



**BARRY COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Governmental Funds	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	19
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with the Statement of Activities	20
Proprietary Funds	
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Fiduciary Funds	
Statement of Fiduciary Net Position	25
Component Units	
Combining Statement of Net Position - Discretely Presented Component Units	26
Combining Statement of Activities - Discretely Presented Component Units	27
Notes to the Financial Statements	29
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: General Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: Central Dispatch	69
Schedule of Changes in Net Pension Liability and Related Ratios - MERS	70
Schedule of Contributions - MERS	71
Schedule of Changes in Net Pension Liability and Related Ratios - Barry County Retiree Healthcare Plan	72
Schedule of Contributions - Barry County Retiree Healthcare Plan	73

TABLE OF CONTENTS

Page

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

General Fund

General Fund Combining Balance Sheet	75
General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	76

Nonmajor Governmental Funds

Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	82

Nonmajor Enterprise Funds

Combining Statement of Net Position	87
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	88
Combining Statement of Cash Flows	89

Internal Service Funds

Combining Statement of Net Position	91
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	93
Combining Statement of Cash Flows	95

Barry County Economic Development Board - Discretely Presented Component Unit

Statement of Activities	99
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	100

Barry County Airport Commission - Discretely Presented Component Unit

Statement of Net Position	101
Statement of Activities	102
Balance Sheet - Governmental Fund	103
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	104
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	105
Reconciliation of Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance with the Statement of Activities	106

Barry County Drain Commission - Discretely Presented Component Unit

Statement of Net Position	107
Statement of Activities	108
Balance Sheet - Governmental Funds	109
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	110
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	111
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with the Statement of Activities	112

Barry County Board of Public Works - Discretely Presented Component Unit

Statement of Net Position	113
Statement of Activities	114
Balance Sheet - Governmental Funds	115
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	116
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	117
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance with the Statement of Activities	118

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Barry County
Hastings, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Barry County, Michigan* (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Barry County Road Commission, which represents 69.9% of the assets and deferred outflows, 78.1% of the net position, and 77.9% of the revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Barry County Road Commission is based solely on the report 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 from material misstatement. The financial statements of the Barry County Road Commission were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report 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, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC
Grand Rapids, MI
May 8, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Barry County
Management's Discussion and Analysis
December 31, 2019

As management of **Barry County, Michigan** (the "County" or "government") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

Key metrics and financial highlights of the County for the year ended December 31, 2019 are as follows:

- The assets and deferred outflows of resources of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,754,945 (net position), an increase of \$1,868,635.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,722,447, an increase of \$426,699 in comparison with the prior year. Of the fund balance amount, \$2,210,910 is available for spending at the government's discretion (unassigned fund balance).
- Total fund balance for the general fund was \$4,781,109, an increase of \$516,769. At the end of the year, the unassigned portion of the fund balance in the general fund was \$2,210,910, or approximately 13.4% of total general fund expenditures and net transfers out for the prior year.
- The County's investment in capital assets was \$35,215,095 at the end of the year, which compares to \$34,938,492 at the end of the prior year.
- The County's total long-term installment debt decreased by \$1,595,288 during the year, from \$15,660,549 to \$14,065,261 as of year-end. This is a result of scheduled debt service payments made during the year of \$1,480,000 and amortization of bond premiums for another \$115,288.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, public safety, public works, health and welfare, recreation and cultural, and community and economic development activities. The business-type activities of the County include delinquent tax administration, operation of a medical care facility, jail commissary, and operation of a transit system.

The government-wide financial statements include not only the County itself (known as the *primary government*) , but also the legally separate Barry County Road Commission, Drainage Districts, Board of Public Works, Economic Development Board, and Airport Commission, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Barry 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and central dispatch special revenue fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds. The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Barry County uses enterprise funds to account for its delinquent tax collection and administration, Thornapple Manor medical care facility, transit system, and jail commissary.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its data processing, telephone systems, fleet of vehicles, insurance, and fringe benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent tax umbrella fund, 2018 delinquent tax revolving fund, and Thornapple Manor fund, which are considered to be major funds of the County.

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.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis, budgetary comparison schedules, and the schedules for the County pension and other postemployment benefits plans.

The combining statements and schedules referred to earlier in connection with nonmajor funds are presented following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Summary information on the County assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position is as follows:

Barry County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 17,953,645	\$ 17,169,803	\$ 14,300,662	\$ 14,309,099	\$ 32,254,307	\$ 31,478,902
Receivables, net	6,062,552	5,528,018	4,456,506	4,173,580	10,519,058	9,701,598
Due from other governments	930,576	1,340,009	126,428	290,173	1,057,004	1,630,182
Other assets	1,032,542	892,039	307,734	112,532	1,340,276	1,004,571
Total Current Assets	25,979,315	24,929,869	19,191,330	18,885,384	45,170,645	43,815,253
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	3,121,198	2,734,208	1,019,523	15,540	4,140,721	2,749,748
Capital assets being depreciated, net	9,930,170	10,156,721	21,144,204	22,032,023	31,074,374	32,188,744
Net OPEB asset	386,574	380,008	57,859	56,544	444,433	436,552
Total Assets	39,417,257	38,200,806	41,412,916	40,989,491	80,830,173	79,190,297
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	827,684	3,925,939	2,596,494	1,091,416	3,424,178	5,017,355
OPEB related deferred outflows	15,557	17,121	906	989	16,463	18,110
Deferred charges on refunding	385,706	459,175	-	-	385,706	459,175
Total Deferred Outflows of Resources	1,228,947	4,402,235	2,597,400	1,092,405	3,826,347	5,494,640
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	254,829	342,578	870,866	621,902	1,125,695	964,480
Accrued and other liabilities	434,464	384,254	1,058,019	932,163	1,492,483	1,316,417
Unearned revenue	124,008	210,069	-	-	124,008	210,069
Current portion of long-term debt	1,430,288	1,345,288	250,000	250,000	1,680,288	1,595,288
Current portion of compensated absences	230,891	221,557	199,086	197,762	429,977	419,319
Internal balances	(494,635)	(552,749)	494,635	552,749	-	-
Total Current Liabilities	1,979,845	1,950,997	2,872,606	2,554,576	4,852,451	4,505,573
<i>Noncurrent Liabilities</i>						
Compensated absences	502,096	481,799	386,460	383,891	888,556	865,690
Net pension liability	12,359,163	15,507,180	3,431,253	883,974	15,790,416	16,391,154
Long-term debt	8,059,973	9,490,261	4,325,000	4,575,000	12,384,973	14,065,261
Total Liabilities	22,901,077	27,430,237	11,015,319	8,397,441	33,916,396	35,827,678
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	143,548	215,323	516,560	1,048,861	660,108	1,264,184
OPEB related deferred inflows	342,948	390,450	43,704	48,755	386,652	439,205
Property taxes levied for subsequent year	4,938,419	4,267,560	-	-	4,938,419	4,267,560
Total Deferred Inflows of Resources	5,424,915	4,873,333	560,264	1,097,616	5,985,179	5,970,949
NET POSITION						
Net investment in capital assets	12,901,368	12,665,929	17,588,727	17,222,563	30,490,095	29,888,492
Restricted	5,054,761	5,202,198	-	314,018	5,054,761	5,516,216
Unrestricted	(5,635,917)	(7,568,656)	14,846,006	15,050,258	9,210,089	7,481,602
Total Net Position	\$ 12,320,212	\$ 10,299,471	\$ 32,434,733	\$ 32,586,839	\$ 44,754,945	\$ 42,886,310

A portion of the County's net position is unrestricted and available for future operations, while a significant portion of net position relates to its investment in capital assets (e.g., land and improvements, construction in progress, buildings and improvements, vehicles, machinery, equipment, and infrastructure), 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 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.

Significant changes from the prior year include:

- Pension related deferred outflows decreased from \$3,925,939 to \$827,684 within governmental activities because of the amortization of prior year investment losses and by the better than estimated earnings on pension assets during 2019. The difference between expected and actual 2019 investment earnings will be amortized over the next four years and will be included as a reduction of future pension expense.
- Net pension liability decreased from \$15,507,180 to \$12,359,163 within governmental activities for the same reason that pension related deferred outflows decreased. Stronger than estimated market returns during the year decreased the County's pension liability. In addition, the County made a voluntary \$500,000 payment to further reduce its net pension liability during the year.

Barry County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for services	\$ 2,865,353	\$ 2,996,722	\$ 20,808,424	\$ 19,700,008	\$ 23,673,777	\$ 22,696,730
Operating grants and contributions	4,755,915	4,052,107	1,023,831	1,111,202	5,779,746	5,163,309
General Revenues						
Taxes	16,407,429	15,979,118	526,820	505,236	16,934,249	16,484,354
Intergovernmental	1,182,742	1,172,036	-	-	1,182,742	1,172,036
Interest revenue	421,769	65,410	113,554	59,518	535,323	124,928
Total Revenues	25,633,208	24,265,393	22,472,629	21,375,964	48,105,837	45,641,357
Expenses						
General government	9,566,894	8,914,405	-	-	9,566,894	8,914,405
Public safety	8,681,733	8,954,971	-	-	8,681,733	8,954,971
Public works	110,318	212,405	-	-	110,318	212,405
Health and welfare	4,405,143	4,166,359	-	-	4,405,143	4,166,359
Community and economic development	470,921	394,263	-	-	470,921	394,263
Recreation and cultural	639,121	699,206	-	-	639,121	699,206
Interest on long-term debt	327,137	365,443	-	-	327,137	365,443
Delinquent tax administration	-	-	36,899	42,531	36,899	42,531
Thornapple Manor	-	-	20,059,504	19,271,953	20,059,504	19,271,953
Other	-	-	1,939,532	2,075,175	1,939,532	2,075,175
Total Expenses	24,201,267	23,707,052	22,035,935	21,389,659	46,237,202	45,096,711
Changes in Net Position Before Transfers	1,431,941	558,341	436,694	(13,695)	1,868,635	544,646
Transfers In (Out)	588,800	593,075	(588,800)	(593,075)	-	-
Changes in Net Position	2,020,741	1,151,416	(152,106)	(606,770)	1,868,635	544,646
<i>Net Position at the Beginning of Period</i>	<i>10,299,471</i>	<i>9,148,055</i>	<i>32,586,839</i>	<i>33,193,609</i>	<i>42,886,310</i>	<i>42,341,664</i>
Net Position at the End of Period	\$ 12,320,212	\$ 10,299,471	\$ 32,434,733	\$ 32,586,839	\$ 44,754,945	\$ 42,886,310

Net position of the County increased by \$1,868,635 during the year. The governmental activities increased by \$2,020,741. The business-type activities decrease of \$152,106 when compared to the prior year is due primarily to an increase in the transfers in of the delinquent tax umbrella fund.

Significant items to note during the year include:

- Operating grants and contributions within governmental activities increased by \$703,808 compared to the prior year primarily because of increased caseloads in indigent defense and childcare.

- Tax revenue increased by \$449,895 due primarily to increased taxable values.
- Interest revenue increased by \$410,395 as a result of improved investment market returns during 2019 compared to 2018.

Governmental Activities

During the year, the County invested \$9,566,894, or 40%, of governmental activities expenses to general government activities. Health and welfare expenses totaled \$4,405,143, or 18%, of governmental activities. Public safety expenses totaled \$8,681,733, or 36%, of governmental activities expenses. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 6% of governmental activities expenses. In the current year, overall expenses increased by \$494,215, or 2.08%, consistent with inflation.

Business-type activities

Business type activities decreased the County's net position by \$152,106. The cause of this decrease is described above.

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,722,447, an increase of \$426,699 in comparison with the prior year. The overall increase in fund balance is described later in this analysis. Approximately 15.0% of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is *restricted* (\$5,023,836, or 34.1%), *committed* (\$7,321,264, or 49.7%), or *assigned* (\$60,000, or 0.4%) to indicate that it cannot be used at the County's discretion, or it is *nonspendable* (\$106,437, or 0.8%) because it has already been committed, in this case, for long-term advances to other funds or cemetery perpetual care.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,210,910. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 13.4% of total general fund expenditures and transfers out.

