditures	Excess Expenditures
General Fund:			
General Government:			
Circuit Court:			
Other services and charges	$ 62,837	$ 80,227	$ (17,390)
Capital outlay	-	6,308	(6,308)
Circuit Court Adult Probation:			
Other services and charges	6,700	7,048	(348)
District Court Adult Probation:			
Other services and charges	12,600	26,200	(13,600)
FOC-COOP Reimb Medical Support:			
Personal services	12,067	12,070	(3)
Probate Court:			
Other services and charges	59,011	62,653	(3,642)
Public Guardian:			
Other services and charges	153,574	166,201	(12,627)
Accounting Department:			
Personal services	287,994	288,247	(253)
Budget Department:			
Personal services	138,893	139,896	(1,003)
Treasurer:			
Supplies	17,800	17,838	(38)
Other services and charges	57,829	66,449	(8,620)
Equalization Department:			
Personal services	197,111	197,657	(546)
Buildings and Grounds:			
Personal services	893,709	894,478	(769)
Capital outlay	29,952	135,600	(105,648)
Corporation Counsel:			
Personal services	164,532	165,044	(512)
Prosecuting Attorney:			
Personal services	1,109,979	1,111,252	(1,273)
Other services and charges	60,070	63,942	(3,872)

(continued)

Schedule 1

BAY COUNTY

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

For the year ended December 31, 2005

Fund / Activity / Category	Total Appropriations	Expenditures	Excess Expenditures
General Fund, continued:			
General Government, continued:			
Crime Victims Rights:			
Supplies	$ 2,430	$ 3,212	$ (782)
Personnel & Employee Relations:			
Other services and charges	83,818	84,256	(438)
Dept. Indigent Defense - Unit A:			
Other services and charges	13,270	13,821	(551)
Indigent Attorney:			
Other services and charges	513,000	523,323	(10,323)
Drain Commissioner:			
Other services and charges	26,225	26,466	(241)
County Survey/Remonumentation:			
Personal services	11,727	11,900	(173)
Other services and charges	171,423	178,746	(7,323)
Building Authority - Mental Health Group Home, Zielinsk:			
Other services and charges	569	748	(179)
Building Authority - Mental Health Group Home, Bangor:			
Other services and charges	450	3,779	(3,329)
Building Authority - Mental Health Group Home, Fisher:			
Other services and charges	660	796	(136)
Building Authority - Mental Health Group Home, Almont 1:			
Other services and charges	2,557	2,714	(157)
Soil Conservation:			
Other services and charges	5,490	6,032	(542)
M.S.U. Extension:			
Personal services	117,510	126,861	(9,351)

(continued)

Schedule 1

BAY COUNTY

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

For the year ended December 31, 2005

Fund / Activity / Category	Total Appropriations	Expenditures	Excess Expenditures
General Fund, continued:			
General Government, continued:			
Risograph Printing/Postage:			
Personal services	$ 18,501	$ 19,073	$ (572)
Public Safety:			
Sheriff Department:			
Personal services	2,901,319	2,943,627	(42,308)
Other services and charges	874,945	896,202	(21,257)
B.A.Y.A.N.E.T.:			
Personal services	62,211	72,083	(9,872)
Secondary Road Patrol:			
Supplies	44,822	47,341	(2,519)
2nd Rd Patr-Monitor COPS Fast:			
Personal services	57,822	60,060	(2,238)
2nd Rd Patr-Bangor Twp:			
Personal services	245,239	253,002	(7,763)
Supplies	8,700	9,818	(1,118)
2nd Rd Patr-Portsmouth:			
Personal services	64,093	66,062	(1,969)
2nd Rd Patr-Williams Twp:			
Personal services	130,106	131,572	(1,466)
2nd Rd Patr-Monitor Twp:			
Personal services	57,860	61,409	(3,549)
2nd Rd Patr-Bay City Schools:			
Personal services	66,637	68,552	(1,915)
Secondary Road Patrol Grant:			
Supplies	7,600	8,694	(1,094)
Township Road Patrol:			
Personal services	27,672	28,250	(578)
Drive MI Safely/Oper. Nightcap:			
Other services and charges	9,718	10,204	(486)

(continued)

Schedule 1

BAY COUNTY

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

For the year ended December 31, 2005

Fund / Activity / Category	Total Appropriations	Expenditures	Excess Expenditures
General Fund, continued:			
Public Safety, continued:			
Local Emergency Planning Comm.:			
Other services and charges	$ 435	$ 589	$ (154)
SHSGP - CBRNE Grant:			
Personal services	29,537	32,263	(2,726)
Animal Shelter/Dog Warden:			
Other services and charges	68,891	70,482	(1,591)
Public Works:			
Pere Marquette Parking:			
Other services and charges	5,300	5,469	(169)
Community/Economic Development:			
Economic/Community Development:			
Other services and charges	17,297	17,538	(241)
Recreation and Culture:			
Recreation/Parks Department:			
Personal services	50,720	51,037	(317)
Community Center:			
Supplies	900	2,221	(1,321)
County Market:			
Other services and charges	11,000	14,486	(3,486)
Fairgrounds:			
Supplies	700	1,389	(689)
Capital outlay	20,301	21,489	(1,188)
Independence Park Boat Launch:			
Supplies	309	377	(68)
Other services and charges	1,456	1,531	(75)
Civic/Ice Arena:			
Other services and charges	242,955	253,518	(10,563)
Civic/Ice Arena-Ice/Dry Surfac:			
Supplies	5,250	11,462	(6,212)
Pinconning Park:			
Personal services	62,396	64,515	(2,119)

(continued)

Schedule 1

BAY COUNTY

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

For the year ended December 31, 2005

Fund / Activity / Category	Total Appropriations	Expenditures	Excess Expenditures
General Fund, continued:			
Other:			
Retirees Health/Life Insurance:			
Personal services	$ 631,615	$ 631,680	$ (65)
Midland-Bay-Saginaw Airport:			
Personal services	1,890	2,070	(180)
Debt Service:			
Principal payments	200,057	200,120	(63)
Interest payments	20,657	20,987	(330)
Other Financing Uses:			
Trf Out-Other Fnd-Cigarette Tx	68,872	85,028	(16,156)
Trf Out-Other Funds-Liquor Tax	198,040	210,801	(12,761)
Special Revenue Funds:			
911 Service Fund:			
Health and Welfare:			
Personal services	1,368,964	1,395,896	(26,932)
Debt Service:			
Principal payments	8,054	8,297	(243)
Health Department/District Health Fund:			
Health and Welfare:			
Bioterrorism Preparedness:			
Personal services	65,765	89,455	(23,690)
Other services and charges	37,700	54,458	(16,758)
Bioterrorism Surv/Epidemiology:			
Personal services	27,034	34,195	(7,161)
Maternal/Child Services:			
Personal services	129,151	139,472	(10,321)
Other services and charges	3,155	3,321	(166)
Immunizations:			
Supplies	399,050	444,546	(45,496)
Laboratory:			
Other services and charges	8,513	9,613	(1,100)
Environmental Health:			
Personal Services	346,689	350,037	(3,348)
Supplies	2,808	2,821	(13)
DEQ Water Quality Grant:			
Personal services	1,755	1,762	(7)
Substance Abuse:			
Other services and charges	198,040	210,801	(12,761)

(continued)

Schedule 1

BAY COUNTY

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

For the year ended December 31, 2005

Fund / Activity / Category	Total Appropriations	Expenditures	Excess Expenditures
Special Revenue Funds, continued:			
Mosquito Control Fund:			
Health and Welfare:			
Personal services	$ 504,829	$ 522,377	$ (17,548)
Division on Aging Fund:			
Health and Welfare:			
Administration - Div. On Aging:			
Capital outlay	16,000	19,664	(3,664)
Health Promotion:			
Other services and charges	4,906	5,741	(835)
Federal C1-Congregate:			
Capital outlay	6,000	6,268	(268)
Home Delivered Meals:			
Capital outlay	-	5,030	(5,030)
Social Welfare Fund:			
Health and Welfare:			
MI Dept Human Serv Brd-Bay Cty			
Other services and charges	5,375	5,795	(420)
Child Care Fund:			
Health and Welfare:			
Child Care-Probate (Child in C			
Other services and charges	423,600	532,067	(108,467)

BAY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FINES AND FORFEITS			
CIRCUIT COURT	15,000	500	14,500-
DISTRICT COURT	884,750	866,362	18,388-
ANIMAL SHELTER/DOG WARDEN	6,000	5,830	170-
TOTAL FINES AND FORFEITS	**905,750**	**872,692**	**33,058-**
CHARGES FOR SERVICES			
CIRCUIT COURT	71,000	53,716	17,284-
CIRCUIT COURT ADULT PROBATION	103,500	78,527	24,973-
DISTRICT COURT	877,650	858,633	19,017-
FRIEND OF THE COURT	113,000	106,952	6,048-
JURY/JUDICIAL COUNCIL	70,000	58,044	11,956-
PROBATE COURT	95,300	103,259	7,959
PUBLIC GUARDIAN	36,000	37,757	1,757
PAYROLL, RETIREMENT, INSURANCE	75	78	3
CLERK	140,000	140,876	876
TREASURER	16,200	13,312	2,888-
EQUALIZATION DEPARTMENT	52,500	51,067	1,433-
BUILDINGS AND GROUNDS	0	656	656
PROSECUTING ATTORNEY	11,250	10,572	678-
CONSUMER PROTECTION	0	2,168	2,168
REGISTER OF DEEDS	781,000	853,483	72,483
DEPT.INDIGENT DEFENSE - UNIT A	100	90	10-
DRAIN COMMISSIONER	35,000	35,932	932
COUNTY SURVEY/REMONUMENTATION	46,000	48,380	2,380
SOIL CONSERVATION	0	1,300	1,300
GEOGRAPHIC INFORMATION SYSTEMS	0	315	315
SHERIFF DEPARTMENT	198,650	179,188	19,462-
SECONDARY ROAD PATROL	0	3,166	3,166
MARINE SAFETY	0	20	20
ANIMAL SHELTER/DOG WARDEN	35,000	34,172	828-
MEDICAL EXAMINER	3,000	2,287	713-
PLANNING DEPARTMENT	150	123	27-
RECREATION/PARKS DEPARTMENT	4,300	4,300	0
VETERANS PARK SOFTBALL	25,063	19,375	5,688-
COMMUNITY CENTER	30,000	27,845	2,155-
SWIMMING POOL	15,963	18,428	2,465
INDEPENDENCE PARK BOAT LAUNCH	11,000	7,880	3,120-
CIVIC/ICE ARENA-ICE/DRY SURFAC	114,500	116,490	1,990
CIVIC/ICE ARENA-CONCESSION	100,000	103,854	3,854
CIVIC/ICE ARENA-PRO SHOP	80,800	93,303	12,503
PINCONNING PARK	61,738	54,483	7,255-
TOTAL CHARGES FOR SERVICES	**3,128,739**	**3,120,031**	**8,708-**
FEDERAL GRANTS			
FRIEND OF THE COURT	175,000	211,387	36,387
FRND OF CRT-COOP REIMBURSEMENT	906,583	825,703	80,880-
FOC-COOP REIMB MEDICAL SUPPORT	12,818	12,818	0
JUV. COMPREHENSIVE STRATEGY	125,000	78,166	46,834-

BAY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PROSECUTING ATTORNEY	17,191	17,041	150-
CRIME VICTIMS RIGHTS-VOCA GRNT	51,366	52,943	1,577
COOP REIMBURSEMENT-PROSECUTOR	100,000	111,074	11,074
ENVIRONMENTAL AFFAIRS	46,040	7,123	38,917-
SHERIFF DEPARTMENT	23,710	17,780	5,930-
B.A.Y.A.N.E.T.	16,000	30,903	14,903
SECONDARY ROAD PATROL	2,525	2,525	0
DRIVE MI SAFELY/OPER. NIGHTCAP	40,874	37,210	3,664-
YOUTH ALCOHOL ENFORCEMENT	7,650	0	7,650-
OFF OF EMERG SERV-CIVIL DEFENS	20,351	18,642	1,709-
LOCAL EMERGENCY PLANNING COMM.	1,600	1,331	269-
HOMELAND SECURITY EXERCISE GRT	9,401	6,266	3,135-
SHSGP-SOLUTION AREA PLANNER	13,270	11,637	1,633-
SHSGP-PART II TRAINING GRANT	25,000	5,533	19,467-
SHSGP - CBRNE GRANT	460,852	272,714	188,138-
SHSGP - CITIZENS CORP GRANT	30,265	2,779	27,486-
SHSGP - LETPP GRANT	6,010	4,297	1,713-
SHSGP - FIRST RESPONDERS	165,774	15,917	149,857-
LETPP-TERRORISM RESPON & RECOV	90,000	15,000	75,000-
MSS/ISS 0-3 SECONDARY PREVENT	144,617	117,944	26,673-
TRANSPORTATION PLANNING	132,463	117,885	14,578-
ECONOMIC/COMMUNITY DEVELOPMENT	8,161	8,162	1
JUVENILE ACCOUNTABILITY GRANT	28,633	24,525	4,108-
COUNTY MARKET	11,000	14,496	3,496
TOTAL FEDERAL GRANTS	**2,672,154**	**2,041,801**	**630,353-**
INTERESTS, RENTS AND ROYALTIES			
DISTRICT COURT	11,000	12,687	1,687
TREASURER	313,000	365,110	52,110
BUILDINGS AND GROUNDS	3,600	3,600	0
SHERIFF DEPARTMENT	65,000	76,489	11,489
SECONDARY ROAD PATROL	7,500	6,882	618-
PERE MARQUETTE PARKING	30,600	31,280	680
COMMUNITY CENTER	15,500	19,273	3,773
COUNTY MARKET	16,818	19,772	2,954
FAIRGROUNDS	24,000	23,745	255-
CIVIC/ICE ARENA-ICE/DRY SURFAC	645,600	645,476	124-
PINCONNING PARK	0	25	25
TOTAL INTERESTS, RENTS AND ROYALTIES	**1,132,618**	**1,204,339**	**71,721**
LICENSES AND PERMITS			
CIRCUIT COURT	11,500	10,965	535-
CLERK	18,050	19,307	1,257
TREASURER	107,000	117,460	10,460
SOIL CONSERVATION	35,000	39,500	4,500
SHERIFF DEPARTMENT	2,500	9,792	7,292
MEDICAL EXAMINER	8,050	7,767	283-