As in previous years, the surplus in the County's traditional general fund (fund 101) was transferred to other funds of the government, as approved by Board Resolution.

The central dispatch fund ended the year with fund balance of \$1,453,052, which was a decrease of \$29,606 from the prior year. This slight decrease was a significant improvement over the final amended budget which showed a decrease in fund balance of \$275,968.

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

Net position of the enterprise funds decreased \$152,106. Key elements of this change have been addressed elsewhere in this analysis.

The 2018 delinquent tax revolving fund ended the year with net position of \$401,116, an overall increase of \$400,338, which is the result of the delinquent tax settlement process.

The delinquent tax umbrella fund ended the year with net position of \$8,395,225, which was an increase of \$145,375. This increase is because of a \$593,912 transfer in from the 2016 delinquent tax revolving fund and a transfer out to the general fund of \$588,800.

The Thornapple Manor fund ended the year with net position of \$17,851,253. This is a decrease of \$580,981 from the prior year.

General Fund Budgetary Highlights

- Overall, revenues were consistent with amounts budgeted, with less than a 1.7% difference between the final budget and actual revenues.
- Expenditures for the trial court came in under budget by approximately \$92,000. This was the result of prudent fiscal management by the trial court judges, administrator, and staff.
- Other expenditures came in under budget due primarily to contingency that was budgeted for unforeseen expenditures not needing to be utilized.

The County incurred the following trivial expenditures in excess of the amounts appropriated during the year ended December 31, 2019:

	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General Fund			
Secondary road patrol	\$ 120,752	\$ 121,844	\$ (1,092)
Emergency services	130,187	132,685	(2,498)

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, 2019, amounted to \$35,215,095 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery, equipment, and vehicles.

Major capital asset events during the current fiscal year included the purchase of central dispatch software, jail software and various improvements to County buildings such as the courthouse, animal shelter. The vehicle fund also purchased five vehicles and one boat for various uses.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,734,208	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208	\$ 2,734,208
Construction in progress	386,990	-	1,019,523	15,540	1,406,513	15,540
Land improvements	366,214	406,305	1,148,853	1,220,775	1,515,067	1,627,080
Buildings and improvements	7,985,618	8,024,110	18,219,721	18,877,993	26,205,339	26,902,103
Equipment and vehicles	1,578,338	1,726,306	1,775,630	1,933,255	3,353,968	3,659,561
Total	\$ 13,051,368	\$ 12,890,929	\$ 22,163,727	\$ 22,047,563	\$ 35,215,095	\$ 34,938,492

Additional information on the County's capital assets can be found in Note 5 of this report. Capital asset information for business-type activities consist of the Thornapple Manor Medical Facility and Barry County Transit, both separately audited units and, accordingly, are not included within the County's footnotes.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding, exclusive of compensated absences, of \$14,065,261. Of this amount, \$9,490,261 was debt of governmental activities and \$4,575,000 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 9,490,261	\$ 10,835,549	\$ -	\$ -	\$ 9,490,261	\$ 10,835,549
Capital lease payable	-	-	4,575,000	4,825,000	4,575,000	4,825,000
Total	\$ 9,490,261	\$ 10,835,549	\$ 4,575,000	\$ 4,825,000	\$ 14,065,261	\$ 15,660,549

Additional information on the County's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2020:

- The County will continue to rely on state revenue sharing to support general fund expenditures.

- The Courts, Elected Officials, and Department Directors will continue to be fiscally prudent, managing their expenditures within or below budget allowing surplus general funds to be transferred to capital replacement funds.
- Property tax revenue is expected to increase slightly over the previous year.
- Pension costs will continue to rise in the near term as a result of actuarial assumption changes implemented by the Municipal Employees Retirement System Board.
- Pension costs are expected to decrease and level off over the long term as a result of the implementation of the hybrid plan for new hires effective in 2012.

In order to maintain long-term financial stability, the County will continue to adopt realistic and balanced budgets for all funds that and manage them such that actual expenditures do not exceed actual revenues in any given year.

Requests for Information

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

Barry County Administrator
220 W. State St.
Hastings, MI, 49058
Phone | 269.945.1284

BASIC FINANCIAL STATEMENTS

Barry County
Statement of Net Position
December 31, 2019

	Primary Government			
	Governmental	Business-type	Total	Component Units
	Activities	Activities		
ASSETS				
<i>Current Assets</i>				
Cash and investments	\$ 17,953,645	\$ 13,982,504	\$ 31,936,149	\$ 4,284,750
Restricted cash	--	318,158	318,158	--
Accounts receivable	35,663	1,900,788	1,936,451	388,275
Special assessment receivable	--	--	--	637,427
Taxes receivable	4,589,827	2,555,718	7,145,545	--
Due from component unit	518,500	--	518,500	--
Loans receivable, net	918,562	--	918,562	--
Due from other governments	930,576	126,428	1,057,004	1,748,890
Other assets	1,032,542	210,773	1,243,315	--
Inventories	--	96,961	96,961	2,129,764
Total Current Assets	25,979,315	19,191,330	45,170,645	9,189,106
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	3,121,198	1,019,523	4,140,721	18,569,150
Capital assets being depreciated, net	9,930,170	21,144,204	31,074,374	30,776,385
Long-term receivables	--	--	--	5,049,466
Net OPEB asset	386,574	57,859	444,433	37,120
Total Assets	39,417,257	41,412,916	80,830,173	63,621,227
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	15,557	906	16,463	--
Pension	827,684	2,596,494	3,424,178	--
Deferred charges on refunding	385,706	--	385,706	16,112
Total Deferred Outflows of Resources	1,228,947	2,597,400	3,826,347	16,112
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	254,829	870,866	1,125,695	178,398
Accrued liabilities	347,114	1,034,573	1,381,687	485,165
Unearned revenue	124,008	--	124,008	--
Due to primary government	--	--	--	518,500
Due to other governments	--	23,446	23,446	--
Current portion of long-term debt	1,430,288	250,000	1,680,288	1,340,895
Current portion of compensated absences	230,891	199,086	429,977	366,633
Accrued interest	87,350	--	87,350	63,892
Internal balances	(494,635)	494,635	--	--
Total Current Liabilities	1,979,845	2,872,606	4,852,451	2,953,483
<i>Noncurrent Liabilities</i>				
Compensated absences	502,096	386,460	888,556	--
Net pension liability	12,359,163	3,431,253	15,790,416	--
Long-term debt	8,059,973	4,325,000	12,384,973	9,213,384
Total Liabilities	22,901,077	11,015,319	33,916,396	12,166,867
DEFERRED INFLOWS OF RESOURCES				
OPEB	342,948	43,704	386,652	--
Pension	143,548	516,560	660,108	--
Revenues intended to finance a subsequent year	4,938,419	--	4,938,419	--
Total Deferred Inflows of Resources	5,424,915	560,264	5,985,179	--
NET POSITION				
Net investment in capital assets	12,901,368	17,588,727	30,490,095	44,102,188
<i>Restricted for:</i>				
Health and welfare programs	1,187,649	--	1,187,649	--
Public safety programs	2,262,043	--	2,262,043	--
Judicial programs	98,174	--	98,174	--
Housing rehabilitation loans	1,034,989	--	1,034,989	--
Other state-mandated programs	126,736	--	126,736	--
Debt service	313,752	--	313,752	85,893
Capital projects	--	--	--	1,679,077
Cemetery perpetual care (nonexpendable)	30,925	--	30,925	--
Cemetery perpetual care (expendable)	493	--	493	--
<i>Unrestricted</i>	(5,635,917)	14,846,006	9,210,089	5,603,314
Total Net Position	\$ 12,320,212	\$ 32,434,733	\$ 44,754,945	\$ 51,470,472

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Activities
For the year Ended December 31, 2019

		Program Revenues			Net (Expense) Revenue				
			Operating	Capital Grants	Primary Government				
Functions/Programs	Expenses	Charges for	Grants and	and	Governmental	Business-type	Total	Component	
		Services	Contributions	Contributions	Activities	Activities		Units	
Primary Government									
Governmental Activities:									
General government	\$ 9,566,894	\$ 1,828,581	\$ 3,011,798	\$ --	\$ (4,726,515)	\$ --	\$ (4,726,515)	\$ --	
Public safety	8,681,733	613,840	513,986	--	(7,553,907)	--	(7,553,907)	--	
Public works	110,318	80,612	--	--	(29,706)	--	(29,706)	--	
Health and welfare	4,405,143	236,591	1,184,587	--	(2,983,965)	--	(2,983,965)	--	
Community and economic development	470,921	--	--	--	(470,921)	--	(470,921)	--	
Recreation and cultural	639,121	105,729	45,544	--	(487,848)	--	(487,848)	--	
Interest on long-term debt	327,137	--	--	--	(327,137)	--	(327,137)	--	
Total Governmental Activities	24,201,267	2,865,353	4,755,915	--	(16,579,999)	--	(16,579,999)	--	
Business-type Activities:									
Delinquent Tax Administration	36,899	691,818	--	--	--	654,919	654,919	--	
Foreclosure Fund	500	276,717	--	--	--	276,217	276,217	--	
Jail Commissary	120,935	91,070	--	--	--	(29,865)	(29,865)	--	
Thornapple Manor	20,059,504	19,478,523	--	--	--	(580,981)	(580,981)	--	
Barry County Transit (9/30/19)	1,818,097	270,296	1,023,831	--	--	(523,970)	(523,970)	--	
Total Business-type Activities	22,035,935	20,808,424	1,023,831	--	--	(203,680)	(203,680)	--	
Total Primary Government	\$ 46,237,202	\$ 23,673,777	\$ 5,779,746	\$ --	\$ (16,579,999)	\$ (203,680)	\$ (16,783,679)	--	
Component Units									
Aggregate Component Units	\$ 12,008,273	\$ 1,283,382	\$ 9,307,659	\$ 2,897,319	--	--	--	1,480,087	
Total Component Units	\$ 12,008,273	\$ 1,283,382	\$ 9,307,659	\$ 2,897,319	--	--	--	1,480,087	
General Purpose Revenues and Transfers:									
Revenues									
Taxes					16,407,429	526,820	16,934,249	--	
Intergovernmental					1,182,742	--	1,182,742	--	
Interest income					421,769	113,554	535,323	11,751	
Transfers					588,800	(588,800)	--	--	
Total General Revenues and Transfers					18,600,740	51,574	18,652,314	11,751	
Change in Net Position					2,020,741	(152,106)	1,868,635	1,491,838	
Net Position at Beginning of Period (Restated, Note 14)					10,299,471	32,586,839	42,886,310	49,978,634	
Net Position at End of Period					\$ 12,320,212	\$ 32,434,733	\$ 44,754,945	\$ 51,470,472	

The Notes to the Financial Statements are an integral part of these Financial Statements

**Barry County
Balance Sheet
Governmental Funds
December 31, 2019**

	<u>Special Revenue</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Central Dispatch</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
ASSETS				
Cash and investments	\$ 3,656,513	\$ 1,643,281	\$ 7,575,322	\$ 12,875,116
Accounts receivable	--	--	35,663	35,663
Taxes receivable	206,802	1,585,653	2,797,372	4,589,827
Due from component unit	500,000	--	18,500	518,500
Loans receivable, net	--	--	918,562	918,562
Due from other governments	86,992	58,851	784,733	930,576
Due from other funds	619,193	--	--	619,193
Advance to other funds	75,512	--	--	75,512
<i>Total Assets</i>	<u>\$ 5,145,012</u>	<u>\$ 3,287,785</u>	<u>\$ 12,130,152</u>	<u>\$ 20,562,949</u>
LIABILITIES				
Accounts payable	\$ 146,081	\$ 9,913	\$ 78,033	\$ 234,027
Accrued liabilities	217,822	37,708	88,448	343,978
Unearned revenue	--	--	124,008	124,008
Due to other funds	--	--	124,558	124,558
Advance from other funds	--	--	75,512	75,512
<i>Total Liabilities</i>	<u>363,903</u>	<u>47,621</u>	<u>490,559</u>	<u>902,083</u>
DEFERRED INFLOWS OF RESOURCES				
Revenues intended to finance a subsequent year	--	1,787,112	3,151,307	4,938,419
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>363,903</u>	<u>1,834,733</u>	<u>3,641,866</u>	<u>5,840,502</u>
FUND BALANCE				
Nonspendable	75,512	--	30,925	106,437
Restricted	--	1,453,052	3,570,784	5,023,836
Committed	2,434,687	--	4,886,577	7,321,264
Assigned	60,000	--	--	60,000
Unassigned	2,210,910	--	--	2,210,910
<i>Total Fund Balance</i>	<u>4,781,109</u>	<u>1,453,052</u>	<u>8,488,286</u>	<u>14,722,447</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 5,145,012</u>	<u>\$ 3,287,785</u>	<u>\$ 12,130,152</u>	<u>\$ 20,562,949</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Total Fund Balance - Governmental Funds	\$ 14,722,447
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.	5,915,746
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(87,350)
General government capital assets of \$25,186,358, net of accumulated depreciation of \$12,996,145, are not financial resources and, accordingly, are not reported in the funds.	12,190,213
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(732,987)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This represents long-term debt payable of \$8,885,000 plus bond premiums of \$605,261 less deferred charges on long-term debt of \$385,706.	(9,104,555)
The net OPEB asset is not due and payable in the current period; therefore, the asset and related deferred inflows/outflows are not reported in the funds.	59,183
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.	(11,675,027)
Prepaid costs related to self-insurance programs do not represent current period costs and, therefore, are not reported in the fund financial statements.	1,032,542
Total Net Position - Governmental Activities	\$ <u>12,320,212</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the year Ended December 31, 2019

	<u>Special Revenue</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Central Dispatch</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Revenues				
Taxes	\$ 12,133,354	\$ 1,497,383	\$ 2,776,692	\$ 16,407,429
Intergovernmental	1,998,592	221,838	4,028,047	6,248,477
Licenses and permits	91,947	--	42,514	134,461
Charges for services	1,801,833	--	499,822	2,301,655
Fines and forfeitures	29,356	--	7,000	36,356
Interest and rentals	330,314	43,067	30,737	404,118
Other revenues	3,787	338	4,209	8,334
Total Revenues	16,389,183	1,762,626	7,389,021	25,540,830
Expenditures				
General government	6,257,523	--	2,760,587	9,018,110
Public safety	5,973,677	1,791,313	407,987	8,172,977
Public works	14,688	--	95,630	110,318
Health and welfare	1,279,489	--	2,982,856	4,262,345
Community and economic development	443,123	--	--	443,123
Recreation and cultural	46,598	--	554,940	601,538
Other	631,581	--	--	631,581
Debt service, principal	--	--	1,230,000	1,230,000
Debt service, interest	--	--	377,619	377,619
Capital outlay	--	--	23,107	23,107
Total Expenditures	14,646,679	1,791,313	8,432,726	24,870,718
Excess of Revenues Over				
(Under) Expenditures	1,742,504	(28,687)	(1,043,705)	670,112
Other Financing Sources (Uses)				
Sale of capital assets	--	--	31,828	31,828
Transfers in	588,800	--	954,621	1,543,421
Transfers out	(1,814,535)	(919)	(3,208)	(1,818,662)
Net Other Financing Sources (Uses)	(1,225,735)	(919)	983,241	(243,413)
Net Change in Fund Balance	516,769	(29,606)	(60,464)	426,699
Fund Balance at Beginning of Period	4,264,340	1,482,658	8,548,750	14,295,748
Fund Balance at End of Period	\$ 4,781,109	\$ 1,453,052	\$ 8,488,286	\$ 14,722,447

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the year Ended December 31, 2019

Total Net Change in Fund Balances - Governmental Funds	\$ 426,699
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.	(393)
Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$688,462 exceeds depreciation expense of \$639,870 and disposals of \$32,792.	15,800
Changes to accrued interest, bond premiums, and deferred charges on refunding are not shown in the fund financial statements. This is the amount by which the changes in bond premium of \$115,288 and accrued interest of \$8,663 exceeds the change in deferred charges on refunding of \$73,469.	50,482
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(29,631)
The statement of activities reports changes to net OPEB asset and OPEB related deferrals as OPEB income or expense; however, the revenues or expenditures recorded on the governmental funds equals actual OPEB contributions.	52,504
The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.	121,537
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is principal payments on long-term debt of \$1,230,000.	1,230,000
Net change in estimate for incurred-but-not-reported self-insurance claims and deposits with third-party providers to fund such claims.	153,743
Changes in Net Position - Governmental Activities	\$ <u>2,020,741</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds					Governmental
	2018 Delinquent Tax Revolving	Delinquent Tax Umbrella	Thornapple Manor	Other Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 118,362	\$ 7,112,424	\$ 2,134,274	\$ 4,617,444	\$ 13,982,504	\$ 5,078,529
Restricted cash	--	--	318,158	--	318,158	--
Accounts receivable	--	--	1,863,023	37,765	1,900,788	--
Taxes receivable	1,534,294	36,801	--	984,623	2,555,718	--
Due from other governments	--	--	--	126,428	126,428	--
Other assets	--	--	210,773	--	210,773	--
Inventories	--	--	96,961	--	96,961	--
Due from other funds	--	1,246,000	--	--	1,246,000	--
Total Current Assets	1,652,656	8,395,225	4,623,189	5,766,260	20,437,330	5,078,529
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	--	--	36,865	982,658	1,019,523	164,983
Capital assets being depreciated, net	--	--	20,646,476	497,728	21,144,204	696,172
Net OPEB asset	--	--	--	57,859	57,859	--
Total Assets	1,652,656	8,395,225	25,306,530	7,304,505	42,658,916	5,939,684
DEFERRED OUTFLOWS OF RESOURCES						
OPEB	--	--	--	906	906	--
Pension	--	--	2,365,089	231,405	2,596,494	--
Total Deferred Outflows of Resources	--	--	2,365,089	232,311	2,597,400	--
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	--	697,471	173,395	870,866	20,802
Accrued liabilities	--	--	966,102	68,471	1,034,573	3,136
Due to other governments	5,540	--	--	17,906	23,446	--
Current portion of long-term debt	--	--	250,000	--	250,000	--
Current portion of compensated absences	--	--	199,086	--	199,086	--
Due to other funds	1,246,000	--	--	494,635	1,740,635	--
Total Current Liabilities	1,251,540	--	2,112,659	754,407	4,118,606	23,938
<i>Noncurrent Liabilities</i>						
Compensated absences	--	--	386,460	--	386,460	--
Net pension liability	--	--	2,526,437	904,816	3,431,253	--
Long-term debt	--	--	4,325,000	--	4,325,000	--
Total Liabilities	1,251,540	--	9,350,556	1,659,223	12,261,319	23,938
DEFERRED INFLOWS OF RESOURCES						
OPEB	--	--	--	43,704	43,704	--
Pension	--	--	469,810	46,750	516,560	--
Total Deferred Inflows of Resources	--	--	469,810	90,454	560,264	--
NET POSITION						
Net investment in capital assets	--	--	16,108,341	1,480,386	17,588,727	861,155
<i>Unrestricted</i>	401,116	8,395,225	1,742,912	4,306,753	14,846,006	5,054,591
Total Net Position	\$ 401,116	\$ 8,395,225	\$ 17,851,253	\$ 5,787,139	\$ 32,434,733	\$ 5,915,746

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year Ended December 31, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	2018 Delinquent Tax Revolving	Delinquent Tax Umbrella	Thornapple Manor	Other Enterprise Funds	Total Enterprise Funds	
Operating Revenues						
Charges for services	\$ 164,688	\$ 59,459	\$ 19,473,523	\$ 684,220	\$ 20,381,890	\$ 4,894,407
Interest and penalties on delinquent taxes	240,799	9,555	--	171,180	421,534	--
Total Operating Revenues	405,487	69,014	19,473,523	855,400	20,803,424	4,894,407
Operating Expenses						
Administrative	--	--	1,442,044	506,287	1,948,331	--
Operations	6,881	4,238	16,556,532	1,208,213	17,775,864	5,588,026
Maintenance	--	--	946,206	83,479	1,029,685	--
Depreciation	--	--	944,990	163,442	1,108,432	233,533
Total Operating Expenses	6,881	4,238	19,889,772	1,961,421	21,862,312	5,821,559
Operating Income (Loss)	398,606	64,776	(416,249)	(1,106,021)	(1,058,888)	(927,152)
Non-Operating Revenues (Expenses)						
Taxes	--	--	--	526,820	526,820	--
Intergovernmental revenues	--	--	--	1,023,831	1,023,831	--
Interest income	310	75,487	--	37,757	113,554	21,389
Gain on sale of capital assets	--	--	5,000	--	5,000	18,549
Other revenue	--	--	--	--	--	22,780
Interest expense	--	--	(145,050)	--	(145,050)	--
Other non-operating expense	--	--	(24,682)	--	(24,682)	--
Loss on sale of capital assets	--	--	--	(3,891)	(3,891)	--
Net Non-Operating Revenues (Expenses)	310	75,487	(164,732)	1,584,517	1,495,582	62,718
Income Before Contributions and Transfers	398,916	140,263	(580,981)	478,496	436,694	(864,434)
Transfers in	1,422	593,912	--	483	595,817	864,041
Transfers out	--	(588,800)	--	(595,817)	(1,184,617)	--
Change In Net Position	400,338	145,375	(580,981)	(116,838)	(152,106)	(393)
<i>Net Position at Beginning of Period (Restated, Note 14)</i>	<i>778</i>	<i>8,249,850</i>	<i>18,432,234</i>	<i>5,903,977</i>	<i>32,586,839</i>	<i>5,916,139</i>
Net Position at End of Period	\$ 401,116	\$ 8,395,225	\$ 17,851,253	\$ 5,787,139	\$ 32,434,733	\$ 5,915,746

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	2018 Delinquent Tax Revolving	Delinquent Tax Umbrella	Thornapple Manor	Other Enterprise Funds	Total Enterprise Funds	
Cash Flows from Operating Activities						
Cash received from customers and users	\$ (570,518)	\$ 75,372	\$ 19,146,965	\$ 1,869,479	\$ 20,521,298	\$ -
Cash received from interfund services	-	-	-	-	-	4,894,407
Cash payments to suppliers for goods and services	(19,632)	(4,238)	(4,860,218)	(1,633,981)	(6,518,069)	(237,975)
Cash payments to employees for services	-	-	(13,595,422)	35,777	(13,559,645)	(5,470,296)
Net Cash Provided (Used) by Operating Activities	(590,150)	71,134	691,325	271,275	443,584	(813,864)
Cash Flows from Noncapital Financing Activities						
Transfers in	1,422	593,912	-	483	595,817	864,041
Transfers out	-	(588,800)	-	(595,817)	(1,184,617)	-
Other non-operating revenues	-	-	-	-	-	22,780
Taxes	-	-	-	526,820	526,820	-
Intergovernmental revenue	-	-	(24,682)	1,198,988	1,174,306	-
Interfund loans	693,251	66,000	-	(817,365)	(58,114)	-
Net Cash Provided (Used) by Noncapital Financing Activities	694,673	71,112	(24,682)	313,109	1,054,212	886,821
Cash Flows from Capital and Related Financing Activities						
Principal payments on long-term debt	-	-	(250,000)	-	(250,000)	-
Interest payments on long-term debt	-	-	(146,300)	-	(146,300)	-
Purchases of capital assets	-	-	(113,662)	(1,110,934)	(1,224,596)	(397,747)
Gain (loss) on sale of capital assets	-	-	5,000	(3,891)	1,109	38,124
Net Cash (Used) by Capital and Related Financing Activities	-	-	(504,962)	(1,114,825)	(1,619,787)	(359,623)
Cash Flows from Investing Activities						
Interest received	310	75,487	-	37,757	113,554	21,389
Total Cash Provided by Investing Activities	310	75,487	-	37,757	113,554	21,389
Net Increase (Decrease) in Cash and Investments	104,833	217,733	161,681	(492,684)	(8,437)	(265,277)
<i>Cash and Investments - Beginning of Year</i>	<i>13,529</i>	<i>6,894,691</i>	<i>2,290,751</i>	<i>5,110,128</i>	<i>14,309,099</i>	<i>5,343,806</i>
Cash and Investments - End of Year	\$ 118,362	\$ 7,112,424	\$ 2,452,432	\$ 4,617,444	\$ 14,300,662	\$ 5,078,529