BAY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL LICENSES AND PERMITS	**182,100**	**204,791**	**22,691**
STATE GRANTS			
CIRCUIT COURT	0	732	732
DISTRICT COURT	38,500	28,429	10,071-
DIST.COURT OWI TREATMENT GRANT	146,603	17,146	129,457-
F.O.C.-MICHIGAN WORKS PROGRAM	8,963	5,579	3,384-
FRND OF CRT-COOP REIMBURSEMENT	30,003	17,653	12,350-
PROBATE COURT	52,776	52,776	0
TREASURER	1,085,076	1,096,448	11,372
CRIME VICTIMS RIGHTS	102,350	98,609	3,741-
COOP REIMBURSEMENT-PROSECUTOR	5,647	1,751	3,896-
COUNTY SURVEY/REMONUMENTATION	140,000	160,637	20,637
SECONDARY ROAD PATROL GRANT	212,127	204,822	7,305-
MICHIGAN JUSTICE TRAINING PROG	8,735	3,622	5,113-
MARINE LAW ENFORCEMENT GRANT	34,601	28,577	6,024-
MSS/ISS 0-3 SECONDARY PREVENT	17,372	16,848	524-
TOTAL STATE GRANTS	**1,882,753**	**1,733,629**	**149,124-**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
BOARD OF COMMISSIONERS	0	244	244
CIRCUIT COURT	138,522	138,922	400
DISTRICT COURT	137,172	137,115	57-
FRIEND OF THE COURT	0	256	256
FRND OF CRT-COOP REIMBURSEMENT	0	25	25
JURY/JUDICIAL COUNCIL	69,840	49,763	20,077-
PROBATE COURT	147,593	148,282	689
ACCOUNTING DEPARTMENT	0	272	272
PAYROLL, RETIREMENT, INSURANCE	0	27	27
CLERK	1,500	1,212	288-
INFORMATION SYSTEMS DIVISION	428	428	0
PURCHASING DEPARTMENT	0	6	6
TREASURER	1,600	2,225	625
EQUALIZATION DEPARTMENT	21,700	20,167	1,533-
ELECTIONS	31,868	31,866	2-
BUILDINGS AND GROUNDS	527	2,910	2,383
CORPORATION COUNSEL	500	296	204-
PROSECUTING ATTORNEY	5,610	8,494	2,884
CRIME VICTIMS RIGHTS	0	185	185
COOP REIMBURSEMENT-PROSECUTOR	11,500	4,357	7,143-
REGISTER OF DEEDS	0	83	83
PERSONNEL & EMPLOYEE RELATIONS	0	10-	10-
ADMINISTRATIVE SERVICES	0	6-	6-
RETIREMENT BOARD	74,697	74,697	0
DRAIN COMMISSIONER	159,214	153,448	5,766-
BUILDING AUTHORITY	0	427	427
BLDG AUTH-CIVIC/ICE ARENA	60,972	60,972	0
BLDG AUTH-MH GRP HOME,ALMONT 1	10,000	10,000	0
BLDG AUTH-MH GRP HOME,ALMONT 2	10,000	10,000	0
M.S.U. EXTENSION	51,638	44,319	7,319-
FAMILY NUTITION PROGRAM	6,000	3,905	2,095-

BAY COUNTY
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
ENVIRONMENTAL AFFAIRS	0	592	592
GEOGRAPHIC INFORMATION SYSTEMS	77,500	77,500	0
SHERIFF DEPARTMENT	571,339	615,229	43,890
CIRCUIT COURT WARRANT OFFICER	1,072	1,509	437
SECONDARY ROAD PATROL	10,482	10,590	108
2ND RD PATR-MONITOR COPS FAST	69,932	71,906	1,974
2ND RD PATROL-BANGOR TWP	282,669	295,620	12,951
2ND RD PATR-PORTSMOUTH	76,334	76,686	352
2ND RD PTRL-WILLIAMS TWP	146,201	150,444	4,243
2ND RD PATROL-MONITOR TWP	67,667	71,995	4,328
2ND RD.PAT-BAY CITY SCHOOLS	80,167	78,221	1,946-
2ND RD PAT-BANGOR SCHOOLS	77,343	35,747	41,596-
SECONDARY ROAD PATROL GRANT	0	100	100
TOWNSHIP ROAD PATROL	15,500	28,250	12,750
MARINE LAW ENFORCEMENT GRANT	400	400	0
D.A.R.E.	250	0	250-
CORRECTIONS DEPARTMENT / JAIL	3,000	4,742	1,742
INMATE TETHERING	13,391	0	13,391-
ANIMAL SHELTER/DOG WARDEN	5,750	5,945	195
MSS/ISS 0-3 SECONDARY PREVENT	25,210	11,525	13,685-
MEDICAL EXAMINER	0	139	139
SOCIAL SERVICES-MED CARE FACIL	13,567	13,567	0
CENTER RIDGE ARMS	3,655	3,655	0
TRANSPORTATION PLANNING	15,000	337	14,663-
ECONOMIC/COMMUNITY DEVELOPMENT	600	600	0
PARKS/RECREATION MAINTENANCE	3,850	4,000	150
PUBLIC GOLF COURSE	54,435	54,435	0
COMMUNITY CENTER	3,825	3,043	782-
SWIMMING POOL	0	5	5
COUNTY MARKET	75	0	75-
FAIRGROUNDS	5,000	5,423	423
INDEPENDENCE PARK BOAT LAUNCH	0	30	30
CIVIC/ICE ARENA	10,994	11,174	180
CIVIC/ICE ARENA-ICE/DRY SURFAC	0	4	4
CIVIC/ICE ARENA-CONCESSION	4,000	3,816	184-
CIVIC/ICE ARENA-PRO SHOP	0	106-	106-
PINCONNING PARK	40	419	379
LIBRARY	17,030	17,030	0
SELF INSURANCE CLAIMS	1,177	1,177	0
SELF INSURANCE ADMINISTRATION	5,005	5,005	0
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**2,603,341**	**2,565,641**	**37,700-**
PROPERTY AND OTHER TAXES			
TREASURER	15,134,204	15,028,959	105,245-
TOTAL PROPERTY AND OTHER TAXES	**15,134,204**	**15,028,959**	**105,245-**
TOTAL REVENUES	**27,641,659**	**26,771,883**	**869,776-**

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
BOARD OF COMMISSIONERS			
PERSONAL SERVICES	318,371	314,867	3,504
SUPPLIES	4,550	1,276	3,274
OTHER SERVICES AND CHARGES	181,545	147,145	34,400
TOTAL BOARD OF COMMISSIONERS	504,466	463,288	41,178
CIRCUIT COURT			
PERSONAL SERVICES	986,433	927,904	58,529
SUPPLIES	19,700	15,434	4,266
OTHER SERVICES AND CHARGES	62,837	80,227	17,390-
CAPITAL OUTLAY	0	6,308	6,308-
TOTAL CIRCUIT COURT	1,068,970	1,029,873	39,097
CIRCUIT COURT ADULT PROBATION			
SUPPLIES	6,125	4,812	1,313
OTHER SERVICES AND CHARGES	6,700	7,048	348-
TOTAL CIRCUIT COURT ADULT PROBATION	12,825	11,860	965
DISTRICT COURT			
PERSONAL SERVICES	1,037,820	1,007,338	30,482
SUPPLIES	44,966	41,889	3,077
OTHER SERVICES AND CHARGES	95,180	89,300	5,880
CAPITAL OUTLAY	13,075	6,408	6,667
TOTAL DISTRICT COURT	1,191,041	1,144,935	46,106
DISTRICT COURT ADULT PROBATION			
PERSONAL SERVICES	311,445	276,872	34,573
SUPPLIES	4,500	3,772	728
OTHER SERVICES AND CHARGES	12,600	26,200	13,600-
TOTAL DISTRICT COURT ADULT PROBATION	328,545	306,844	21,701
DIST.COURT OWI TREATMENT GRANT			
PERSONAL SERVICES	99,455	80,507	18,948
SUPPLIES	300	28	272
OTHER SERVICES AND CHARGES	96,794	37,086	59,708
TOTAL DIST.COURT OWI TREATMENT GRANT	196,549	117,621	78,928
FRIEND OF THE COURT			
PERSONAL SERVICES	726,041	714,016	12,025
SUPPLIES	33,750	21,405	12,345
OTHER SERVICES AND CHARGES	26,219	22,021	4,198
TOTAL FRIEND OF THE COURT	786,010	757,442	28,568

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
F.O.C.-MICHIGAN WORKS PROGRAM			
PERSONAL SERVICES	8,631	5,147	3,484
SUPPLIES	241	0	241
OTHER SERVICES AND CHARGES	91	0	91
TOTAL F.O.C.-MICHIGAN WORKS PROGRAM	8,963	5,147	3,816
FRND OF CRT-COOP REIMBURSEMENT			
PERSONAL SERVICES	493,235	493,084	151
SUPPLIES	14,800	10,620	4,180
OTHER SERVICES AND CHARGES	26,725	15,109	11,616
TOTAL FRND OF CRT-COOP REIMBURSEMENT	534,760	518,813	15,947
FOC-COOP REIMB MEDICAL SUPPORT			
PERSONAL SERVICES	12,067	12,070	3-
TOTAL FOC-COOP REIMB MEDICAL SUPPORT	12,067	12,070	3-
JURY/JUDICIAL COUNCIL			
PERSONAL SERVICES	134,917	131,595	3,322
SUPPLIES	17,300	11,842	5,458
OTHER SERVICES AND CHARGES	119,240	101,050	18,190
TOTAL JURY/JUDICIAL COUNCIL	271,457	244,487	26,970
PROBATE COURT			
PERSONAL SERVICES	941,703	907,668	34,035
SUPPLIES	15,400	13,145	2,255
OTHER SERVICES AND CHARGES	59,011	62,653	3,642-
TOTAL PROBATE COURT	1,016,114	983,466	32,648
JUV. COMPREHENSIVE STRATEGY			
SUPPLIES	2,550	510	2,040
OTHER SERVICES AND CHARGES	122,450	89,936	32,514
TOTAL JUV. COMPREHENSIVE STRATEGY	125,000	90,446	34,554
PUBLIC GUARDIAN			
OTHER SERVICES AND CHARGES	153,574	166,201	12,627-
TOTAL PUBLIC GUARDIAN	153,574	166,201	12,627-
COUNTY EXECUTIVE			
PERSONAL SERVICES	158,529	146,887	11,642
SUPPLIES	4,775	3,288	1,487
OTHER SERVICES AND CHARGES	9,995	9,216	779
TOTAL COUNTY EXECUTIVE	173,299	159,391	13,908

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
ACCOUNTING DEPARTMENT			
PERSONAL SERVICES	287,994	288,247	253-
SUPPLIES	10,097	8,390	1,707
OTHER SERVICES AND CHARGES	25,940	23,303	2,637
TOTAL ACCOUNTING DEPARTMENT	324,031	319,940	4,091
PAYROLL, RETIREMENT, INSURANCE			
PERSONAL SERVICES	128,080	126,831	1,249
SUPPLIES	4,282	3,271	1,011
OTHER SERVICES AND CHARGES	20,725	17,524	3,201
TOTAL PAYROLL, RETIREMENT, INSURANCE	153,087	147,626	5,461
BUDGET DEPARTMENT			
PERSONAL SERVICES	138,893	139,896	1,003-
SUPPLIES	5,379	4,479	900
OTHER SERVICES AND CHARGES	5,150	4,900	250
TOTAL BUDGET DEPARTMENT	149,422	149,275	147
CLERK			
PERSONAL SERVICES	277,360	272,960	4,400
SUPPLIES	35,186	25,680	9,506
OTHER SERVICES AND CHARGES	14,070	11,510	2,560
TOTAL CLERK	326,616	310,150	16,466
INFORMATION SYSTEMS DIVISION			
PERSONAL SERVICES	474,727	458,308	16,419
SUPPLIES	11,409	11,389	20
OTHER SERVICES AND CHARGES	273,759	172,202	101,557
CAPITAL OUTLAY	218,055	158,418	59,637
TOTAL INFORMATION SYSTEMS DIVISION	977,950	800,317	177,633
INFO SYSTEMS TECHNOLOGY TEAM			
OTHER SERVICES AND CHARGES	3,749	1,846	1,903
TOTAL INFO SYSTEMS TECHNOLOGY TEAM	3,749	1,846	1,903
PURCHASING DEPARTMENT			
PERSONAL SERVICES	71,619	67,368	4,251
SUPPLIES	2,160	815	1,345
OTHER SERVICES AND CHARGES	6,859	5,333	1,526
TOTAL PURCHASING DEPARTMENT	80,638	73,516	7,122
TREASURER			
PERSONAL SERVICES	282,635	280,877	1,758
SUPPLIES	17,800	17,838	38-

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	57,829	66,449	8,620-
TOTAL TREASURER	358,264	365,164	6,900-
EQUALIZATION DEPARTMENT			
PERSONAL SERVICES	197,111	197,657	546-
SUPPLIES	30,793	26,043	4,750
OTHER SERVICES AND CHARGES	31,060	25,386	5,674
TOTAL EQUALIZATION DEPARTMENT	258,964	249,086	9,878
ELECTIONS			
PERSONAL SERVICES	6,384	6,192	192
SUPPLIES	35,000	32,784	2,216
OTHER SERVICES AND CHARGES	16,616	16,500	116
TOTAL ELECTIONS	58,000	55,476	2,524
BOARD OF CANVASSERS			
PERSONAL SERVICES	3,500	3,250	250
OTHER SERVICES AND CHARGES	225	221	4
TOTAL BOARD OF CANVASSERS	3,725	3,471	254
BUILDINGS AND GROUNDS			
PERSONAL SERVICES	893,709	894,478	769-
SUPPLIES	53,220	51,612	1,608
OTHER SERVICES AND CHARGES	373,496	342,616	30,880
CAPITAL OUTLAY	29,952	135,600	105,648-
TOTAL BUILDINGS AND GROUNDS	1,350,377	1,424,306	73,929-
CORPORATION COUNSEL			
PERSONAL SERVICES	164,532	165,044	512-
SUPPLIES	1,675	1,438	237
OTHER SERVICES AND CHARGES	31,850	26,731	5,119
TOTAL CORPORATION COUNSEL	198,057	193,213	4,844
PROSECUTING ATTORNEY			
PERSONAL SERVICES	1,109,979	1,111,252	1,273-
SUPPLIES	18,065	17,288	777
OTHER SERVICES AND CHARGES	60,070	63,942	3,872-
TOTAL PROSECUTING ATTORNEY	1,188,114	1,192,482	4,368-
CRIME VICTIMS RIGHTS			
PERSONAL SERVICES	90,558	89,623	935
SUPPLIES	2,430	3,212	782-
OTHER SERVICES AND CHARGES	5,550	4,615	935

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL CRIME VICTIMS RIGHTS	98,538	97,450	1,088
CRIME VICTIMS RIGHTS-VOCA GRNT			
PERSONAL SERVICES	52,469	51,847	622
SUPPLIES	450	10	440
OTHER SERVICES AND CHARGES	4,450	0	4,450
TOTAL CRIME VICTIMS RIGHTS-VOCA GRNT	57,369	51,857	5,512
COOP REIMBURSEMENT-PROSECUTOR			
PERSONAL SERVICES	182,989	166,249	16,740
SUPPLIES	6,080	3,702	2,378
OTHER SERVICES AND CHARGES	15,750	9,256	6,494
TOTAL COOP REIMBURSEMENT-PROSECUTOR	204,819	179,207	25,612
REGISTER OF DEEDS			
PERSONAL SERVICES	257,312	244,972	12,340
SUPPLIES	12,320	11,207	1,113
OTHER SERVICES AND CHARGES	18,109	14,175	3,934
TOTAL REGISTER OF DEEDS	287,741	270,354	17,387
PERSONNEL & EMPLOYEE RELATIONS			
PERSONAL SERVICES	172,344	167,045	5,299
SUPPLIES	5,909	4,077	1,832
OTHER SERVICES AND CHARGES	83,818	84,256	438-
TOTAL PERSONNEL & EMPLOYEE RELATIONS	262,071	255,378	6,693
ADMINISTRATIVE SERVICES			
PERSONAL SERVICES	121,167	120,558	609
SUPPLIES	5,470	5,096	374
OTHER SERVICES AND CHARGES	64,592	41,419	23,173
TOTAL ADMINISTRATIVE SERVICES	191,229	167,073	24,156
DEPT.INDIGENT DEFENSE - UNIT A			
PERSONAL SERVICES	541,153	501,867	39,286
SUPPLIES	4,500	4,167	333
OTHER SERVICES AND CHARGES	13,270	13,821	551-
TOTAL DEPT.INDIGENT DEFENSE - UNIT A	558,923	519,855	39,068
INDIGENT ATTORNEY			
OTHER SERVICES AND CHARGES	513,000	523,323	10,323-
TOTAL INDIGENT ATTORNEY	513,000	523,323	10,323-
DRAIN COMMISSIONER			
PERSONAL SERVICES	413,965	411,848	2,117
SUPPLIES	6,750	5,600	1,150

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	26,225	26,466	241-
CAPITAL OUTLAY	35,000	32,546	2,454
TOTAL DRAIN COMMISSIONER	481,940	476,460	5,480
DRAIN - COUNTY AT LARGE			
OTHER SERVICES AND CHARGES	92,937	92,930	7
TOTAL DRAIN - COUNTY AT LARGE	92,937	92,930	7
COUNTY SURVEY/REMONUMENTATION			
PERSONAL SERVICES	11,727	11,900	173-
SUPPLIES	13,008	9,672	3,336
OTHER SERVICES AND CHARGES	171,423	178,746	7,323-
TOTAL COUNTY SURVEY/REMONUMENTATION	196,158	200,318	4,160-
BUILDING AUTHORITY			
PERSONAL SERVICES	1,000	90	910
SUPPLIES	400	326	74
OTHER SERVICES AND CHARGES	2,800	1,388	1,412
TOTAL BUILDING AUTHORITY	4,200	1,804	2,396
BLDG AUTH-MH GRP HOME,PARKER			
OTHER SERVICES AND CHARGES	5,280	5,237	43
TOTAL BLDG AUTH-MH GRP HOME,PARKER	5,280	5,237	43
BLDG AUTH-COURT FACILITIES			
PERSONAL SERVICES	270	270	0
OTHER SERVICES AND CHARGES	30	22	8
TOTAL BLDG AUTH-COURT FACILITIES	300	292	8
BLDG AUTH-MH GRP HOME,ZIELINSK			
OTHER SERVICES AND CHARGES	569	748	179-
TOTAL BLDG AUTH-MH GRP HOME,ZIELINSK	569	748	179-
BLDG AUTH-MH GRP HOME,BANGOR			
OTHER SERVICES AND CHARGES	450	3,779	3,329-
TOTAL BLDG AUTH-MH GRP HOME,BANGOR	450	3,779	3,329-
BLDG AUTH-MH GRP HOME,FISHER			
OTHER SERVICES AND CHARGES	660	796	136-
TOTAL BLDG AUTH-MH GRP HOME,FISHER	660	796	136-
BLDG AUTH-MH GRP HOME,HICKORY			

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	450	299	151
TOTAL BLDG AUTH-MH GRP HOME,HICKORY	450	299	151
BLDG AUTH-MH GRP HOME,MCNALLY			
OTHER SERVICES AND CHARGES	450	433	17
TOTAL BLDG AUTH-MH GRP HOME,MCNALLY	450	433	17
BLDG AUTH-MH GRP HOME,GROVE			
OTHER SERVICES AND CHARGES	450	433	17
TOTAL BLDG AUTH-MH GRP HOME,GROVE	450	433	17
BLDG AUTH-MH GRP HOME,ALMONT 1			
SUPPLIES	10	10	0
OTHER SERVICES AND CHARGES	2,557	2,714	157-
TOTAL BLDG AUTH-MH GRP HOME,ALMONT 1	2,567	2,724	157-
BLDG AUTH-MH GRP HOME,ALMONT 2			
SUPPLIES	10	10	0
OTHER SERVICES AND CHARGES	3,575	2,248	1,327
TOTAL BLDG AUTH-MH GRP HOME,ALMONT 2	3,585	2,258	1,327
BLDG AUTH-ANIMAL CONTROL BLDG			
OTHER SERVICES AND CHARGES	237	237	0
TOTAL BLDG AUTH-ANIMAL CONTROL BLDG	237	237	0
SOIL CONSERVATION			
PERSONAL SERVICES	20,425	17,006	3,419
SUPPLIES	800	343	457
OTHER SERVICES AND CHARGES	5,490	6,032	542-
TOTAL SOIL CONSERVATION	26,715	23,381	3,334
M.S.U. EXTENSION			
PERSONAL SERVICES	117,510	126,861	9,351-
SUPPLIES	5,777	5,678	99
OTHER SERVICES AND CHARGES	137,104	117,575	19,529
TOTAL M.S.U. EXTENSION	260,391	250,114	10,277
FAMILY NUTITION PROGRAM			
SUPPLIES	3,800	2,517	1,283
OTHER SERVICES AND CHARGES	2,200	1,369	831
TOTAL FAMILY NUTITION PROGRAM	6,000	3,886	2,114

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
ENVIRONMENTAL AFFAIRS			
PERSONAL SERVICES	54,052	53,497	555
SUPPLIES	2,925	977	1,948
OTHER SERVICES AND CHARGES	3,175	3,106	69
TOTAL ENVIRONMENTAL AFFAIRS	60,152	57,580	2,572
EUCLID LINEAR PARK			
OTHER SERVICES AND CHARGES	1,500	897	603
TOTAL EUCLID LINEAR PARK	1,500	897	603
GEOGRAPHIC INFORMATION SYSTEMS			
PERSONAL SERVICES	33,244	32,233	1,011
SUPPLIES	1,025	470	555
OTHER SERVICES AND CHARGES	127,175	50,840	76,335
TOTAL GEOGRAPHIC INFORMATION SYSTEMS	161,444	83,543	77,901
RISOGRAPH PRINTING/POSTAGE			
PERSONAL SERVICES	18,501	19,073	572-
SUPPLIES	18,835	15,853	2,982
OTHER SERVICES AND CHARGES	4,957	4,550	407
TOTAL RISOGRAPH PRINTING/POSTAGE	42,293	39,476	2,817
TOTAL GENERAL GOVERNMENT	**15,337,052**	**14,609,874**	**727,178**
PUBLIC SAFETY			
SHERIFF DEPARTMENT			
PERSONAL SERVICES	2,901,319	2,943,627	42,308-
SUPPLIES	350,805	338,763	12,042
OTHER SERVICES AND CHARGES	874,945	896,202	21,257-
CAPITAL OUTLAY	84,573	59,929	24,644
TOTAL SHERIFF DEPARTMENT	4,211,642	4,238,521	26,879-
CIRCUIT COURT WARRANT OFFICER			
PERSONAL SERVICES	61,555	60,243	1,312
SUPPLIES	2,035	1,887	148
OTHER SERVICES AND CHARGES	9,700	8,770	930
TOTAL CIRCUIT COURT WARRANT OFFICER	73,290	70,900	2,390
B.A.Y.A.N.E.T.			
PERSONAL SERVICES	62,211	72,083	9,872-
SUPPLIES	500	0	500
TOTAL B.A.Y.A.N.E.T.	62,711	72,083	9,372-
SECONDARY ROAD PATROL			