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	2018 Delinquent Tax Revolving	Delinquent Tax Umbrella	Thornapple Manor	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 398,606	\$ 64,776	\$ (416,249)	\$ (1,106,021)	\$ (1,058,888)	\$ (927,152)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation expense	-	-	944,990	163,442	1,108,432	233,533
Changes in Assets and Liabilities						
Accounts receivable	-	-	(325,073)	(19,812)	(344,885)	-
Taxes receivable	(981,545)	7,194	-	1,036,310	61,959	-
Other assets	-	-	(195,202)	-	(195,202)	-
Net OPEB asset and related deferred amounts	-	-	-	(6,283)	(6,283)	-
Accounts payable	-	-	109,260	139,704	248,964	(121,352)
Accrued liabilities	(12,751)	-	99,734	30,319	117,302	1,107
Due to other governments	5,540	(836)	-	(2,419)	2,285	-
Net pension liability and related deferred amounts	-	-	473,865	36,035	509,900	-
Net Cash Provided (Used) by Operating Activities	\$ (590,150)	\$ 71,134	\$ 691,325	\$ 271,275	\$ 443,584	\$ (813,864)

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$ 76,061	\$ 421,620
<i>Total Assets</i>	<u>76,061</u>	<u>421,620</u>
LIABILITIES		
Accounts payable	--	126
Due to other governments	--	393,838
Undistributed receipts	32,180	27,656
<i>Total Liabilities</i>	<u>32,180</u>	<u>\$ 421,620</u>
NET POSITION		
Held in Trust	<u>\$ 43,881</u>	

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2019

	Economic Development Board	Airport Commission	Road Commission	Drain Commission	Board of Public Works	Total Component Units
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ --	\$ 276,746	\$ 2,309,809	\$ 1,678,976	\$ 19,219	\$ 4,284,750
Accounts receivable	--	--	--	--	388,275	388,275
Special assessment receivable	--	--	--	637,427	--	637,427
Due from other governments	--	--	1,744,390	4,500	--	1,748,890
Inventories	--	15,776	2,113,988	--	--	2,129,764
Total Current Assets	--	292,522	6,168,187	2,320,903	407,494	9,189,106
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	--	506,508	16,539,622	1,523,020	--	18,569,150
Capital assets being depreciated, net	--	4,480,505	21,763,946	4,531,934	--	30,776,385
Long-term receivables	--	--	--	2,242,607	2,806,859	5,049,466
Net OPEB asset	--	--	37,120	--	--	37,120
Total Assets	--	5,279,535	44,508,875	10,618,464	3,214,353	63,621,227
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	--	--	--	--	16,112	16,112
Total Deferred Outflows of Resources	--	--	--	--	16,112	16,112
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	20,734	30,511	127,153	--	178,398
Accrued liabilities	--	--	485,165	--	--	485,165
Due to primary government	--	--	--	518,500	--	518,500
Current portion of long-term debt	--	--	400,000	575,895	365,000	1,340,895
Current portion of compensated absences	--	--	366,633	--	--	366,633
Accrued interest	--	--	--	40,617	23,275	63,892
Total Current Liabilities	--	20,734	1,282,309	1,262,165	388,275	2,953,483
<i>Noncurrent Liabilities</i>						
Long-term debt	--	--	3,050,000	3,343,038	2,820,346	9,213,384
Total Liabilities	--	20,734	4,332,309	4,605,203	3,208,621	12,166,867
NET POSITION						
Net investment in capital assets	--	4,987,013	34,853,568	4,261,607	--	44,102,188
<i>Restricted for:</i>						
Debt service	--	--	--	64,049	21,844	85,893
Capital projects	--	--	--	1,679,077	--	1,679,077
<i>Unrestricted</i>	--	271,788	5,322,998	8,528	--	5,603,314
Total Net Position	\$ --	\$ 5,258,801	\$ 40,176,566	\$ 6,013,261	\$ 21,844	\$ 51,470,472

The Notes to the Financial Statements are an integral part of these Financial Statements

Barry County
Combining Statement of Activities
Discretely Presented Component Units
For the year Ended December 31, 2019

	Economic Development Board	Airport Commission	Road Commission	Drain Commission	Board of Public Works	Total Component Units
Expenses						
Public works	\$ --	\$ --	\$ --	\$ 1,317,413	\$ --	\$ 1,317,413
Community and economic development	133,891	--	--	--	--	133,891
Road Commission	--	--	9,784,253	--	--	9,784,253
Board of Public Works	--	--	--	--	88,317	88,317
Airport Commission	--	535,102	--	--	--	535,102
Interest on long-term debt	--	--	73,667	75,630	--	149,297
Total Expenses	133,891	535,102	9,857,920	1,393,043	88,317	12,008,273
Program Revenues						
Charges for services	--	366,029	308,833	608,520	--	1,283,382
Operating grants and contributions	133,891	--	8,568,934	519,127	85,707	9,307,659
Capital grants and contributions	--	187,941	1,626,549	1,082,829	--	2,897,319
Total Program Revenues	133,891	553,970	10,504,316	2,210,476	85,707	13,488,360
Net Program Revenues (Expenses)	--	18,868	646,396	817,433	(2,610)	1,480,087
General Revenue						
Interest income	--	--	9,575	2,029	147	11,751
Total General Revenues	--	--	9,575	2,029	147	11,751
Change in Net Position	--	18,868	655,971	819,462	(2,463)	1,491,838
<i>Net Position at Beginning of Period</i>	<i>--</i>	<i>5,239,933</i>	<i>39,520,595</i>	<i>5,193,799</i>	<i>24,307</i>	<i>49,978,634</i>
Net Position at End of Period	\$ --	\$ 5,258,801	\$ 40,176,566	\$ 6,013,261	\$ 21,844	\$ 51,470,472

The Notes to the Financial Statements are an integral part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

Barry County

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The ***Barry County, Michigan*** (the “County” or “government”) was organized in 1839 and covers an area of approximately 576 square miles. The County operates under a seven member elected Board of Commissioners.

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

Reporting Entity

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

The financial statements for *Barry County Transit*, a nonmajor enterprise fund, are presented for the fiscal year ending September 30, 2019. This fund is audited individually. Complete financial statements are issued under separate cover and can be obtained from the entity's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Barry County Transit in these financial statements.

Blended Component Units

The *Barry County Department of Human Services* is governed by a three-member board, two of which are appointed by the County Board of Commissioners. The Board is responsible for establishing policies and the operational oversight of the local administration of the State of Michigan Social Welfare program and the long-term Medical Care Facility. Although the employees of the Barry County Department of Human Services are employed by the State of Michigan and substantially all programs are financed by the State, State law requires the local activities to be “blended” with the local primary government. This activity is reported in the Social Welfare special revenue fund.

The *Building Authority* is governed by a three-member board appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County’s public buildings. It has a December 31 year-end. A separate report is not prepared for the Building Authority.

Barry County

Notes to the Financial Statements

Thornapple Manor Medical Care Facility (Thornapple Manor Fund) is included in these financial statements as a blended component unit for the year ended December 31, 2019. This component unit is also audited individually. Complete financial statements are issued under separate cover and may be obtained from Thornapple Manor's administrative office. Thornapple Manor Medical Care Facility is a 161-bed, long-term medical care unit owned and operated by Barry County. It is governed by the Barry County Department of Human Services Board. This Board consists of three members, two of which are appointed by the Barry County Board of Commissioners. The component unit is audited individually and complete financial statements may be obtained from the Thornapple Manor's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Thornapple Manor Medical Care Facility in these financial statements.

Discretely Presented Component Units

Barry County Road Commission (the "Road Commission") – The Road Commission is responsible for the maintenance and construction of the County road system. The Road Commission's operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments within the County. The three-member Board is appointed by the Barry County Board of Commissioners, which is deemed to provide the County with effective control over the Road Commission. The component unit is audited individually and complete financial statements may be obtained from the Road Commission's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements.

Barry County Drain Commission (the "Drain Commission") - All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is financially accountable to the County, as defined by GAAP, and accordingly is disclosed as a component unit.

Barry County Board of Public Works (the "BPW") - The BPW is governed by a five-member Board comprised of the Drain Commissioner and four members appointed by the County Board of Commissioners. The BPW establishes policy and reviews operations of the BPW for the County Board of Commissioners. The BPW has the responsibility of administering the various public works construction projects and the associated debt service funds under the provision of Act 185 of the Public Acts of 1957. The BPW is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit

Barry County

Notes to the Financial Statements

of the County. Therefore, the BPW is considered to be fiscally dependent on the County and, accordingly, has been presented as a component unit.

Barry County Economic Development Board (the “Board”) - The Board is appointed by the County Board of Commissioners. The Board may not issue debt or levy a tax without the approval of the County Board of Commissioners. If a millage rate is approved, the taxes would be levied under the taxing authority of the County. The Board is therefore economically dependent on the County. The Board had no resources as of December 31, 2019 to report and economic development services will be provided by the Barry County Economic Development Alliance in 2020 (an unrelated organization).

Airport Commission (the “Airport”) - The Airport is classified as a joint venture with another governmental unit. The details relating to this joint venture agreement are disclosed on the next page. Because the County is obligated to provide funding for the Airport based on the agreement described on the following page and approve its budget and rates, the Airport is fiscally dependent on the County and the City of Hastings.

Joint Ventures

The County participates in the following activities which are considered to be joint ventures in relation to the County due to the formation of an organization by contractual agreement between two or more participants that maintain joint control, financial interest, and fiscal responsibility.

Airport Commission - The County is a member of the Airport Commission, which is a joint venture that was formed by an agreement in 1977 between the Hastings City Council and the Barry County Board of Commissioners. The Commission consists of five members, two appointed by the Barry County Board of Commissioners, two appointed by the Hastings City Council, and one member at-large appointed by the Commission itself. The Commission is responsible for constructing, operating, and maintaining the airport facilities. Ownership of the property is vested in the joint venture. It may not issue debt without approval from the City and County. The agreement requires that each governmental unit provide 50% of the net budget appropriation requirements and that financial recordkeeping be maintained by the County.

Barry/Eaton District Health Department – The County is a member of the Barry/Eaton Health Department (the “Department”), which is a joint venture between Barry and Eaton Counties. Both Counties provide annual appropriations and pass-through the statutory amount of cigarette tax funding to subsidize operations. The current funding formula approved by the District Health Board requires Eaton County and Barry County to provide 63.6% and 36.4%, respectively. In addition, the treasury function for the Department rests with the Eaton County Treasurer. The operations of the Department are presented as a discretely presented component unit of Eaton County.

Barry County

Notes to the Financial Statements

Jointly Governed Organizations

The County participates in the following activity that is considered to be a jointly governed organization in relation to the County, due to there being no ongoing financial interest or responsibility.

Region III Area Agency on Aging - Barry County, in conjunction with Calhoun County, entered into an agreement, which created the Region III B Area Agency on Aging (the "Agency") that provides comprehensive services to older individuals residing in those counties. Operating revenues are derived from federal, state, and local governments, as well as fees for services. The Agency is governed by a seven-member Board appointed by the Board of Commissioners of the two counties it services. A copy of the Agency's audit can be obtained at its administrative office.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only

Barry County

Notes to the Financial Statements

assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of special assessments in the drain commission component unit which are based on a 180-day period of availability, and expenditure-driven grants which are based on a one-year period of availability. 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, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The *central dispatch fund* accounts for the County's E-911 services, which are funded through a dedicated property tax millage and surcharge revenue under Public Act 32.

The County reports the following major proprietary funds:

The *delinquent tax umbrella fund* accounts for money advanced by the County to other local taxing units and various County funds to pay for their delinquent real property taxes. Revenues are generated by the collection of the delinquent real property taxes, penalties and interest.

The *2018 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in the year 2018.

The *Thornapple Manor fund* accounts for the activities of the Thornapple Manor Medical Care Facility, a 161-bed long-term medical care unit owned and operated by Barry County. Revenues are primarily generated by charges for services.