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES	1,148,710	1,143,340	5,370
SUPPLIES	44,822	47,341	2,519-
OTHER SERVICES AND CHARGES	63,077	59,540	3,537
CAPITAL OUTLAY	132,219	58,363	73,856
TOTAL SECONDARY ROAD PATROL	1,388,828	1,308,584	80,244
2ND RD PATR-MONITOR COPS FAST			
PERSONAL SERVICES	57,822	60,060	2,238-
SUPPLIES	3,110	2,096	1,014
OTHER SERVICES AND CHARGES	3,480	3,390	90
TOTAL 2ND RD PATR-MONITOR COPS FAST	64,412	65,546	1,134-
2ND RD PATROL-BANGOR TWP			
PERSONAL SERVICES	245,239	253,002	7,763-
SUPPLIES	8,700	9,818	1,118-
OTHER SERVICES AND CHARGES	7,500	7,091	409
TOTAL 2ND RD PATROL-BANGOR TWP	261,439	269,911	8,472-
2ND RD PATR-PORTSMOUTH			
PERSONAL SERVICES	64,093	66,062	1,969-
SUPPLIES	3,050	1,994	1,056
OTHER SERVICES AND CHARGES	3,700	1,960	1,740
TOTAL 2ND RD PATR-PORTSMOUTH	70,843	70,016	827
2ND RD PTRL-WILLIAMS TWP			
PERSONAL SERVICES	130,106	131,572	1,466-
SUPPLIES	4,450	4,350	100
OTHER SERVICES AND CHARGES	3,650	1,225	2,425
TOTAL 2ND RD PTRL-WILLIAMS TWP	138,206	137,147	1,059
2ND RD PATROL-MONITOR TWP			
PERSONAL SERVICES	57,860	61,409	3,549-
SUPPLIES	3,250	2,710	540
OTHER SERVICES AND CHARGES	1,825	1,720	105
TOTAL 2ND RD PATROL-MONITOR TWP	62,935	65,839	2,904-
2ND RD.PAT-BAY CITY SCHOOLS			
PERSONAL SERVICES	66,637	68,552	1,915-
SUPPLIES	2,910	1,674	1,236
OTHER SERVICES AND CHARGES	4,530	703	3,827
TOTAL 2ND RD.PAT-BAY CITY SCHOOLS	74,077	70,929	3,148
2ND RD PAT-BANGOR SCHOOLS			
PERSONAL SERVICES	60,516	32,091	28,425

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES	2,500	440	2,060
OTHER SERVICES AND CHARGES	3,750	286	3,464
TOTAL 2ND RD PAT-BANGOR SCHOOLS	66,766	32,817	33,949
SECONDARY ROAD PATROL GRANT			
PERSONAL SERVICES	197,760	166,629	31,131
SUPPLIES	7,600	8,694	1,094-
OTHER SERVICES AND CHARGES	7,550	4,076	3,474
CAPITAL OUTLAY	22,000	18,646	3,354
TOTAL SECONDARY ROAD PATROL GRANT	234,910	198,045	36,865
TOWNSHIP ROAD PATROL			
PERSONAL SERVICES	27,672	28,250	578-
TOTAL TOWNSHIP ROAD PATROL	27,672	28,250	578-
DRIVE MI SAFELY/OPER. NIGHTCAP			
PERSONAL SERVICES	31,057	27,515	3,542
SUPPLIES	282	282	0
OTHER SERVICES AND CHARGES	9,718	10,204	486-
TOTAL DRIVE MI SAFELY/OPER. NIGHTCAP	41,057	38,001	3,056
YOUTH ALCOHOL ENFORCEMENT			
PERSONAL SERVICES	7,716	0	7,716
TOTAL YOUTH ALCOHOL ENFORCEMENT	7,716	0	7,716
MICHIGAN JUSTICE TRAINING PROG			
SUPPLIES	2,556	2,087	469
OTHER SERVICES AND CHARGES	7,471	1,535	5,936
TOTAL MICHIGAN JUSTICE TRAINING PROG	10,027	3,622	6,405
MARINE LAW ENFORCEMENT GRANT			
PERSONAL SERVICES	25,143	20,760	4,383
SUPPLIES	4,200	3,307	893
OTHER SERVICES AND CHARGES	6,490	3,240	3,250
CAPITAL OUTLAY	11,200	11,196	4
TOTAL MARINE LAW ENFORCEMENT GRANT	47,033	38,503	8,530
MARINE SAFETY			
OTHER SERVICES AND CHARGES	500	0	500
TOTAL MARINE SAFETY	500	0	500
SNOWMOBILE LAW ENFORCEMENT			
PERSONAL SERVICES	5,776	198	5,578

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES	500	0	500
OTHER SERVICES AND CHARGES	500	0	500
TOTAL SNOWMOBILE LAW ENFORCEMENT	6,776	198	6,578
D.A.R.E.			
OTHER SERVICES AND CHARGES	385	382	3
TOTAL D.A.R.E.	385	382	3
CORRECTIONS DEPARTMENT / JAIL			
SUPPLIES	8,014	7,899	115
OTHER SERVICES AND CHARGES	11,000	9,335	1,665
TOTAL CORRECTIONS DEPARTMENT / JAIL	19,014	17,234	1,780
INMATE TETHERING			
SUPPLIES	1,391	0	1,391
OTHER SERVICES AND CHARGES	12,000	0	12,000
TOTAL INMATE TETHERING	13,391	0	13,391
OFF OF EMERG SERV-CIVIL DEFENS			
PERSONAL SERVICES	56,892	49,947	6,945
SUPPLIES	2,300	2,034	266
OTHER SERVICES AND CHARGES	5,211	4,297	914
TOTAL OFF OF EMERG SERV-CIVIL DEFENS	64,403	56,278	8,125
LOCAL EMERGENCY PLANNING COMM.			
SUPPLIES	275	275	0
OTHER SERVICES AND CHARGES	435	589	154-
TOTAL LOCAL EMERGENCY PLANNING COMM.	710	864	154-
HOMELAND SECURITY EXERCISE GRT			
PERSONAL SERVICES	2,180	2,164	16
SUPPLIES	4,700	2,925	1,775
OTHER SERVICES AND CHARGES	2,521	1,264	1,257
TOTAL HOMELAND SECURITY EXERCISE GRT	9,401	6,353	3,048
SHSGP-SOLUTION AREA PLANNER			
PERSONAL SERVICES	13,270	10,996	2,274
TOTAL SHSGP-SOLUTION AREA PLANNER	13,270	10,996	2,274
SHSGP-PART II TRAINING GRANT			
OTHER SERVICES AND CHARGES	25,000	5,541	19,459

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL SHSGP-PART II TRAINING GRANT	25,000	5,541	19,459
SHSGP - CBRNE GRANT			
PERSONAL SERVICES	29,537	32,263	2,726-
SUPPLIES	2,450	1,872	578
OTHER SERVICES AND CHARGES	227,046	93,983	133,063
CAPITAL OUTLAY	225,446	142,678	82,768
TOTAL SHSGP - CBRNE GRANT	484,479	270,796	213,683
SHSGP - CITIZENS CORP GRANT			
PERSONAL SERVICES	8,761	2,491	6,270
SUPPLIES	18,765	716	18,049
OTHER SERVICES AND CHARGES	3,556	178	3,378
TOTAL SHSGP - CITIZENS CORP GRANT	31,082	3,385	27,697
SHSGP - LETPP GRANT			
CAPITAL OUTLAY	6,010	4,297	1,713
TOTAL SHSGP - LETPP GRANT	6,010	4,297	1,713
SHSGP - FIRST RESPONDERS			
PERSONAL SERVICES	15,250	1,181	14,069
SUPPLIES	8,600	0	8,600
OTHER SERVICES AND CHARGES	126,572	0	126,572
CAPITAL OUTLAY	15,352	14,482	870
TOTAL SHSGP - FIRST RESPONDERS	165,774	15,663	150,111
LETPP-TERRORISM RESPON & RECOV			
OTHER SERVICES AND CHARGES	75,000	0	75,000
CAPITAL OUTLAY	15,000	15,000	0
TOTAL LETPP-TERRORISM RESPON & RECOV	90,000	15,000	75,000
ANIMAL SHELTER/DOG WARDEN			
PERSONAL SERVICES	319,819	311,822	7,997
SUPPLIES	25,633	22,102	3,531
OTHER SERVICES AND CHARGES	68,891	70,482	1,591-
TOTAL ANIMAL SHELTER/DOG WARDEN	414,343	404,406	9,937
TOTAL PUBLIC SAFETY	**8,188,102**	**7,520,107**	**667,995**
PUBLIC WORKS			
PERE MARQUETTE PARKING			
SUPPLIES	550	504	46
OTHER SERVICES AND CHARGES	5,300	5,469	169-
TOTAL PERE MARQUETTE PARKING	5,850	5,973	123-

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL PUBLIC WORKS	**5,850**	**5,973**	**123-**
HEALTH AND WELFARE			
MSS/ISS 0-3 SECONDARY PREVENT			
PERSONAL SERVICES	115,392	102,333	13,059
SUPPLIES	16,800	2,688	14,112
OTHER SERVICES AND CHARGES	65,013	36,349	28,664
TOTAL MSS/ISS 0-3 SECONDARY PREVENT	197,205	141,370	55,835
MEDICAL EXAMINER			
SUPPLIES	200	142	58
OTHER SERVICES AND CHARGES	82,800	82,005	795
TOTAL MEDICAL EXAMINER	83,000	82,147	853
MENTAL HEALTH			
OTHER SERVICES AND CHARGES	630,742	630,742	0
TOTAL MENTAL HEALTH	630,742	630,742	0
AMBULANCE			
OTHER SERVICES AND CHARGES	9,612	7,765	1,847
TOTAL AMBULANCE	9,612	7,765	1,847
SAG.MID.BAY-JOB TRAIN.CONSORT.			
PERSONAL SERVICES	1,890	900	990
TOTAL SAG.MID.BAY-JOB TRAIN.CONSORT.	1,890	900	990
VETERANS' BURIAL			
SUPPLIES	75	67	8
OTHER SERVICES AND CHARGES	94,090	92,977	1,113
TOTAL VETERANS' BURIAL	94,165	93,044	1,121
VETERANS CONVENTIONS			
OTHER SERVICES AND CHARGES	2,000	2,000	0
TOTAL VETERANS CONVENTIONS	2,000	2,000	0
SOLDIERS AND SAILORS RELIEF			
PERSONAL SERVICES	1,100	1,000	100
SUPPLIES	80	51	29
OTHER SERVICES AND CHARGES	29,150	28,154	996
TOTAL SOLDIERS AND SAILORS RELIEF	30,330	29,205	1,125
TOTAL HEALTH AND WELFARE	**1,048,944**	**987,173**	**61,771**

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
COMMUNITY/ECONOMIC DEVELOPMENT			
PLANNING DEPARTMENT			
SUPPLIES	250	0	250
OTHER SERVICES AND CHARGES	290	177	113
TOTAL PLANNING DEPARTMENT	540	177	363
TRANSPORTATION PLANNING			
PERSONAL SERVICES	113,204	108,668	4,536
SUPPLIES	1,610	680	930
OTHER SERVICES AND CHARGES	17,050	13,443	3,607
TOTAL TRANSPORTATION PLANNING	131,864	122,791	9,073
BOUNDARY COMMISSION			
PERSONAL SERVICES	300	0	300
OTHER SERVICES AND CHARGES	450	0	450
TOTAL BOUNDARY COMMISSION	750	0	750
ECONOMIC/COMMUNITY DEVELOPMENT			
SUPPLIES	226	0	226
OTHER SERVICES AND CHARGES	17,297	17,538	241-
TOTAL ECONOMIC/COMMUNITY DEVELOPMENT	17,523	17,538	15-
TOTAL COMMUNITY/ECONOMIC DEVELOPMENT	**150,677**	**140,506**	**10,171**
RECREATION AND CULTURE			
RECREATION/PARKS DEPARTMENT			
PERSONAL SERVICES	50,720	51,037	317-
SUPPLIES	3,800	3,337	463
OTHER SERVICES AND CHARGES	15,950	10,304	5,646
TOTAL RECREATION/PARKS DEPARTMENT	70,470	64,678	5,792
JUV.JUSTICE-AFTER SCHOOL			
OTHER SERVICES AND CHARGES	35,225	31,682	3,543
TOTAL JUV.JUSTICE-AFTER SCHOOL	35,225	31,682	3,543
VETERANS PARK SOFTBALL			
PERSONAL SERVICES	13,154	10,200	2,954
SUPPLIES	3,000	880	2,120
OTHER SERVICES AND CHARGES	8,990	8,296	694
TOTAL VETERANS PARK SOFTBALL	25,144	19,376	5,768
JUVENILE ACCOUNTABILITY GRANT			
SUPPLIES	1,896	1,096	800
OTHER SERVICES AND CHARGES	29,919	24,357	5,562