Barry County

Notes to the Financial Statements

Additionally, the County reports the following fund types:

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

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

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

The *permanent fund* accounts for assets that are permanently restricted for cemetery perpetual care.

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

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

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

Private purpose trust funds are used to present activity of arrangements under which the principal and income benefit individuals, private organizations, or other governments.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and

Barry County

Notes to the Financial Statements

depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value with the exception of certain money market funds that are carried at amortized cost (which approximates fair value).

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

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

Restricted cash and cash equivalents consist of amounts set-aside for repayment of general obligation bonds and related interest thereon, in accordance with terms of the debt agreements.

Receivables and Payables

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

Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively. Any amounts outstanding on the July 1 levy after 60 days into the subsequent fiscal year are made whole by the County delinquent tax fund through an effective early tax settlement. This allows the

Barry County

Notes to the Financial Statements

County's general fund to recognize the full amount of the July 1 tax levy in the current year, regardless of the timing of actual collections. Any unpaid balances as of 60 days into the subsequent fiscal year are transferred to the delinquent tax revolving fund where collection is pursued. A similar process takes place between the delinquent tax fund, the other County funds with property tax levies, and other local taxing authorities within the County's geographical region in March or April.

Property taxes receivable in the delinquent tax revolving funds represent unpaid balances from the previous years' levies for the County itself as well as other local taxing authorities in the County's geographical region. The County is responsible for pursuing and administering collection of these balances and coordinating the forfeiture and foreclosure activities for the related parcels. This process takes place over a 3-year period. Interest at 1% per month (increased to 1.5% after 12 months, retroactive to the date of delinquency) and administrative fees at 4% are accrued in accordance with State statute. No amounts have been included in an allowance for uncollectible balances, as the structure of the delinquent tax revolving fund has been designed to make the fund whole either through the eventual auction of the foreclosed parcels or through chargebacks to the local taxing authorities initially levying the taxes.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. Management has recorded an allowance for uncollectible balances in the Thornapple Manor enterprise fund. Detail of the uncollectable amount may be obtained from the audit report at the Thornapple Manor administrative office.

Loans receivable in the CDBG housing special revenue fund represent federal funds advanced to area residents for home improvements. Amounts must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on the related property. Since the County is not always able to recover the full amount of the loan, management has recorded an estimated allowance of \$48,345.

Leases receivable consist of amounts collectible from local municipalities for which the County has irrevocably pledged its full faith and credit as collateral for certain construction and improvement bonds. In accordance with contractual agreements, these entities will provide all future amounts due for bond principal and interest.

Inventories and Prepaids

Inventories in the Airport Commission consist of fuel and are valued at cost, primarily determined by the first-in, first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

The County has elected to use an alternative measurement method in its governmental funds and records expenditures for services extending beyond one accounting period in the period when incurred.

Barry County
Notes to the Financial Statements

Capital Assets

Primary Government and Component Units (excluding Thornapple Manor, Transit, and Road Commission)

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost as of the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Asset Category	Years
Buildings and improvements	7-50
Land improvements	5-25
Machinery, equipment, and vehicles	2-25
Drain infrastructure	50

The estimated useful lives for the Thornapple Manor Medical Care Facility, Barry County Transit, and Road Commission can be found in their separately audited annual financial reports, as indicated in Note 1 of this document.

Deferred Outflows of Resources

The County refunded certain bonds payable in order to secure lower interest rates and reduce future debt service expenditures. The difference between the carrying amount of the refunded debt and the amount placed in escrow for purposes of paying the remaining balance of refunded debt is reported as a charge on advance refunding. This amount is being amortized in the government-wide financial statements on the straight-line basis over the life of the related bonds. In addition, the County reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and expected and actual experience in its pension and OPEB plans.

Barry County
Notes to the Financial Statements

Compensated Absences

Eligible employees are permitted to accumulate earned but unused vacation and sick pay benefits in varying amounts based on length of service and certain other established criteria. Sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Detail of these amounts can be found in the long-term debt footnote. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. During the year no liability was reported in the governmental funds.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as a component of interest expense when incurred.

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 an "other financing source". Premiums received on debt issuances are reported as an "other financing source" while discounts on debt issuances are reported as an "other financing use". Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

Property taxes (excluding those for the general fund, which are subject to a different timeline) are levied and attach as an enforceable lien of property on December 1. Property taxes are payable through February 14. Although the County's 2019 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2019, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available to finance the County's operations. Therefore, the entire amount of the December 1, 2019 levy is reported as deferred inflows of resources at year-end.

The County reports certain receivables in governmental funds that are not due and collectible soon enough to meet the criteria for revenue recognition under the current financial resources method of accounting. These amounts have also been reported as "deferred inflows of resources" in the fund financial statements, but are recognized when earned, regardless of the timing of collection, in the government-wide statements.

Finally, the County reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and OPEB plans.

Barry County
Notes to the Financial Statements

Fund Equity

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports *assigned fund balance* for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. *Unassigned fund balance* is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Board of Commissioners. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Barry County
Notes to the Financial Statements

Retiree Health Care Costs

The County records a net OPEB asset for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. As of December 31, 2019, the County has recorded a net OPEB asset. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the activity level in the general fund and at the functional level inclusive of capital outlay for the special revenue funds.

All departments and budgetary centers of the county are required to submit budget requests to the County Administrator prior to August 1. The Administrator then develops and presents a proposed budget to the Board for review. The Board holds public hearings and a final budget is approved prior to December 31, the close of the County's fiscal year. The Administrator is authorized to transfer budget amounts within a single activity between accounts without Board approval provided that personnel expenditures and operating expenditures are unchanged in total. Budgetary transfers between funds and amendments to total fund budgets are not permitted without Board approval.

Excess of Expenditures over Budget

Expenditures in the combining and individual fund financial statements have been presented at a level of detail greater than the level of legal budgetary control.

Barry County
Notes to the Financial Statements

The County incurred the following expenditures in excess of the amounts appropriated during the year ended December 31, 2019:

	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General Fund			
Secondary road patrol	\$ 120,752	\$ 121,844	\$ (1,092)
Emergency services	130,187	132,685	(2,498)

Deficit Net Position

The County had an unrestricted governmental activities net position of \$(5,635,917).

Note 3 - Deposits and Investments

The County utilizes various pooled cash accounts and investments consisting of a common checking account and mutual funds. The County's pooled cash accounts and investments are utilized by the general fund, special revenue funds, debt service funds, capital projects funds, internal service funds, trust and agency funds, and the component units. All other funds of the County utilize separate savings and interest-bearing checking accounts. In addition, certificates of deposit, money market funds, and U.S. government treasuries and agencies are held separately by several of the County's funds.

Following is a reconciliation of deposit and investment balances as of December 31, 2019:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Position			
Cash and investments	\$ 31,936,149	\$ 4,284,750	\$ 36,220,899
Restricted cash	318,158	-	318,158
Statement of Fiduciary Net Position			
Cash and investments - agency funds	421,620	-	421,620
Cash and investments - private purpose trusts	76,061	-	76,061
<i>Total Deposits and Investments</i>	<u>\$ 32,751,988</u>	<u>\$ 4,284,750</u>	<u>\$ 37,036,738</u>
<i>Less Units Separately Audited</i>			
Barry County Transit (9/30/19)	(2,445,630)	-	(2,445,630)
Thornapple Manor	(2,452,432)	-	(2,452,432)
Road Commission	-	(2,309,809)	(2,309,809)
<i>Deposits and Investments Managed by the County</i>	<u>\$ 27,853,926</u>	<u>\$ 1,974,941</u>	<u>\$ 29,828,867</u>

Barry County

Notes to the Financial Statements

The following schedule summarizes the types of deposits and investments held as of year-end:

Cash on hand	\$ 1,949
Checking and savings accounts	13,800,294
Investments	16,026,624
<i>Total Deposits and Investments</i>	<u>\$ 29,828,867</u>

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, \$12,454,629 of the County's bank balance of \$13,867,367 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2019:

Treasury and agency securities	\$ 2,378,277
Asset backed securities	1,705,293
Money market funds	5,627,787
US government bonds	733,695
Municipal bonds	812,300
Commercial paper	765,348
Michigan CLASS	673,504
Certificate of deposit	3,246,610
Other investments	83,810
<i>Total</i>	<u>\$ 16,026,624</u>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the County's investment policy, all investment are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

Credit Risk. 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,

Barry County

Notes to the Financial Statements

qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

Standards & Poor's A1	\$ 765,348
Standards & Poor's AA	392,359
Standards & Poor's AA+	3,531,913
Unavailable	11,337,004
Total	<u>\$ 16,026,624</u>

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

No maturity	\$ 6,385,101
Less than 1 year	1,966,096
1-5 years	4,669,573
6-10 years	1,300,561
16-20 years	126,711
More than 25 years	1,578,582
Total	<u>\$ 16,026,624</u>

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies.

Fair Value Measurement. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Barry County
Notes to the Financial Statements

The County had the following recurring fair value measurements at year-end:

	Level 1	Level 2	Level 3	Total
Treasury and agency securities	\$ -	\$ 2,378,277	\$ -	\$ 2,378,277
Asset backed securities	-	1,705,293	-	1,705,293
US government bonds	733,695	-	-	733,695
Municipal bonds	812,300	-	-	812,300
Commercial paper	765,348	-	-	765,348
Michigan CLASS	-	673,504	-	673,504
Other investments	83,810	-	-	83,810
	<u>\$ 2,395,153</u>	<u>\$ 4,757,074</u>	<u>\$ -</u>	<u>7,152,227</u>

Investment accounts not subject to fair value disclosure requirements:

Money market accounts	5,627,787
Certificates of deposit	3,246,610
Total Investments	<u>\$ 16,026,624</u>

Note 4 - Interfund Receivables, Payables, Advances, and Transfers

The composition of interfund balances as of December 31, 2019 was as follows:

Receivable	Payable	Amount
General	Nonmajor governmental funds	\$ 124,558
General	Nonmajor enterprise funds	494,635
Delinquent Tax Umbrella	2018 Delinquent Tax Revolving	1,246,000

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The balance between the delinquent tax funds is to provide cash for the annual settlement with the County funds and other taxing units. The amount will be repaid as delinquent taxes are collected.

Receivable	Payable	Amount
General	Charlton Park	\$ 75,512

This balance represents an interfund loan to finance capital-related activity. The advance is payable in annual installments of \$11,461.

Barry County

Notes to the Financial Statements

For the year ended December 31, 2019, interfund transfers consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor enterprise funds	Nonmajor enterprise funds	\$ 483
Delinquent Tax Umbrella	Nonmajor enterprise funds	593,912
Internal service funds	General	859,914
Nonmajor governmental funds	General	954,621
Internal service funds	Nonmajor governmental funds	3,208
2018 Delinquent Tax Revolving	Nonmajor enterprise funds	1,422
General	Delinquent Tax Umbrella	588,800
Internal service funds	Central Dispatch	919

Transfers are used to: 1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, 2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. At year-end, the Board of Commissioners authorizes any surplus in the general fund (excluding those funds collapsed into the general fund for external reporting purposes) to be transferred. In the current year, the general fund surplus of \$1,053,928 was transferred ratably to the building rehabilitation fund (a component of the general fund) and the data processing internal service fund.