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL JUVENILE ACCOUNTABILITY GRANT	31,815	25,453	6,362
PARKS/RECREATION MAINTENANCE			
PERSONAL SERVICES	98,692	97,576	1,116
SUPPLIES	8,450	6,534	1,916
OTHER SERVICES AND CHARGES	16,975	15,004	1,971
CAPITAL OUTLAY	12,240	10,247	1,993
TOTAL PARKS/RECREATION MAINTENANCE	136,357	129,361	6,996
COMMUNITY CENTER			
PERSONAL SERVICES	54,739	50,009	4,730
SUPPLIES	900	2,221	1,321-
OTHER SERVICES AND CHARGES	76,255	66,803	9,452
TOTAL COMMUNITY CENTER	131,894	119,033	12,861
SWIMMING POOL			
PERSONAL SERVICES	28,755	28,752	3
SUPPLIES	6,020	5,646	374
OTHER SERVICES AND CHARGES	8,422	5,232	3,190
TOTAL SWIMMING POOL	43,197	39,630	3,567
COUNTY MARKET			
OTHER SERVICES AND CHARGES	11,000	14,486	3,486-
TOTAL COUNTY MARKET	11,000	14,486	3,486-
FAIRGROUNDS			
PERSONAL SERVICES	6,034	4,807	1,227
SUPPLIES	700	1,389	689-
OTHER SERVICES AND CHARGES	34,225	28,312	5,913
CAPITAL OUTLAY	20,301	21,489	1,188-
TOTAL FAIRGROUNDS	61,260	55,997	5,263
INDEPENDENCE PARK BOAT LAUNCH			
PERSONAL SERVICES	4,936	3,670	1,266
SUPPLIES	309	377	68-
OTHER SERVICES AND CHARGES	1,456	1,531	75-
TOTAL INDEPENDENCE PARK BOAT LAUNCH	6,701	5,578	1,123
CIVIC/ICE ARENA			
PERSONAL SERVICES	204,805	200,703	4,102
SUPPLIES	9,950	8,356	1,594
OTHER SERVICES AND CHARGES	242,955	253,518	10,563-
TOTAL CIVIC/ICE ARENA	457,710	462,577	4,867-
CIVIC/ICE ARENA-ICE/DRY SURFAC			

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES	80,378	66,778	13,600
SUPPLIES	5,250	11,462	6,212-
OTHER SERVICES AND CHARGES	109,310	88,503	20,807
TOTAL CIVIC/ICE ARENA-ICE/DRY SURFAC	194,938	166,743	28,195
CIVIC/ICE ARENA-CONCESSION			
PERSONAL SERVICES	23,210	22,459	751
SUPPLIES	41,500	34,387	7,113
OTHER SERVICES AND CHARGES	2,500	1,629	871
TOTAL CIVIC/ICE ARENA-CONCESSION	67,210	58,475	8,735
CIVIC/ICE ARENA-PRO SHOP			
PERSONAL SERVICES	5,588	1,968	3,620
SUPPLIES	58,100	47,037	11,063
OTHER SERVICES AND CHARGES	1,250	644	606
TOTAL CIVIC/ICE ARENA-PRO SHOP	64,938	49,649	15,289
PINCONNING PARK			
PERSONAL SERVICES	62,396	64,515	2,119-
SUPPLIES	9,095	7,205	1,890
OTHER SERVICES AND CHARGES	20,050	19,787	263
TOTAL PINCONNING PARK	91,541	91,507	34
TOTAL RECREATION AND CULTURE	**1,429,400**	**1,334,225**	**95,175**
OTHER			
RISK MANAGEMENT			
OTHER SERVICES AND CHARGES	689,324	529,516	159,808
TOTAL RISK MANAGEMENT	689,324	529,516	159,808
401(K) SAVINGS PLAN ADMIN COMM			
SUPPLIES	485	138	347
OTHER SERVICES AND CHARGES	1,830	733	1,097
TOTAL 401(K) SAVINGS PLAN ADMIN COMM	2,315	871	1,444
RETIREES HEALTH/LIFE INSURANCE			
PERSONAL SERVICES	631,615	631,680	65-
TOTAL RETIREES HEALTH/LIFE INSURANCE	631,615	631,680	65-
MIDLAND-BAY-SAGINAW AIRPORT			
PERSONAL SERVICES	1,890	2,070	180-
TOTAL MIDLAND-BAY-SAGINAW AIRPORT	1,890	2,070	180-

BAY COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL OTHER	**1,325,144**	**1,164,137**	**161,007**
DEBT SERVICE			
PRINCIPAL PAYMENTS	200,057	200,120	63-
INTEREST PAYMENT	20,657	20,987	330-
TOTAL DEBT SERVICE	**220,714**	**221,107**	**393-**
TOTAL EXPENDITURES	**27,705,883**	**25,983,102**	**1,722,781**

BAY COUNTY
GENERAL FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
INSURANCE RECOVERIES/PROCEEDS	500	1,237	737
TRANSFERS IN FROM OTHER FUNDS	187,286	184,586	2,700-
TRANSFERS IN FROM DIV ON AGING	20,416	20,416	0
TRANSFERS IN FROM 100% TX COLL	984,105	984,105	0
TRSF IN-OTHER FND-INDIRECT CST	2,196,855	2,188,363	8,492-
TRF IN-REVENUE SHARING RES FND	1,700,000	1,700,000	0
TRF IN-REV SHARE RES FND-SBT	495,469	495,469	0
TOTAL OTHER FINANCING SOURCES	**5,584,631**	**5,574,176**	**10,455-**
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	4,686,296	4,663,077	23,219
TRF OUT-OTHER FND-CIGARETTE TX	68,872	85,028	16,156-
TRF OUT-OTHER FUNDS-LIQUOR TAX	198,040	210,801	12,761-
TRF OUT-GENERL FD-INDIRECT CST	554,166	550,649	3,517
TRF OUT-REV SHARE RES FND-SBT	159,511	111,037	48,474
TOTAL OTHER FINANCING USES	**5,666,885**	**5,620,592**	**46,293**
NET OTHER FINANCING SOURCES (USES)	**82,254-**	**46,416-**	**35,838**

BAY COUNTY
911 SERVICE FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
911 CENTRAL DISPATCH	25,000	71,262	46,262
TOTAL INTERESTS, RENTS AND ROYALTIES	**25,000**	**71,262**	**46,262**
STATE GRANTS			
911 CENTRAL DISPATCH	172,000	195,391	23,391
TOTAL STATE GRANTS	**172,000**	**195,391**	**23,391**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
911 CENTRAL DISPATCH	400	1,890	1,490
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**400**	**1,890**	**1,490**
PROPERTY AND OTHER TAXES			
911 CENTRAL DISPATCH	1,838,617	1,838,192	425-
TOTAL PROPERTY AND OTHER TAXES	**1,838,617**	**1,838,192**	**425-**
TOTAL REVENUES	**2,036,017**	**2,106,735**	**70,718**

BAY COUNTY
911 SERVICE FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY			
911 CENTRAL DISPATCH			
PERSONAL SERVICES	1,368,964	1,395,896	26,932-
SUPPLIES	20,050	15,935	4,115
OTHER SERVICES AND CHARGES	314,614	216,321	98,293
CAPITAL OUTLAY	155,226	85,840	69,386
TOTAL 911 CENTRAL DISPATCH	1,858,854	1,713,992	144,862
TOTAL PUBLIC SAFETY	**1,858,854**	**1,713,992**	**144,862**
DEBT SERVICE			
PRINCIPAL PAYMENTS	8,054	8,297	243-
INTEREST PAYMENT	2,547	2,303	244
TOTAL DEBT SERVICE	**10,601**	**10,600**	**1**
TOTAL EXPENDITURES	**1,869,455**	**1,724,592**	**144,863**

BAY COUNTY
911 SERVICE FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRF IN-REV SHARE RES FND-SBT	33,932	33,932	0
TOTAL OTHER FINANCING SOURCES	**33,932**	**33,932**	**0**
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	114,586	114,586	0
TRF OUT-GENERL FD-INDIRECT CST	148,727	148,727	0
TOTAL OTHER FINANCING USES	**263,313**	**263,313**	**0**
NET OTHER FINANCING SOURCES (USES)	**229,381-**	**229,381-**	**0**

BAY COUNTY
REVENUE SHARING RESERVE FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
TREASURER	0	30,632	30,632
TOTAL INTERESTS, RENTS AND ROYALTIES	**0**	**30,632**	**30,632**
PROPERTY AND OTHER TAXES			
TREASURER	5,021,735	5,013,415	8,320-
TOTAL PROPERTY AND OTHER TAXES	**5,021,735**	**5,013,415**	**8,320-**
TOTAL REVENUES	**5,021,735**	**5,044,047**	**22,312**

BAY COUNTY
REVENUE SHARING RESERVE FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING USES			
TRF OUT-REVENUE SHARING RES FD	1,700,000	1,700,000	0
TRF OUT-REV SHARE RES FND-SBT	495,469	495,469	0
TOTAL OTHER FINANCING USES	**2,195,469**	**2,195,469**	**0**
NET OTHER FINANCING SOURCES (USES)	**2,195,469-**	**2,195,469-**	**0**

BAY COUNTY
FRIEND OF THE COURT FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
FOTC-MEDIATION DUTIES PA294-82	21,500	41,429	19,929
TOTAL CHARGES FOR SERVICES	**21,500**	**41,429**	**19,929**
FEDERAL GRANTS			
FOTC-MEDIATION DUTIES PA294-82	61,971	54,836	7,135-
TOTAL FEDERAL GRANTS	**61,971**	**54,836**	**7,135-**
TOTAL REVENUES	**83,471**	**96,265**	**12,794**

BAY COUNTY
FRIEND OF THE COURT FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
FOTC-MEDIATION DUTIES PA294-82			
PERSONAL SERVICES	97,481	92,823	4,658
OTHER SERVICES AND CHARGES	1,000	724	276
TOTAL FOTC-MEDIATION DUTIES PA294-82	98,481	93,547	4,934
TOTAL GENERAL GOVERNMENT	**98,481**	**93,547**	**4,934**
TOTAL EXPENDITURES	**98,481**	**93,547**	**4,934**

BAY COUNTY
HEALTH DEPT - DIST HEALTH FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
CONTAGIOUS DISEASE	5,000	7,127	2,127
IMMUNIZATIONS	38,000	42,460	4,460
LABORATORY	42,600	48,391	5,791
ENVIRONMENTAL HEALTH	2,150	2,191	41
FAMILY PLANNING	30,000	26,336	3,664-
TOTAL CHARGES FOR SERVICES	**117,750**	**126,505**	**8,755**
FEDERAL GRANTS			
IMMUNIZATIONS	360,000	390,770	30,770
MSS/ISS - EARLY ON	58,933	51,015	7,918-
DEQ WATER QUALITY GRANT	7,496	6,464	1,032-
TOTAL FEDERAL GRANTS	**426,429**	**448,249**	**21,820**
INTERESTS, RENTS AND ROYALTIES			
HEALTH DEPART.- ADMINISTRATION	0	1,100	1,100
TOTAL INTERESTS, RENTS AND ROYALTIES	**0**	**1,100**	**1,100**
LICENSES AND PERMITS			
ENVIRONMENTAL HEALTH	152,750	163,657	10,907
TOTAL LICENSES AND PERMITS	**152,750**	**163,657**	**10,907**
STATE GRANTS			
HEALTH DEPART.- ADMINISTRATION	126,341	114,824	11,517-
CSHC-CHILD SPECIAL HEALTH CARE	30,141	5,519	24,622-
CONTAGIOUS DISEASE	0	4,378	4,378
BIOTERRORISM PREPAREDNESS	160,269	160,077	192-
BIOTERRORISM SURV/EPIDEMIOLOGY	20,768	36,719	15,951
BIOTERRORISM RISK COMMUNICATIO	11,599	11,192	407-
BIOTERRORISM EDUCATION/TRAIN	12,024	10,945	1,079-
MATERNAL/INFANT SUPPORT SERVIC	66,200	43,053	23,147-
IMMUNIZATIONS	54,205	54,499	294
LABORATORY	1,500	3,392	1,892
ENVIRONMENTAL HEALTH	182,248	171,460	10,788-
FAMILY PLANNING	80,022	46,447	33,575-
WOMEN, INFANTS, & CHILDREN	353,183	304,917	48,266-
TOTAL STATE GRANTS	**1,098,500**	**967,422**	**131,078-**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
HEALTH DEPART.- ADMINISTRATION	0	555	555
CSHC-CHILD SPECIAL HEALTH CARE	3,000	10,755	7,755
CONTAGIOUS DISEASE	1,000	5,151	4,151
MATERNAL/INFANT SUPPORT SERVIC	252,958	171,392	81,566-
IMMUNIZATIONS	54,000	56,943	2,943
HOME HEALTH SERVICES	130,000	44,801	85,199-
LABORATORY	3,750	1,814	1,936-

BAY COUNTY
HEALTH DEPT - DIST HEALTH FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
ENVIRONMENTAL HEALTH	14,100	17,782	3,682
DEQ WATER QUALITY GRANT	1,500	1,500	0
FAMILY PLANNING	71,500	79,451	7,951
WOMEN, INFANTS, & CHILDREN	0	403	403
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**531,808**	**390,547**	**141,261-**
TOTAL REVENUES	**2,327,237**	**2,097,480**	**229,757-**