Barry County
Notes to the Financial Statements

Note 5 - Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2019 was as follows:

Governmental Activities	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208
Construction in progress	-	386,990	-	386,990
<i>Subtotal</i>	<u>2,734,208</u>	<u>386,990</u>	<u>-</u>	<u>3,121,198</u>
Capital Assets Being Depreciated				
Land improvements	1,160,404	-	-	1,160,404
Buildings and improvements	15,851,054	338,276	(12,274)	16,177,056
Machinery and equipment	4,799,719	128,179	(35,215)	4,892,683
Data processing equipment	983,973	61,020	-	1,044,993
Vehicles	1,615,503	171,744	(72,848)	1,714,399
<i>Subtotal</i>	<u>24,410,653</u>	<u>699,219</u>	<u>(120,337)</u>	<u>24,989,535</u>
Less Accumulated Depreciation				
Land improvements	754,099	40,091	-	794,190
Buildings and improvements	7,826,944	376,768	(12,274)	8,191,438
Machinery and equipment	3,789,929	223,011	(2,423)	4,010,517
Data processing equipment	696,783	72,017	-	768,800
Vehicles	1,186,177	161,516	(53,273)	1,294,420
<i>Subtotal</i>	<u>14,253,932</u>	<u>873,403</u>	<u>(67,970)</u>	<u>15,059,365</u>
Capital Assets Being Depreciated, Net	<u>10,156,721</u>	<u>(174,184)</u>	<u>(52,367)</u>	<u>9,930,170</u>
<i>Capital Assets, Net</i>	<u>\$ 12,890,929</u>	<u>\$ 212,806</u>	<u>\$ (52,367)</u>	<u>\$ 13,051,368</u>

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

General government	\$ 283,218
Culture and recreation	74,885
Public safety	211,066
Health and welfare	70,701
Data processing fund	72,017
Vehicle fund	161,516
<i>Total</i>	<u>\$ 873,403</u>

Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets. Capital asset information for the Thornapple Manor Medical Care Facility and

Barry County
Notes to the Financial Statements

Barry County Transit (both the only business-type activities with capital assets) can be found in their separately audited annual financial reports, as indicated in Note 1 of this document.

Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2019 was as follows:

Drainage Districts	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets not Being Depreciated					
Construction in progress	\$ 526,951	\$ 1,365,887	\$ -	\$ (369,818)	\$ 1,523,020
Capital Assets Being Depreciated					
Drain infrastructure	5,708,794	-	-	369,818	6,078,612
Vehicles and equipment	73,558	14,750	-	-	88,308
<i>Subtotal</i>	<u>5,782,352</u>	<u>14,750</u>	<u>-</u>	<u>369,818</u>	<u>6,166,920</u>
Less Accumulated Depreciation					
Drain infrastructure	1,514,461	109,822	-	-	1,624,283
Vehicles and equipment	5,144	5,559	-	-	10,703
<i>Subtotal</i>	<u>1,519,605</u>	<u>115,381</u>	<u>-</u>	<u>-</u>	<u>1,634,986</u>
Capital Assets Being Depreciated, Net	<u>4,262,747</u>	<u>(100,631)</u>	<u>-</u>	<u>369,818</u>	<u>4,531,934</u>
<i>Capital Assets, Net</i>	<u>\$ 4,789,698</u>	<u>\$ 1,265,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,054,954</u>

Airport Commission	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets not Being Depreciated					
Land	\$ 285,000	\$ -	\$ -	\$ -	\$ 285,000
Construction in progress	162,600	200,791	-	(141,883)	221,508
<i>Subtotal</i>	<u>447,600</u>	<u>200,791</u>	<u>-</u>	<u>(141,883)</u>	<u>506,508</u>
Capital Assets Being Depreciated					
Land improvements	5,877,922	41,275	-	-	5,919,197
Buildings	1,933,737	-	-	141,883	2,075,620
Equipment	269,554	8,624	(7,370)	-	270,808
<i>Subtotal</i>	<u>8,081,213</u>	<u>49,899</u>	<u>(7,370)</u>	<u>141,883</u>	<u>8,265,625</u>
Less Accumulated Depreciation					
Land improvements	3,217,648	181,137	-	-	3,398,785
Buildings	262,166	39,675	-	-	301,841
Equipment	71,631	16,137	(3,274)	-	84,494
<i>Subtotal</i>	<u>3,551,445</u>	<u>236,949</u>	<u>(3,274)</u>	<u>-</u>	<u>3,785,120</u>
Capital Assets Being Depreciated, Net	<u>4,529,768</u>	<u>(187,050)</u>	<u>(4,096)</u>	<u>141,883</u>	<u>4,480,505</u>
<i>Capital Assets, Net</i>	<u>\$ 4,977,368</u>	<u>\$ 13,741</u>	<u>\$ (4,096)</u>	<u>\$ -</u>	<u>\$ 4,987,013</u>

Capital asset information for the Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of this document.

Barry County

Notes to the Financial Statements

Note 6 - Long-term Debt

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

General obligation bonds of the Board of Public Works component unit are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to infrastructure constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

Long-term debt activity for the year ended December 31, 2019 was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 10,115,000	\$ -	\$ (1,230,000)	\$ 8,885,000	\$ 1,315,000
Compensated absences	703,356	43,112	(13,481)	732,987	230,891
Bond premiums and discounts, net	720,549	-	(115,288)	605,261	115,288
<i>Subtotal</i>	<u>11,538,905</u>	<u>43,112</u>	<u>(1,358,769)</u>	<u>10,223,248</u>	<u>1,661,179</u>
Business-type Activities					
MCF Bonds payable	4,825,000	-	(250,000)	4,575,000	250,000
Compensated absences	581,653	21,264	(17,371)	585,546	199,086
<i>Subtotal</i>	<u>5,406,653</u>	<u>21,264</u>	<u>(267,371)</u>	<u>5,160,546</u>	<u>449,086</u>
<i>Total Primary Government</i>	<u>\$ 16,945,558</u>	<u>\$ 64,376</u>	<u>\$ (1,626,140)</u>	<u>\$ 15,383,794</u>	<u>\$ 2,110,265</u>
Component Units	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Drainage Districts					
General obligation bonds	\$ 686,342	\$ -	\$ (191,073)	\$ 495,269	\$ 58,800
Drain notes and other debt	1,190,210	3,010,954	(777,500)	3,423,664	517,095
<i>Subtotal</i>	<u>1,876,552</u>	<u>3,010,954</u>	<u>(968,573)</u>	<u>3,918,933</u>	<u>575,895</u>
Board of Public Works					
General obligation bonds	3,550,346	-	(365,000)	3,185,346	365,000
<i>Total Component Units</i>	<u>\$ 5,426,898</u>	<u>\$ 3,010,954</u>	<u>\$ (1,333,573)</u>	<u>\$ 7,104,279</u>	<u>\$ 940,895</u>

Long-term debt information for the Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of this document.

Barry County
Notes to the Financial Statements

Significant details regarding outstanding long-term debt are presented below:

Primary Government

The Barry County Board of Commissioners is party to long-term lease agreements for rental of the Medical Care Facility Buildings and the Friend of the Court Building from the Barry County Building Authority. The lease agreements stipulate that annual rentals will be paid by the County or other local government to the Building Authority in amounts sufficient to meet the annual principal and interest on bonds, which shall be pledged exclusively for that purpose. When all debt has been retired on these buildings, the rentals will cease, title to the buildings will be transferred to the County, or local government where applicable.

Bonds payable at December 31, 2019 for governmental activities are as follows:

\$950,000 Building Authority Bonds, Series 2002, dated July 25, 2002, due in annual installments ranging from \$25,000 to \$75,000 through July 1, 2021, with interest ranging from 4.90 to 5.85%, payable semi-annually.	\$ 150,000
\$13,685,000 Building Authority - Medical Care Facility Refunding Bonds, dated November 15, 2012, due in annual installments ranging from \$25,000 to \$1,635,000 through April 1, 2025, with interest ranging from 2.00 to 4.00%, payable semi-annually.	8,735,000
<i>Total general obligation debt - governmental activities</i>	<u>\$ 8,885,000</u>

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

Bonds payable at December 31, 2019 for business-type activities are as follows:

\$6,000,000 Building Authority - Medical Care Facility Bonds, dated April 17, 2012, due in annual installments ranging from \$175,000 to \$750,000 through April 1, 2032, with interest ranging from 2.00 to 3.55%, payable semi-annually.	<u>\$ 4,575,000</u>
--	---------------------

Component Units

Drainage Districts

The County has irrevocably pledged its full faith and credit as collateral for the following drain notes and amounts owed to other governmental units. These projects are administered by the Barry County Drain Commission for various local drainage districts. The drain obligations were issued to finance the various construction funds for the purpose of paying costs in connection with various drainage district projects and are payable out of assessments to be made against the benefited properties.

Barry County
Notes to the Financial Statements

Notes payable and amounts owed to other governmental units at December 31, 2019 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

General Obligation Bonds

\$1,358,000 2016 Drain Bonds issued jointly with Allegan County and Barry County is responsible for 60% (\$814,800 at issuance); due in annual installments of \$90,533 (Barry County responsible for \$54,320) through 2031, with interest at 2.59%, payable semi-annually.	<u>\$ 495,269</u>
--	-------------------

Drain Notes

\$380,000 Chase drain special assessment district note dated September 23, 2011, due in annual installments of \$38,000 through June 1, 2021, with interest at 2.92%, payable semi-annually.	\$ 76,000
\$448,000 Sandy Beach drain special assessment district note dated October 25, 2011, due in annual installments of \$39,086 through June 1, 2021, with interest at 3.89%, payable semi-annually.	78,172
\$410,000 Algonquin Lake drain special assessment district note dated June 13, 2012, due in annual installments of \$35,000 to \$45,000 through June 1, 2022, with interest ranging from 0.65 to 3.30%, payable annually.	80,441
\$300,000 Middleville Towne Center drain special assessment district note dated September 17, 2013, due in annual installments of \$30,000 through June 1, 2023, with interest at 2.73%, payable annually.	120,000
\$190,000 Hastings Charter Township #1 drain special assessment district note dated June 19, 2014, due in annual installments of \$19,000 through June 1, 2024, with interest at 2.73%, payable annually.	95,000
\$202,000 MacKenzie drain assessment district note dated March 25, 2015, due in annual installments of \$28,857 through June 1, 2022, with interest at 1.90%, payable annually.	86,571
\$293,562 Duncan Lake #2 drain assessment district note dated July 1, 2016, due in annual installments of \$41,937 through June 1, 2022, with interest at 1.78%, payable annually.	167,750
\$32,000 Crystal Lake Dam drain assessment district note dated November 1, 2017, due in annual installments of \$10,667 through November 1, 2020, with interest at 1.48%, payable annually.	10,667
\$241,249 Gun Lake Dam special assessment district note dated February 9, 2018, due in annual installments of \$120,625 through June 1, 2020, with interest at 1.85%, payable annually.	120,625
\$189,117 Fineview drain assessment district note dated March 8, 2019, due in annual installments of \$6,345 to \$13,060 through June 1, 2038, with interest at 4.02%, payable annually.	177,320
\$171,837 Holmes drain assessment district note dated March 8, 2019, due in annual installments of \$5,765 to \$11,866, through June 1, 2038, with interest at 4.02%, payable annually.	161,118

Barry County
Notes to the Financial Statements

Drain Notes (Continued):

\$400,000 Cloverdale drain assessment district note dated October 3, 2019, due in full on June 15, 2022, with interest payable thereon at a fixed rate of 2.31% per annum.	400,000
\$1,400,000 Watson drain assessment district note dated October 16, 2019, due in full on June 15, 2022, with interest payable thereon at a fixed rate of 2.42% per annum.	1,400,000
\$450,000 Little Thornapple drain assessment district note dated April 17, 2019, due in annual installments of \$150,000 through June 1, 2022, with interest at 2.95%, payable annually.	450,000
<i>Total notes payable - drainage districts</i>	<u>\$ 3,423,664</u>

Board of Public Works

The County through the Board of Public Works has constructed water and sewer facilities for various local municipalities. The County is leasing them to the local municipalities, who are operating, maintaining, and managing the systems. General obligation bonds were sold with the full faith and credit of the local municipalities, and the County pledge to the payment pursuant to Act 185, Public Acts of Michigan 1957, as amended. The principal and interest on bonds outstanding are to be paid out of money received from the local municipalities by the Board of Public Works of the County pursuant to the lease agreements. Upon final payment of the respective bond issues, ownership of the assets will revert to the local municipalities.

Bonds payable at December 31, 2019 of the Board of Public Works are as follows:

\$650,000 Water Supply System Bonds dated June 26, 2003, due in annual installments ranging from \$25,000 to \$40,000 through October 1, 2024, with interest at 2.5% payable semi-annually.	\$ 188,281
\$1,040,000 Water Supply System Bonds Series A dated August 23, 2006, due in annual installments ranging from \$10,000 to \$15,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	470,000
\$205,000 Water Supply System Bonds Series B dated August 23, 2006, due in annual installments ranging from \$10,000 to \$15,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	75,000
\$465,000 Fawn Lake Extension note, dated July 25, 2006, due in annual installments ranging from \$20,000 to \$25,000 through April 1, 2026, with interest ranging from 4.125 to 4.0%, payable semi-annually.	175,000
\$450,000 Yankee Springs arsenic removal bonds, dated March 29, 2007, payable in annual installments ranging from \$20,000 to \$25,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	200,000

Barry County
Notes to the Financial Statements

BPW Notes (Continued):

\$2,763,000 Leach and Middle Lake Sanitary Sewer System Bonds, dated January 22, 2010, payable in annual installments ranging from \$148,000 to \$155,000, with interest at 2.5%, payable semi-annually. 1,542,065

\$885,000 Michigan Transportation Fund Refunding Bonds, series 2013, dated September 9, 2013, payable in annual installments ranging from \$65,000 to \$75,000, with interest ranging from 0.8 to 3.6%, payable semi-annually. 535,000

Total bonds payable - board of public works \$ 3,185,346

Annual debt service requirements to maturity for long-term debt (excluding compensated absences), are as follows:

Year Ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,315,000	\$ 332,850	\$ 250,000	\$ 140,988
2021	1,405,000	277,325	275,000	134,738
2022	1,420,000	218,200	300,000	127,175
2023	1,510,000	159,600	300,000	118,553
2024	1,600,000	97,400	300,000	109,550
2025-2029	1,635,000	32,700	1,800,000	390,038
2030-2034	-	-	1,350,000	73,108
	<u>\$ 8,885,000</u>	<u>\$ 1,118,075</u>	<u>\$ 4,575,000</u>	<u>\$ 1,094,150</u>

Year Ending December 31,	Component Units			
	Drainage Districts		Board of Public Works	
	Principal	Interest	Principal	Interest
2020	\$ 575,895	\$ 61,532	\$ 365,000	\$ 79,386
2021	445,135	45,164	375,000	70,179
2022	2,168,565	148,035	375,000	60,556
2023	163,430	23,111	385,000	51,878
2024	92,019	18,979	378,281	40,508
2025-2029	281,690	61,502	1,307,065	72,009
2030-2038	192,199	41,276	-	-
	<u>\$ 3,918,933</u>	<u>\$ 399,599</u>	<u>\$ 3,185,346</u>	<u>\$ 374,516</u>

Note 7 - Fund Balances - Governmental Funds

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54

Barry County
Notes to the Financial Statements

establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Central Dispatch	Nonmajor Governmental Funds	Totals
Nonspendable				
Advances to other funds	\$ 75,512	\$ -	\$ -	\$ 75,512
Permanent fund corpus	-	-	30,925	30,925
<i>Subtotal</i>	<u>75,512</u>	<u>-</u>	<u>30,925</u>	<u>106,437</u>
Restricted				
Central dispatch/E-911	-	1,453,052	-	1,453,052
Senior services	-	-	890,789	890,789
Cemetery perpetual care	-	-	493	493
Debt service	-	-	313,752	313,752
Animal services/shelter	-	-	285,581	285,581
Community outreach	-	-	26,244	26,244
Register of deeds systems	-	-	126,736	126,736
Judicial programs	-	-	75,488	75,488
Law enforcement	-	-	268,735	268,735
Housing rehabilitation	-	-	1,034,989	1,034,989
Criminal diversion	-	-	547,977	547,977
<i>Subtotal</i>	<u>-</u>	<u>1,453,052</u>	<u>3,570,784</u>	<u>5,023,836</u>
Committed				
Hazardous waste disposal	-	-	194,000	194,000
Remonumentation plan	-	-	21,713	21,713
County parks	85,877	-	276,683	362,560
Child and family services	-	-	3,501,377	3,501,377
Public safety programs	-	-	9,466	9,466
Judicial programs	-	-	268,706	268,706
Capital projects	-	-	564,867	564,867
Building improvements	2,343,783	-	-	2,343,783
Other purposes	5,027	-	49,765	54,792
<i>Subtotal</i>	<u>2,434,687</u>	<u>-</u>	<u>4,886,577</u>	<u>7,321,264</u>
Assigned for Master Land Use	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Unassigned	<u>2,210,910</u>	<u>-</u>	<u>-</u>	<u>2,210,910</u>
Total fund balances - governmental funds	<u>\$ 4,781,109</u>	<u>\$ 1,453,052</u>	<u>\$ 8,488,286</u>	<u>\$ 14,722,447</u>

Barry County
Notes to the Financial Statements

Note 8 - Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of December 31, 2019 was as follows:

	Governmental Activities	Business-type Activities
Add:		
Capital assets not being depreciated	\$ 3,121,198	\$ 1,019,523
Capital assets being depreciated, net	9,930,170	21,144,204
	<u>13,051,368</u>	<u>22,163,727</u>
Less:		
Total installment debt	(8,885,000)	(4,575,000)
Bond premiums and discounts, net	(605,261)	-
Add:		
Deferred charge on advance refunding	385,706	-
Medical care facility refunding bonds and related deferred amounts*	8,954,555	-
	<u>(150,000)</u>	<u>(4,575,000)</u>
Net investment in capital assets	<u>\$ 12,901,368</u>	<u>\$ 17,588,727</u>

* These bonds are reported in governmental activities because they are being repaid with a dedicated property tax millage. However, the assets are owned by the Thornapple Manor Medical Care Facility and recorded in the Thornapple Manor enterprise fund.

Note 9 - Risk Management

Primary Government

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Each participating fund of the County makes payments to the respective self- insurance internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as fringe benefit charges in the paying fund and charges for services in the receiving fund.

The County is completely self-insured for disability benefits. The plan covers all employees except employees at the Medical Care facility. The Disability Benefits Plan provides benefits of 67% of current wages, for a period not to exceed 52 weeks. Benefits commence on the eighth day after a disabling injury or illness. The program is administered by a third party that coordinates claims review and processing.

Barry County

Notes to the Financial Statements

The County is fully insured for workers' compensation claims through the Michigan Counties Workers' Compensation Fund.

The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA). The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

MMRMA has reserved fund balance to pay losses incurred by members that exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of MMRMA. In the event that the County incurs loss in excess of the resources available, MMRMA as a whole (i.e. all constituent municipalities) is liable for the excess. In the event that MMRMA's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific MMRMA's policy year may be subject to special assessments to make up the deficiency. The County has not been informed of any special assessments being required.

In addition, MMRMA has accumulated resources to create and fund an internal stop loss fund. The stop loss fund was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$250,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$250,000 net of reinsurance recoveries are paid entirely from the internal stop loss fund. If at any time the stop loss fund is insufficient to fund the County's losses, the remaining liability shall become the responsibility of MMRMA as a whole.

Settled claims have not exceeded insurance coverage for any of the self-insured programs in the previous three years. The County has not recorded an estimate for claims incurred but not reported related to the workers' compensation and disability plans as these amounts are expected to be immaterial.

The changes in the claims liability for the previous two years are as follows:

	MMRMA		
	Disability	Liability	Totals
Liability, January 1, 2018	\$ -	\$ 31,300	\$ 31,300
Claims and changes in estimates	60,988	2,081	63,069
Claim payments	(60,988)	(20,141)	(81,129)
Liability, December 31, 2018	-	13,240	13,240
Claims and changes in estimates	72,545	77,390	149,935
Claim payments	(72,545)	(66,251)	(138,796)
Liability, December 31, 2019	\$ -	\$ 24,379	\$ 24,379

Barry County
Notes to the Financial Statements

Note 10 - Property Taxes

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

Tax Abatements

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the County in 2019 amounted to \$24,213.

Note 11 - Contingent Liabilities

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

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

Note 12 - Employee Retirement Systems and Plans

Primary Government

General Information about the Plan

Plan Description. The primary government participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required

Barry County

Notes to the Financial Statements

supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Included in the Plan are the employees of the Transit enterprise fund and the Thornapple Manor enterprise fund. While part of a single plan, these funds are administratively separate from the rest of the County and have chosen to report plan information using a different measurement date. Accordingly, it is not practical to present disclosures for the plan as a whole in this report. For information about the plan for Transit and Thornapple Manor employees, refer to the separately issued financial statements.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.5% to 2.5%. Participants are considered to be fully vested in the plan after 6 or 10 years, depending on bargaining unit. Normal retirement age is 60 with early retirement options available for certain bargaining units.

Employees Covered by Benefit Terms. At December 31, 2019 plan membership for governmental activities consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	150
Inactive employees entitled to but not yet receiving benefits	62
Active employees	<u>179</u>
Total membership	<u>391</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Covered employee contributions are expressed as a percentage of payroll, where applicable.

Barry County

Notes to the Financial Statements

Employer contributions are expressed as a percentage of payroll and as a fixed monthly amount for the 911 Central Dispatch division as summarized in the following table for the plan as a whole:

Division	Plan Type	Status	Employer Contribution Rate*	Employee Contribution Rate
911 Central Dispatch Supervisors	Defined Benefit	Open	19.39%	0.57%
911 Central Dispatch (after 5/11)	Defined Benefit	Open	9.38%	0.00%
Hybrid	Hybrid	Open	23.69%	0.00%
BCCEA - Court House	Defined Benefit	Closed	23.69%	5.99%
Elected Officials	Defined Benefit	Closed	23.69%	3.70%
Sheriff - Corrections	Defined Benefit	Closed	23.69%	9.03%
General	Defined Benefit	Closed	23.69%	0.00%
911 Central Dispatch	Defined Benefit	Closed	\$ 437	3.00%
Department Heads	Defined Benefit	Closed	23.69%	3.70%
Sheriff - Command	Defined Benefit	Closed	23.69%	6.06%
Jail Administrator	Defined Benefit	Closed	23.69%	0.00%

*A percent of pay contribution is shown except for the 911 Central Dispatch division where a monthly dollar contribution is shown.

Net Pension Liability. The County's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense including inflation

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Barry County

Notes to the Financial Statements

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	55.50%	8.65%	4.80%	2.50%	3.42%
Global fixed income	18.50%	3.76%	0.70%	2.50%	0.23%
Real assets	13.50%	9.72%	1.31%	2.50%	0.97%
Diversifying strategies	12.50%	7.50%	0.94%	2.50%	0.63%
	<u>100.00%</u>		<u>7.75%</u>		<u>5.25%</u>

Discount Rate. The discount rate used to measure the total pension liability is 8.00% for 2019. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The components of the change in the net pension liability for governmental activities are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	\$ 54,218,168	\$ 38,710,988	\$ 15,507,180
Service cost	919,169	-	919,169
Interest	4,267,235	-	4,267,235
Changes in benefits	(8,353)	-	(8,353)
Differences between expected and actual experience	89,324	-	89,324
Employer contributions	-	2,654,732	(2,654,732)
Employee contributions	-	302,688	(302,688)
Net investment income	-	5,336,228	(5,336,228)
Benefit payments, including refunds	(2,763,942)	(2,763,942)	-
Administrative expense	-	(92,007)	92,007
Other changes	(230,812)	(17,061)	(213,751)
<i>Net changes</i>	<u>2,272,621</u>	<u>5,420,638</u>	<u>(3,148,017)</u>
Balances at December 31, 2019	<u>\$ 56,490,789</u>	<u>\$ 44,131,626</u>	<u>\$ 12,359,163</u>

Barry County

Notes to the Financial Statements

Pension information for the Thornapple Manor Medical Care Facility and Barry County Transit can be found in their separately audited annual financial reports, as indicated in Note 1 of this document.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County's governmental activities, calculated using the discount rate of 8.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
County's net pension liability	<u>\$ 18,938,021</u>	<u>\$ 12,359,163</u>	<u>\$ 6,829,841</u>

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the County's governmental activities recognized pension expense of \$2,533,197.