BAY COUNTY
HEALTH DEPT - DIST HEALTH FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
HEALTH DEPART.- ADMINISTRATION			
PERSONAL SERVICES	254,203	254,051	152
SUPPLIES	2,025	805	1,220
OTHER SERVICES AND CHARGES	107,633	91,853	15,780
CAPITAL OUTLAY	25,000	19,172	5,828
TOTAL HEALTH DEPART.- ADMINISTRATION	388,861	365,881	22,980
CSHC-CHILD SPECIAL HEALTH CARE			
PERSONAL SERVICES	14,254	13,979	275
SUPPLIES	2,550	293	2,257
OTHER SERVICES AND CHARGES	3,075	2,012	1,063
TOTAL CSHC-CHILD SPECIAL HEALTH CARE	19,879	16,284	3,595
CONTAGIOUS DISEASE			
PERSONAL SERVICES	104,039	93,420	10,619
SUPPLIES	7,000	2,281	4,719
OTHER SERVICES AND CHARGES	6,150	5,103	1,047
TOTAL CONTAGIOUS DISEASE	117,189	100,804	16,385
BIOTERRORISM PREPAREDNESS			
PERSONAL SERVICES	65,765	89,455	23,690-
SUPPLIES	29,909	16,161	13,748
OTHER SERVICES AND CHARGES	37,700	54,458	16,758-
TOTAL BIOTERRORISM PREPAREDNESS	133,374	160,074	26,700-
BIOTERRORISM SURV/EPIDEMIOLOGY			
PERSONAL SERVICES	27,034	34,195	7,161-
SUPPLIES	1,000	827	173
OTHER SERVICES AND CHARGES	3,460	1,695	1,765
TOTAL BIOTERRORISM SURV/EPIDEMIOLOGY	31,494	36,717	5,223-
BIOTERRORISM RISK COMMUNICATIO			
PERSONAL SERVICES	9,199	9,157	42
SUPPLIES	850	457	393
OTHER SERVICES AND CHARGES	1,650	1,579	71
TOTAL BIOTERRORISM RISK COMMUNICATIO	11,699	11,193	506
BIOTERRORISM EDUCATION/TRAIN			
PERSONAL SERVICES	9,199	9,157	42
SUPPLIES	550	171	379
OTHER SERVICES AND CHARGES	1,825	1,618	207
TOTAL BIOTERRORISM EDUCATION/TRAIN	11,574	10,946	628

BAY COUNTY
HEALTH DEPT - DIST HEALTH FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MATERNAL/CHILD SERVICES			
PERSONAL SERVICES	129,151	139,472	10,321-
OTHER SERVICES AND CHARGES	3,155	3,321	166-
TOTAL MATERNAL/CHILD SERVICES	132,306	142,793	10,487-
MATERNAL/INFANT SUPPORT SERVIC			
PERSONAL SERVICES	239,203	176,968	62,235
SUPPLIES	3,200	2,502	698
OTHER SERVICES AND CHARGES	35,050	31,786	3,264
TOTAL MATERNAL/INFANT SUPPORT SERVIC	277,453	211,256	66,197
IMMUNIZATIONS			
PERSONAL SERVICES	144,328	124,653	19,675
SUPPLIES	399,050	444,546	45,496-
OTHER SERVICES AND CHARGES	10,200	8,999	1,201
TOTAL IMMUNIZATIONS	553,578	578,198	24,620-
MSS/ISS - EARLY ON			
PERSONAL SERVICES	60,872	47,134	13,738
SUPPLIES	825	353	472
OTHER SERVICES AND CHARGES	3,800	3,633	167
TOTAL MSS/ISS - EARLY ON	65,497	51,120	14,377
HEARING AND VISION SCREENING			
PERSONAL SERVICES	28,594	26,758	1,836
SUPPLIES	1,500	666	834
OTHER SERVICES AND CHARGES	5,962	4,441	1,521
TOTAL HEARING AND VISION SCREENING	36,056	31,865	4,191
HOME HEALTH SERVICES			
PERSONAL SERVICES	103,007	70,793	32,214
SUPPLIES	4,200	1,420	2,780
OTHER SERVICES AND CHARGES	27,196	22,758	4,438
TOTAL HOME HEALTH SERVICES	134,403	94,971	39,432
LABORATORY			
PERSONAL SERVICES	93,761	93,669	92
SUPPLIES	17,100	16,827	273
OTHER SERVICES AND CHARGES	8,513	9,613	1,100-
TOTAL LABORATORY	119,374	120,109	735-
ENVIRONMENTAL HEALTH			
PERSONAL SERVICES	346,689	350,037	3,348-
SUPPLIES	2,808	2,821	13-

BAY COUNTY
HEALTH DEPT - DIST HEALTH FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER SERVICES AND CHARGES	50,019	45,506	4,513
TOTAL ENVIRONMENTAL HEALTH	399,516	398,364	1,152
DEQ WATER QUALITY GRANT			
PERSONAL SERVICES	1,755	1,762	7-
OTHER SERVICES AND CHARGES	7,241	5,851	1,390
TOTAL DEQ WATER QUALITY GRANT	8,996	7,613	1,383
FAMILY PLANNING			
PERSONAL SERVICES	135,255	118,574	16,681
SUPPLIES	32,425	26,178	6,247
OTHER SERVICES AND CHARGES	18,325	15,381	2,944
TOTAL FAMILY PLANNING	186,005	160,133	25,872
WOMEN, INFANTS, & CHILDREN			
PERSONAL SERVICES	278,629	261,451	17,178
SUPPLIES	11,800	7,757	4,043
OTHER SERVICES AND CHARGES	40,734	36,109	4,625
TOTAL WOMEN, INFANTS, & CHILDREN	331,163	305,317	25,846
SUBSTANCE ABUSE			
OTHER SERVICES AND CHARGES	198,040	210,801	12,761-
TOTAL SUBSTANCE ABUSE	198,040	210,801	12,761-
TOTAL HEALTH AND WELFARE	**3,156,457**	**3,014,439**	**142,018**
TOTAL EXPENDITURES	**3,156,457**	**3,014,439**	**142,018**

BAY COUNTY
HEALTH DEPT - DIST HEALTH FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	1,355,455	1,355,455	0
TRSF IN-GEN FUND-CIGARETTE TAX	48,616	60,020	11,404
TRSF IN-GEN'L FUND-LIQUOR TAX	198,040	210,801	12,761
TOTAL OTHER FINANCING SOURCES	**1,602,111**	**1,626,276**	**24,165**
OTHER FINANCING USES			
TRF OUT-GENERL FD-INDIRECT CST	867,618	867,618	0
TOTAL OTHER FINANCING USES	**867,618**	**867,618**	**0**
NET OTHER FINANCING SOURCES (USES)	**734,493**	**758,658**	**24,165**

BAY COUNTY
GYPSY MOTH CONTROL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FEDERAL GRANTS			
GYPSY MOTH SUPPRESSION	25,000	26,828	1,828
TOTAL FEDERAL GRANTS	**25,000**	**26,828**	**1,828**
INTERESTS, RENTS AND ROYALTIES			
GYPSY MOTH SUPPRESSION	1,000	11,383	10,383
TOTAL INTERESTS, RENTS AND ROYALTIES	**1,000**	**11,383**	**10,383**
PROPERTY AND OTHER TAXES			
GYPSY MOTH SUPPRESSION	271,485	262,542	8,943-
TOTAL PROPERTY AND OTHER TAXES	**271,485**	**262,542**	**8,943-**
TOTAL REVENUES	**297,485**	**300,753**	**3,268**

BAY COUNTY
GYPSY MOTH CONTROL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
GYPSY MOTH SUPPRESSION			
PERSONAL SERVICES	55,991	54,800	1,191
SUPPLIES	3,520	1,151	2,369
OTHER SERVICES AND CHARGES	40,000	7,217	32,783
TOTAL GYPSY MOTH SUPPRESSION	99,511	63,168	36,343
TOTAL GENERAL GOVERNMENT	**99,511**	**63,168**	**36,343**
TOTAL EXPENDITURES	**99,511**	**63,168**	**36,343**

BAY COUNTY
GYPSY MOTH CONTROL FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	10,000	10,000	0
TRF OUT-GENERL FD-INDIRECT CST	14,922	14,922	0
TOTAL OTHER FINANCING USES	**24,922**	**24,922**	**0**
NET OTHER FINANCING SOURCES (USES)	**24,922-**	**24,922-**	**0**

BAY COUNTY
MOSQUITO CONTROL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FEDERAL GRANTS			
MOSQUITO CONTROL	5,000	0	5,000-
TOTAL FEDERAL GRANTS	**5,000**	**0**	**5,000-**
INTERESTS, RENTS AND ROYALTIES			
MOSQUITO CONTROL	1,000	15,416	14,416
TOTAL INTERESTS, RENTS AND ROYALTIES	**1,000**	**15,416**	**14,416**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MOSQUITO CONTROL	100	415	315
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**100**	**415**	**315**
PROPERTY AND OTHER TAXES			
MOSQUITO CONTROL	1,224,426	1,181,646	42,780-
TOTAL PROPERTY AND OTHER TAXES	**1,224,426**	**1,181,646**	**42,780-**
TOTAL REVENUES	**1,230,526**	**1,197,477**	**33,049-**

BAY COUNTY
MOSQUITO CONTROL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MOSQUITO CONTROL			
PERSONAL SERVICES	504,829	522,377	17,548-
SUPPLIES	358,100	350,933	7,167
OTHER SERVICES AND CHARGES	257,510	192,859	64,651
CAPITAL OUTLAY	45,250	35,466	9,784
TOTAL MOSQUITO CONTROL	1,165,689	1,101,635	64,054
TOTAL HEALTH AND WELFARE	**1,165,689**	**1,101,635**	**64,054**
CAPITAL OUTLAY			
MOSQUITO CONTROL FACILITY			
OTHER SERVICES AND CHARGES	3,050	0	3,050
TOTAL MOSQUITO CONTROL FACILITY	3,050	0	3,050
TOTAL CAPITAL OUTLAY	**3,050**	**0**	**3,050**
TOTAL EXPENDITURES	**1,168,739**	**1,101,635**	**67,104**

BAY COUNTY
MOSQUITO CONTROL FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRF IN-REV SHARE RES FND-SBT	22,746	22,746	0
TOTAL OTHER FINANCING SOURCES	**22,746**	**22,746**	**0**
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	10,000	10,000	0
TRF OUT-GENERL FD-INDIRECT CST	97,613	97,613	0
TOTAL OTHER FINANCING USES	**107,613**	**107,613**	**0**
NET OTHER FINANCING SOURCES (USES)	**84,867-**	**84,867-**	**0**

BAY COUNTY
PUBLIC IMPROVEMENT FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
MAINT KAWKAWLIN RIVER DREDGING	150	605	455
TOTAL INTERESTS, RENTS AND ROYALTIES	**150**	**605**	**455**
TOTAL REVENUES	**150**	**605**	**455**

BAY COUNTY
REGIST.OF DEEDS AUTOMATION FND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
REGISTER OF DEEDS	0	5,433	5,433
TOTAL INTERESTS, RENTS AND ROYALTIES	**0**	**5,433**	**5,433**
TOTAL REVENUES	**0**	**5,433**	**5,433**

BAY COUNTY
REGIST.OF DEEDS AUTOMATION FND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
REGISTER OF DEEDS			
SUPPLIES	8,550	7,279	1,271
OTHER SERVICES AND CHARGES	120,000	87,989	32,011
TOTAL REGISTER OF DEEDS	128,550	95,268	33,282
TOTAL GENERAL GOVERNMENT	**128,550**	**95,268**	**33,282**
TOTAL EXPENDITURES	**128,550**	**95,268**	**33,282**

BAY COUNTY
REGIST.OF DEEDS AUTOMATION FND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	125,000	121,210	3,790-
TOTAL OTHER FINANCING SOURCES	**125,000**	**121,210**	**3,790-**
NET OTHER FINANCING SOURCES (USES)	**125,000**	**121,210**	**3,790-**

BAY COUNTY
LOCAL C.F.O. TRAINING FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
LOCAL C.F.O. TRAINING	25,000	24,790	210-
TOTAL CHARGES FOR SERVICES	**25,000**	**24,790**	**210-**
TOTAL REVENUES	**25,000**	**24,790**	**210-**

BAY COUNTY
LOCAL C.F.O. TRAINING FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY			
LOCAL C.F.O. TRAINING			
PERSONAL SERVICES	7,001	4,629	2,372
SUPPLIES	4,000	198	3,802
OTHER SERVICES AND CHARGES	13,999	642	13,357
TOTAL LOCAL C.F.O. TRAINING	25,000	5,469	19,531
TOTAL PUBLIC SAFETY	**25,000**	**5,469**	**19,531**
TOTAL EXPENDITURES	**25,000**	**5,469**	**19,531**

BAY COUNTY
DRUG LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FINES AND FORFEITS			
PROSECUTING ATTORNEY	0	13,061	13,061
SHERIFF DEPARTMENT	0	7,601	7,601
TOTAL FINES AND FORFEITS	**0**	**20,662**	**20,662**
TOTAL REVENUES	**0**	**20,662**	**20,662**

BAY COUNTY
DRUG LAW ENFORCEMENT FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY			
SECONDARY ROAD PATROL			
CAPITAL OUTLAY	21,435	21,435	0
TOTAL SECONDARY ROAD PATROL	21,435	21,435	0
TOTAL PUBLIC SAFETY	**21,435**	**21,435**	**0**
TOTAL EXPENDITURES	**21,435**	**21,435**	**0**

BAY COUNTY
LAW LIBRARY FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FINES AND FORFEITS			
LAW LIBRARY	6,500	6,500	0
TOTAL FINES AND FORFEITS	**6,500**	**6,500**	**0**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
LAW LIBRARY	0	13	13
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**0**	**13**	**13**
TOTAL REVENUES	**6,500**	**6,513**	**13**

BAY COUNTY
LAW LIBRARY FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT			
LAW LIBRARY			
SUPPLIES	800	60	740
OTHER SERVICES AND CHARGES	25,125	21,994	3,131
TOTAL LAW LIBRARY	25,925	22,054	3,871
TOTAL GENERAL GOVERNMENT	**25,925**	**22,054**	**3,871**
TOTAL EXPENDITURES	**25,925**	**22,054**	**3,871**

BAY COUNTY
LAW LIBRARY FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	19,425	19,425	0
TOTAL OTHER FINANCING SOURCES	**19,425**	**19,425**	**0**
NET OTHER FINANCING SOURCES (USES)	**19,425**	**19,425**	**0**

BAY COUNTY
COMMUNITY CORRECTIONS FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
COMMUNITY SERVICE WORK	9,500	9,795	295
TOTAL CHARGES FOR SERVICES	**9,500**	**9,795**	**295**
STATE GRANTS			
DRUG LAW ENFORCEMENT	219,730	202,253	17,477-
COMMUNITY CORRECTIONS PLAN	167,673	122,414	45,259-
TOTAL STATE GRANTS	**387,403**	**324,667**	**62,736-**
TOTAL REVENUES	**396,903**	**334,462**	**62,441-**

BAY COUNTY
COMMUNITY CORRECTIONS FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY			
DRUG LAW ENFORCEMENT			
OTHER SERVICES AND CHARGES	226,230	214,078	12,152
TOTAL DRUG LAW ENFORCEMENT	226,230	214,078	12,152
COMMUNITY SERVICE WORK			
OTHER SERVICES AND CHARGES	15,838	15,040	798
TOTAL COMMUNITY SERVICE WORK	15,838	15,040	798
COMMUNITY CORRECTIONS PLAN			
PERSONAL SERVICES	53,604	53,272	332
SUPPLIES	940	220	720
OTHER SERVICES AND CHARGES	117,384	77,489	39,895
TOTAL COMMUNITY CORRECTIONS PLAN	171,928	130,981	40,947
TOTAL PUBLIC SAFETY	**413,996**	**360,099**	**53,897**
TOTAL EXPENDITURES	**413,996**	**360,099**	**53,897**

BAY COUNTY
COMMUNITY CORRECTIONS FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	10,263	10,263	0
TOTAL OTHER FINANCING SOURCES	**10,263**	**10,263**	**0**
NET OTHER FINANCING SOURCES (USES)	**10,263**	**10,263**	**0**

BAY COUNTY
DIVISION ON AGING FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
ADMINISTRATION - DIV. ON AGING	6,380	4,626	1,754-
HEALTH PROMOTION	2,001	2,791	790
FEDERAL C1-CONGREGATE	800	1,356	556
TOTAL CHARGES FOR SERVICES	**9,181**	**8,773**	**408-**
FEDERAL GRANTS			
ADMINISTRATION - DIV. ON AGING	8,300	5,976	2,324-
HOMEMAKING	64,398	76,927	12,529
HEALTH PROMOTION	3,526	492-	4,018-
CASE COORDINATION	65,167	70,258	5,091
CAREGIVING TRAINING	24,671	21,226	3,445-
HOME DELIVERED MEALS-WEEKEND	17,174	17,420	246
FEDERAL C1-CONGREGATE	151,682	144,185	7,497-
MILLAGE MEAL SITES	1,017	1,063	46
HOME DELIVERED MEALS	309,896	314,483	4,587
SENIOR CENTER	10,283	7,108	3,175-
HOME DEL.MEALS-WEEKEND OCT-DEC	3,995	0	3,995-
TOTAL FEDERAL GRANTS	**660,109**	**658,154**	**1,955-**
INTERESTS, RENTS AND ROYALTIES			
ADMINISTRATION - DIV. ON AGING	1,000	32,049	31,049
TOTAL INTERESTS, RENTS AND ROYALTIES	**1,000**	**32,049**	**31,049**
STATE GRANTS			
IN-HOME RESPITE CARE	9,665	12,833	3,168
PERSONAL CARE	0	1,728	1,728
ADMINISTRATION - DIV. ON AGING	4,943	2,673	2,270-
HOMEMAKING	5,734	2,572	3,162-
HOME DELIVERED MEALS	67,427	70,069	2,642
TOTAL STATE GRANTS	**87,769**	**89,875**	**2,106**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
IN-HOME RESPITE CARE	9,950	2,492	7,458-
PERSONAL CARE	45,000	27,160	17,840-
ADMINISTRATION - DIV. ON AGING	925	4,723	3,798
HOMEMAKING	34,053	36,314	2,261
CAREGIVING TRAINING	40	37	3-
HOME DELIVERED MEALS-WEEKEND	2,824	3,606	782
FEDERAL C1-CONGREGATE	97,803	89,385	8,418-
MILLAGE MEAL SITES	7,400	7,645	245
HOME DELIVERED MEALS	146,355	167,793	21,438
HOME DEL.MEALS-WEEKEND OCT-DEC	920	0	920-
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**345,270**	**339,155**	**6,115-**
PROPERTY AND OTHER TAXES			
IN-HOME RESPITE CARE	20,377	4,181	16,196-

BAY COUNTY
DIVISION ON AGING FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL CARE	159,238	159,238	0
ADMINISTRATION - DIV. ON AGING	365,329	589,097	223,768
HOMEMAKING	133,081	102,691	30,390-
HEALTH PROMOTION	60	3,833	3,773
CASE COORDINATION	177,165	147,669	29,496-
CAREGIVING TRAINING	19,553	6,186	13,367-
FEDERAL C1-CONGREGATE	212,361	191,134	21,227-
MILLAGE MEAL SITES	16,764	14,222	2,542-
HOME DELIVERED MEALS	200,074	91,171	108,903-
SENIOR CENTER	5,063	3,483	1,580-
TOTAL PROPERTY AND OTHER TAXES	**1,309,065**	**1,312,905**	**3,840**
TOTAL REVENUES	**2,412,394**	**2,440,911**	**28,517**

BAY COUNTY
DIVISION ON AGING FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
IN-HOME RESPITE CARE			
PERSONAL SERVICES	36,492	16,610	19,882
OTHER SERVICES AND CHARGES	3,500	2,896	604
TOTAL IN-HOME RESPITE CARE	39,992	19,506	20,486
PERSONAL CARE			
PERSONAL SERVICES	282,517	247,690	34,827
SUPPLIES	4,125	3,675	450
OTHER SERVICES AND CHARGES	21,650	16,621	5,029
TOTAL PERSONAL CARE	308,292	267,986	40,306
ADMINISTRATION - DIV. ON AGING			
PERSONAL SERVICES	277,763	255,734	22,029
SUPPLIES	40,668	31,542	9,126
OTHER SERVICES AND CHARGES	81,711	63,534	18,177
CAPITAL OUTLAY	16,000	19,664	3,664-
TOTAL ADMINISTRATION - DIV. ON AGING	416,142	370,474	45,668
HOMEMAKING			
PERSONAL SERVICES	220,038	203,489	16,549
SUPPLIES	1,250	879	371
OTHER SERVICES AND CHARGES	15,996	14,881	1,115
TOTAL HOMEMAKING	237,284	219,249	18,035
HEALTH PROMOTION			
SUPPLIES	681	415	266
OTHER SERVICES AND CHARGES	4,906	5,741	835-
TOTAL HEALTH PROMOTION	5,587	6,156	569-
CASE COORDINATION			
PERSONAL SERVICES	207,785	205,875	1,910
SUPPLIES	2,909	799	2,110
OTHER SERVICES AND CHARGES	15,200	11,253	3,947
TOTAL CASE COORDINATION	225,894	217,927	7,967
CAREGIVING TRAINING			
PERSONAL SERVICES	38,452	26,156	12,296
SUPPLIES	1,518	530	988
OTHER SERVICES AND CHARGES	5,401	763	4,638
TOTAL CAREGIVING TRAINING	45,371	27,449	17,922
HOME DELIVERED MEALS-WEEKEND			
PERSONAL SERVICES	7,475	5,690	1,785

BAY COUNTY
DIVISION ON AGING FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES	11,988	8,052	3,936
OTHER SERVICES AND CHARGES	535	454	81
TOTAL HOME DELIVERED MEALS-WEEKEND	19,998	14,196	5,802
FEDERAL C1-CONGREGATE			
PERSONAL SERVICES	237,965	234,374	3,591
SUPPLIES	127,092	116,851	10,241
OTHER SERVICES AND CHARGES	81,789	62,468	19,321
CAPITAL OUTLAY	6,000	6,268	268-
TOTAL FEDERAL C1-CONGREGATE	452,846	419,961	32,885
MILLAGE MEAL SITES			
PERSONAL SERVICES	11,617	11,574	43
SUPPLIES	9,684	8,367	1,317
OTHER SERVICES AND CHARGES	3,880	2,990	890
TOTAL MILLAGE MEAL SITES	25,181	22,931	2,250
HOME DELIVERED MEALS			
PERSONAL SERVICES	368,014	339,773	28,241
SUPPLIES	310,050	279,785	30,265
OTHER SERVICES AND CHARGES	40,462	19,469	20,993
CAPITAL OUTLAY	0	5,030	5,030-
TOTAL HOME DELIVERED MEALS	718,526	644,057	74,469
SENIOR CENTER			
PERSONAL SERVICES	10,764	8,035	2,729
SUPPLIES	300	5	295
OTHER SERVICES AND CHARGES	4,282	2,614	1,668
TOTAL SENIOR CENTER	15,346	10,654	4,692
HOME DEL.MEALS-WEEKEND OCT-DEC			
PERSONAL SERVICES	2,491	0	2,491
SUPPLIES	2,224	0	2,224
OTHER SERVICES AND CHARGES	200	0	200
TOTAL HOME DEL.MEALS-WEEKEND OCT-DEC	4,915	0	4,915
TOTAL HEALTH AND WELFARE	**2,515,374**	**2,240,546**	**274,828**
TOTAL EXPENDITURES	**2,515,374**	**2,240,546**	**274,828**

BAY COUNTY
DIVISION ON AGING FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	98,763	79,860	18,903-
TRF IN-REV SHARE RES FND-SBT	24,238	24,238	0
TOTAL OTHER FINANCING SOURCES	**123,001**	**104,098**	**18,903-**
OTHER FINANCING USES			
TRANSFERS OUT TO OTHER FUNDS	20,916	20,416	500
TRF OUT-GENERL FD-INDIRECT CST	287,012	287,012	0
TOTAL OTHER FINANCING USES	**307,928**	**307,428**	**500**
NET OTHER FINANCING SOURCES (USES)	**184,927-**	**203,330-**	**18,403-**

BAY COUNTY
HOME REHABILITATION FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES			
REDEVELOPMENT AND HOUSING	0	330	330
TOTAL CHARGES FOR SERVICES	**0**	**330**	**330**
FEDERAL GRANTS			
REDEVELOPMENT AND HOUSING	192,000	131,085	60,915-
TOTAL FEDERAL GRANTS	**192,000**	**131,085**	**60,915-**
INTERESTS, RENTS AND ROYALTIES			
REDEVELOPMENT AND HOUSING	2,500	1,594	906-
TOTAL INTERESTS, RENTS AND ROYALTIES	**2,500**	**1,594**	**906-**
TOTAL REVENUES	**194,500**	**133,009**	**61,491-**

BAY COUNTY
HOME REHABILITATION FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
COMMUNITY/ECONOMIC DEVELOPMENT			
REDEVELOPMENT AND HOUSING			
PERSONAL SERVICES	24,871	11,829	13,042
SUPPLIES	1,530	203	1,327
OTHER SERVICES AND CHARGES	197,084	4,537	192,547
TOTAL REDEVELOPMENT AND HOUSING	223,485	16,569	206,916
REDEVELOP/HOUSING RECAPTURED			
SUPPLIES	50	0	50
OTHER SERVICES AND CHARGES	49,950	0	49,950
TOTAL REDEVELOP/HOUSING RECAPTURED	50,000	0	50,000
TOTAL COMMUNITY/ECONOMIC DEVELOPMENT	**273,485**	**16,569**	**256,916**
TOTAL EXPENDITURES	**273,485**	**16,569**	**256,916**

BAY COUNTY
SOCIAL WELFARE FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MI DEPT HUMAN SERV-BAY COUNTY	526,000	186,754	339,246-
MI DEPT HUMAN SERV-ARENAC CTY	106,000	88,648	17,352-
MI DEPT HUMAN SRV BD-ARENAC CT	9,353	4,874	4,479-
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**641,353**	**280,276**	**361,077-**
TOTAL REVENUES	**641,353**	**280,276**	**361,077-**

BAY COUNTY
SOCIAL WELFARE FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MI DEPT HUMAN SERV-BAY COUNTY			
OTHER SERVICES AND CHARGES	549,000	204,406	344,594
TOTAL MI DEPT HUMAN SERV-BAY COUNTY	549,000	204,406	344,594
MI DEPT HUMAN SERV BRD-BAY CTY			
PERSONAL SERVICES	2,025	1,485	540
OTHER SERVICES AND CHARGES	5,375	5,795	420-
TOTAL MI DEPT HUMAN SERV BRD-BAY CTY	7,400	7,280	120
MI DEPT HUMAN SERV-ARENAC CTY			
OTHER SERVICES AND CHARGES	106,000	88,670	17,330
TOTAL MI DEPT HUMAN SERV-ARENAC CTY	106,000	88,670	17,330
MI DEPT HUMAN SRV BD-ARENAC CT			
PERSONAL SERVICES	2,700	2,334	366
OTHER SERVICES AND CHARGES	6,653	2,666	3,987
TOTAL MI DEPT HUMAN SRV BD-ARENAC CT	9,353	5,000	4,353
TOTAL HEALTH AND WELFARE	**671,753**	**305,356**	**366,397**
TOTAL EXPENDITURES	**671,753**	**305,356**	**366,397**

BAY COUNTY
SOC. WELF.-PROTECTIVE SERVICES
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MI DEPT HUMAN SERV-BAY COUNTY	500	0	500-
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**500**	**0**	**500-**
TOTAL REVENUES	**500**	**0**	**500-**

BAY COUNTY
SOC. WELF.-PROTECTIVE SERVICES
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MI DEPT HUMAN SERV-BAY COUNTY			
OTHER SERVICES AND CHARGES	500	0	500
TOTAL MI DEPT HUMAN SERV-BAY COUNTY	500	0	500
TOTAL HEALTH AND WELFARE	**500**	**0**	**500**
TOTAL EXPENDITURES	**500**	**0**	**500**

BAY COUNTY
CHILD CARE FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FEDERAL GRANTS			
INSTIT.CARE-DET.FAC(JUV.HOME)	16,000	22,339	6,339
JUVENILE HOME SUBSTANCE ABUSE	12,000	11,560	440-
TOTAL FEDERAL GRANTS	**28,000**	**33,899**	**5,899**
INTERESTS, RENTS AND ROYALTIES			
INSTIT.CARE-DET.FAC(JUV.HOME)	3,000	2,700	300-
TOTAL INTERESTS, RENTS AND ROYALTIES	**3,000**	**2,700**	**300-**
STATE GRANTS			
JUV.COMMUNITY BASED TREATMENT	17,795	17,898	103
JUV.GENDER SPECIFIC SERVICES	15,400	18,119	2,719
TOTAL STATE GRANTS	**33,195**	**36,017**	**2,822**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
CHILD CARE-PROBATE (CHILD IN C	205,950	279,152	73,202
INSTIT.CARE-DET.FAC(JUV.HOME)	675,105	637,678	37,427-
JUVENILE HOME SUBSTANCE ABUSE	300,650	325,796	25,146
IN-HOME CARE-INTENSIVE PROBAT.	102,833	112,416	9,583
JUV.COMMUNITY BASED TREATMENT	74,921	75,280	359
JUV.GENDER SPECIFIC SERVICES	52,583	53,020	437
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**1,412,042**	**1,483,342**	**71,300**
TOTAL REVENUES	**1,476,237**	**1,555,958**	**79,721**

BAY COUNTY
CHILD CARE FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
CHILD CARE-PROBATE (CHILD IN C			
OTHER SERVICES AND CHARGES	423,600	532,067	108,467-
TOTAL CHILD CARE-PROBATE (CHILD IN C	423,600	532,067	108,467-
INSTIT.CARE-DET.FAC(JUV.HOME)			
PERSONAL SERVICES	900,393	898,989	1,404
SUPPLIES	41,050	37,498	3,552
OTHER SERVICES AND CHARGES	150,201	145,762	4,439
TOTAL INSTIT.CARE-DET.FAC(JUV.HOME)	1,091,644	1,082,249	9,395
JUVENILE HOME SUBSTANCE ABUSE			
PERSONAL SERVICES	226,195	222,533	3,662
SUPPLIES	17,589	16,337	1,252
OTHER SERVICES AND CHARGES	33,530	25,415	8,115
TOTAL JUVENILE HOME SUBSTANCE ABUSE	277,314	264,285	13,029
CHILD CARE-D.S.S. (STATE WARDS			
OTHER SERVICES AND CHARGES	226,000	194,861	31,139
TOTAL CHILD CARE-D.S.S. (STATE WARDS	226,000	194,861	31,139
IN-HOME CARE-INTENSIVE PROBAT.			
PERSONAL SERVICES	177,473	176,953	520
SUPPLIES	125	0	125
OTHER SERVICES AND CHARGES	6,985	5,047	1,938
TOTAL IN-HOME CARE-INTENSIVE PROBAT.	184,583	182,000	2,583
TOTAL HEALTH AND WELFARE	**2,203,141**	**2,255,462**	**52,321-**
RECREATION AND CULTURE			
JUV.COMMUNITY BASED TREATMENT			
PERSONAL SERVICES	132,304	130,836	1,468
SUPPLIES	2,110	2,062	48
OTHER SERVICES AND CHARGES	12,152	11,204	948
TOTAL JUV.COMMUNITY BASED TREATMENT	146,566	144,102	2,464
JUV.GENDER SPECIFIC SERVICES			
PERSONAL SERVICES	96,342	95,550	792
SUPPLIES	2,325	1,939	386
OTHER SERVICES AND CHARGES	8,077	6,953	1,124
TOTAL JUV.GENDER SPECIFIC SERVICES	106,744	104,442	2,302
TOTAL RECREATION AND CULTURE	**253,310**	**248,544**	**4,766**
DEBT SERVICE			
PRINCIPAL PAYMENTS	155,120	155,060	60
INTEREST PAYMENT	10,826	10,469	357

BAY COUNTY
CHILD CARE FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL DEBT SERVICE	**165,946**	**165,529**	**417**
TOTAL EXPENDITURES	**2,622,397**	**2,669,535**	**47,138-**

BAY COUNTY
CHILD CARE FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	1,319,174	1,319,174	0
TRSF IN-GEN FUND-CIGARETTE TAX	20,256	25,008	4,752
TOTAL OTHER FINANCING SOURCES	**1,339,430**	**1,344,182**	**4,752**
OTHER FINANCING USES			
TRF OUT-GENERL FD-INDIRECT CST	186,797	186,797	0
TOTAL OTHER FINANCING USES	**186,797**	**186,797**	**0**
NET OTHER FINANCING SOURCES (USES)	**1,152,633**	**1,157,385**	**4,752**

BAY COUNTY
CHILD CARE/SOCIAL SERVICES
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
MI DEPT HUMAN SERV-BAY COUNTY	3,750	1,116	2,634-
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**3,750**	**1,116**	**2,634-**
TOTAL REVENUES	**3,750**	**1,116**	**2,634-**

BAY COUNTY
CHILD CARE/SOCIAL SERVICES
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
MI DEPT HUMAN SERV-BAY COUNTY			
OTHER SERVICES AND CHARGES	7,500	2,232	5,268
TOTAL MI DEPT HUMAN SERV-BAY COUNTY	7,500	2,232	5,268
TOTAL HEALTH AND WELFARE	**7,500**	**2,232**	**5,268**
TOTAL EXPENDITURES	**7,500**	**2,232**	**5,268**

BAY COUNTY
VETERANS' TRUST FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
VETERANS' TRUST BOARD	40,000	29,820	10,180-
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**40,000**	**29,820**	**10,180-**
TOTAL REVENUES	**40,000**	**29,820**	**10,180-**

BAY COUNTY
VETERANS' TRUST FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
HEALTH AND WELFARE			
VETERANS' TRUST BOARD			
PERSONAL SERVICES	14,544	12,733	1,811
SUPPLIES	11,040	3,532	7,508
OTHER SERVICES AND CHARGES	14,416	13,795	621
TOTAL VETERANS' TRUST BOARD	40,000	30,060	9,940
TOTAL HEALTH AND WELFARE	**40,000**	**30,060**	**9,940**
TOTAL EXPENDITURES	**40,000**	**30,060**	**9,940**

BAY COUNTY
WILDLIFE RESTORATION FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RECREATION AND CULTURE			
WILDLIFE RESTORATION			
SUPPLIES	500	0	500
OTHER SERVICES AND CHARGES	1,500	0	1,500
TOTAL WILDLIFE RESTORATION	2,000	0	2,000
TOTAL RECREATION AND CULTURE	**2,000**	**0**	**2,000**
TOTAL EXPENDITURES	**2,000**	**0**	**2,000**

BAY COUNTY
WILDLIFE RESTORATION FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM GENERAL FUND	2,000	1,475	525-
TOTAL OTHER FINANCING SOURCES	**2,000**	**1,475**	**525-**
NET OTHER FINANCING SOURCES (USES)	**2,000**	**1,475**	**525-**

BAY COUNTY
HISTORICAL PRESERVATION FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
HISTORICAL PRESERVATION	0	56	56
TOTAL INTERESTS, RENTS AND ROYALTIES	**0**	**56**	**56**
PROPERTY AND OTHER TAXES			
HISTORICAL PRESERVATION	251,363	251,283	80-
TOTAL PROPERTY AND OTHER TAXES	**251,363**	**251,283**	**80-**
TOTAL REVENUES	**251,363**	**251,339**	**24-**

BAY COUNTY
HISTORICAL PRESERVATION FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RECREATION AND CULTURE			
HISTORICAL PRESERVATION			
OTHER SERVICES AND CHARGES	256,211	256,187	24
TOTAL HISTORICAL PRESERVATION	256,211	256,187	24
TOTAL RECREATION AND CULTURE	**256,211**	**256,187**	**24**
TOTAL EXPENDITURES	**256,211**	**256,187**	**24**

BAY COUNTY
HISTORICAL PRESERVATION FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRF IN-REV SHARE RES FND-SBT	4,848	4,848	0
TOTAL OTHER FINANCING SOURCES	**4,848**	**4,848**	**0**
NET OTHER FINANCING SOURCES (USES)	**4,848**	**4,848**	**0**

BAY COUNTY
BLDG AUTHORITY DEBT FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
INTERESTS, RENTS AND ROYALTIES			
BLDG AUTH-L.E.C. RENOVATION	0	219	219
BLDG AUTH-COURT FACILITIES	0	1	1
BLDG AUTH-LIBRARY PROJECT	5,000	12,927	7,927
BLDG AUTH-DEBT SRV,MH GRP HOME	275,200	287,081	11,881
TOTAL INTERESTS, RENTS AND ROYALTIES	**280,200**	**300,228**	**20,028**
REIMBURSEMENTS, REFUNDS AND OTHER REVENUES			
BLDG AUTH-LIBRARY PROJECT	1,270,014	1,265,654	4,360-
TOTAL REIMBURSEMENTS, REFUNDS AND OTHER REVENUES	**1,270,014**	**1,265,654**	**4,360-**
TOTAL REVENUES	**1,550,214**	**1,565,882**	**15,668**

BAY COUNTY
BLDG AUTHORITY DEBT FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
DEBT SERVICE			
BLDG AUTH-L.E.C. RENOVATION			
OTHER SERVICES AND CHARGES	0	0	0
TOTAL BLDG AUTH-L.E.C. RENOVATION	0	0	0
TOTAL DEBT SERVICE	**0**	**0**	**0**
DEBT SERVICE			
PRINCIPAL PAYMENTS	1,885,000	1,885,000	0
INTEREST PAYMENT	1,359,337	1,359,335	2
PAYING AGENT & CREMATION FEES	300	300	0
TOTAL DEBT SERVICE	**3,244,637**	**3,244,635**	**2**
TOTAL EXPENDITURES	**3,244,637**	**3,244,635**	**2**

BAY COUNTY
BLDG AUTHORITY DEBT FUND
SCHEDULE OF OTHER FINANCING SOURCES AND USES
YEAR ENDED DECEMBER 31, 2005

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES			
TRANSFERS IN FROM OTHER FUNDS	649	650	1
TRANSFERS IN FROM GENERAL FUND	1,731,364	1,731,363	1-
TOTAL OTHER FINANCING SOURCES	**1,732,013**	**1,732,013**	**0**
NET OTHER FINANCING SOURCES (USES)	**1,732,013**	**1,732,013**	**0**