The County reported pension-related deferred outflows/inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 682,350	\$ -
Differences between expected and actual experience	74,437	143,548
Changes of assumptions	70,897	-
Total	<u>\$ 827,684</u>	<u>\$ 143,548</u>

Amounts reported as pension-related deferred outflows/inflows of resources for governmental activities will be recognized in pension expense (income) as follows:

Year Ended December 31,	Amount
2020	\$ 281,555
2021	465,323
2022	354,540
2023	(432,171)
2024	14,889

Barry County
Notes to the Financial Statements

Deferred Compensation Plan

The County offers a supplemental retirement program in accordance with Section 457 of the Internal Revenue Code (IRC) that will provide for payments on retirement, as well as death benefits in the event of death prior to retirement. The Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. As such, these amounts have not been included in the financial statements.

Note 13 - Other Postemployment Benefits

Plan Description

The Barry County Retiree Health Care Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by Barry County. The Plan provides certain health care benefits and life insurance, in accordance with union agreements and/or personnel policies to employees who have retired.

Benefits Provided and Contributions

The Plan was established and is being funded under the authority of the County. The County has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the County made contributions to advance-fund these benefits, as determined by the County Board of Commissioners.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (December 31, 2017):

Inactive plan members or beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>178</u>
Total employees covered by the plan	<u>208</u>

Barry County
Notes to the Financial Statements

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2017 and a measurement date of December 31, 2019 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% to 14.75%
Investment rate of return	7.00%
Discount rate	7.00%
Average retirement age	Based on service, 100% assumed at age 70
Mortality	RP-2014 employee tables for males and females; projected using scale MP-2017
Health Care Trend Rates	Ranges from 4.50% to 9.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. This discount rate is used to determine the total OPEB liability.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The investment rate of return was assumed to be 7.00%, net of OPEB plan investment expense, including inflation. The long-term expected rate of return on OPEB plan investments was determined by using the long-term expected rate of return using the target asset allocation:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50%	8.65%
Global fixed income	18.50%	3.76%
Real assets	13.50%	9.72%
Diversifying strategies	12.50%	7.50%
Total	100.00%	7.75%

Barry County
Notes to the Financial Statements

Changes in the net OPEB asset during the measurement year were as follows:

Changes in OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at December 31, 2018	<u>\$ 1,094,591</u>	<u>\$ 1,474,599</u>	<u>\$ (380,008)</u>
Service cost	46,640	-	46,640
Interest cost	73,452	-	73,452
Employer contributions	-	25,705	(25,705)
Net investment income	-	100,953	(100,953)
Benefit payments	<u>(90,549)</u>	<u>(90,549)</u>	<u>-</u>
<i>Net changes</i>	<u>29,543</u>	<u>36,109</u>	<u>(6,566)</u>
Balance at December 31, 2019	<u>\$ 1,124,134</u>	<u>\$ 1,510,708</u>	<u>\$ (386,574)</u>

Other postemployment benefit information for the Barry County Transit can be found in their separately audited annual financial report, as indicated in Note 1 of this document.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the employer, calculated using the discount rate of 7 percent, as well as what the employer's net OPEB asset would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability (asset)	<u>\$ (271,478)</u>	<u>\$ (386,574)</u>	<u>\$ (290,006)</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	<u>\$ (338,059)</u>	<u>\$ (386,574)</u>	<u>\$ (331,378)</u>

Barry County

Notes to the Financial Statements

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plan

For the year ended December 31, 2019, the County recognized OPEB income of \$26,798. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 310,321
Changes in assumptions	15,557	-
Net difference between projected and actual earnings in OPEB plan investments	-	32,627
Total	<u>\$ 15,557</u>	<u>\$ 342,948</u>

Amounts reported as deferred outflows / (inflows) of resources will be recognized in OPEB expense (income) as follows:

Years Ending December 31,	Amount
2020	\$ (47,072)
2021	(47,072)
2022	(30,759)
2023	(30,759)
2024	(30,759)
2025+	(140,970)

Note 14 - Prior Period Restatement

Pension expense for the Barry County Transit was overstated in the prior year. The restatement decreased the prior year net pension liability while increasing net position, as follows:

	Barry County Transit (09/30/19)	Business-type Activities
Net Position - September 30, 2018, as previously reported	\$ 3,060,392	\$ 32,501,775
Adjustment of net pension liability	85,064	85,064
Net Position - September 30, 2018, as restated	<u>\$ 3,145,456</u>	<u>\$ 32,586,839</u>

Barry County

Notes to the Financial Statements

Note 15 - Subsequent Events

The County may be affected by the recent and ongoing outbreak of the Coronavirus (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. COVID-19 has caused significant government and business disruptions through mandated and voluntary closings and stay at home orders. Management is in the process of determining if this outbreak will have a significant financial impact on the County's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the year Ended December 31, 2019

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Taxes	\$ 11,812,978	\$ 12,046,372	\$ 12,133,354	\$ 86,982
Intergovernmental	1,968,909	2,010,902	1,998,592	(12,310)
Licenses and permits	165,280	97,330	91,947	(5,383)
Charges for services	1,662,840	1,649,430	1,801,833	152,403
Fines and forfeitures	31,000	33,000	29,356	(3,644)
Interest and rentals	96,156	96,156	330,314	234,158
Other revenues	173,600	174,600	3,787	(170,813)
Total Revenues	15,910,763	16,107,790	16,389,183	281,393
Other Financing Sources				
Transfers in	1,264,805	1,279,416	588,800	(690,616)
Total Revenues and Other Financing Sources	17,175,568	17,387,206	16,977,983	(409,223)
Expenditures				
General government				
Board of commissioners	197,265	197,265	196,366	899
Trial court	1,398,813	1,404,502	1,312,381	92,121
Jury board	11,000	11,000	7,733	3,267
Probate court	848,059	857,269	802,717	54,552
Adult probation	9,546	9,546	8,223	1,323
County administrator	315,606	317,308	306,749	10,559
Elections	80,200	80,200	19,666	60,534
Legal counsel	75,000	75,000	36,571	38,429
Clerk	578,506	578,506	560,512	17,994
Equalization	209,393	237,106	229,709	7,397
Prosecuting attorney	783,313	793,973	793,546	427
Extraditions	3,000	3,000	340	2,660
Register of deeds	299,853	300,003	268,207	31,796
Land information services	372,111	372,111	345,073	27,038
Treasurer	250,607	250,607	214,892	35,715
Tax tribunal refunds	10,000	10,000	2,804	7,196
Cooperative extension	121,108	121,108	119,873	1,235
Courthouse and grounds	1,030,235	1,129,759	840,812	288,947
Drain commissioner	201,743	203,743	191,349	12,394
Total general government	\$ 6,795,358	\$ 6,952,006	\$ 6,257,523	\$ 694,483

Continued...

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund (Continued)
For the year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance Positive (Negative) Final to Actual
	Original	Final		
Expenditures				
Public safety				
Sheriff	\$ 3,197,848	\$ 3,240,244	\$ 3,139,489	\$ 100,755
Secondary road patrol	120,752	120,752	121,844	(1,092)
Snowmobile enforcement	734	734	258	476
Court security	115,668	115,668	101,117	14,551
Marine safety	146,794	146,794	125,445	21,349
Emergency services	133,471	130,187	132,685	(2,498)
Jail	2,369,051	2,392,713	2,270,846	121,867
Animal control	82,060	82,737	81,993	744
Total public safety	6,166,378	6,229,829	5,973,677	256,152
Public works				
Appropriation for public works	11,334	14,689	14,688	1
Health and welfare				
District health department	441,737	441,737	441,737	--
Health department building	143,326	143,326	122,310	21,016
Animal shelter	396,461	425,382	411,703	13,679
Soldiers' and sailors' relief	40,000	40,000	5,446	34,554
Substance abuse	73,722	74,540	74,539	1
Veterans' affairs	44,975	44,975	38,654	6,321
Veterans' Burials	37,500	37,500	30,600	6,900
Mental health	154,500	154,500	154,500	--
Total health and welfare	1,332,221	1,361,960	1,279,489	82,471
Community and economic development				
Planning and zoning	263,530	264,952	264,771	181
Appropriation for economic development	133,891	133,891	133,891	--
Agriculture preservation	10,000	17,000	12,961	4,039
Appropriation to soil conservation	31,500	31,500	31,500	--
Total community and economic development	438,921	447,343	443,123	4,220
Recreation and culture				
Parks and recreation	63,621	63,621	46,598	17,023
Other				
Insurance and bonds	498,696	481,269	400,227	81,042
Other	287,525	276,498	231,354	45,144
Total other	786,221	757,767	631,581	126,186
Total Expenditures	15,594,054	15,827,215	14,646,679	1,180,536
Other Financing Uses				
Transfers out	2,154,927	2,218,182	1,814,535	403,647
Total Expenditures and Other Financing Uses	17,748,981	18,045,397	16,461,214	1,584,183
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(573,413)	(658,191)	516,769	1,174,960
Net Change in Fund Balance	(573,413)	(658,191)	516,769	1,174,960
<i>Fund Balance at Beginning of Period</i>	<i>4,204,340</i>	<i>4,204,340</i>	<i>4,204,340</i>	<i>--</i>
Fund Balance at End of Period	\$ 3,630,927	\$ 3,546,149	\$ 4,721,109	\$ 1,174,960

Concluded.

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Central Dispatch
For the year Ended December 31, 2019

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,513,584	\$ 1,513,584	\$ 1,497,383	\$ (16,201)
Intergovernmental	215,000	215,000	221,838	6,838
Interest and rentals	10,000	10,000	43,067	33,067
Other revenues	--	--	338	338
Total Revenues	1,738,584	1,738,584	1,762,626	24,042
Expenditures				
Public safety	1,921,225	2,014,552	1,791,313	223,239
Total Expenditures	1,921,225	2,014,552	1,791,313	223,239
Other Financing Uses				
Transfers out	--	--	919	(919)
Total Expenditures and Other Financing Uses	1,921,225	2,014,552	1,792,232	222,320
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(182,641)	(275,968)	(29,606)	246,362
Net Change in Fund Balance	(182,641)	(275,968)	(29,606)	246,362
Fund Balance at Beginning of Period	1,482,658	1,482,658	1,482,658	--
Fund Balance at End of Period	\$ 1,300,017	\$ 1,206,690	\$ 1,453,052	\$ 246,362

Barry County
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - MERS
Last Five Calendar Years

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 919,169	\$ 896,719	\$ 871,498	\$ 914,049	\$ 840,881
Interest	4,267,235	4,084,570	3,945,272	3,708,855	3,545,367
Differences between expected and actual experience	89,324	121,436	(1,089,692)	931,469	-
Changes in benefits	(8,353)	-	-	-	-
Changes in assumptions	-	-	-	2,006,349	-
Benefit payments, including refunds	(2,763,942)	(2,659,269)	(2,510,367)	(2,456,647)	(2,292,924)
Other changes	(230,812)	(102,970)	(19,207)	(151,016)	(66,372)
Net Change in Pension Liability	<u>2,272,621</u>	<u>2,340,486</u>	<u>1,197,504</u>	<u>4,953,059</u>	<u>2,026,952</u>
<i>Total Pension Liability - Beginning</i>	<u>54,218,168</u>	<u>51,877,682</u>	<u>50,680,178</u>	<u>45,727,119</u>	<u>43,700,167</u>
Total Pension Liability - Ending (a)	<u>\$ 56,490,789</u>	<u>\$ 54,218,168</u>	<u>\$ 51,877,682</u>	<u>\$ 50,680,178</u>	<u>\$ 45,727,119</u>
 Plan Fiduciary Net Position					
Contributions - employer	\$ 2,654,732	\$ 2,309,633	\$ 2,858,700	\$ 3,676,953	\$ 1,873,216
Contributions - member	302,688	304,826	287,908	293,939	315,846
Net Investment income (loss)	5,336,228	(1,608,133)	4,720,969	3,465,203	(462,833)
Benefit payments, including refunds	(2,763,942)	(2,659,269)	(2,510,367)	(2,456,647)	(2,292,924)
Administrative expenses	(92,007)	(79,362)	(73,939)	(68,602)	(67,801)
Other	(17,061)	(37,461)	144,628	-	-
Net Change in Plan Fiduciary Net Position	<u>5,420,638</u>	<u>(1,769,766)</u>	<u>5,427,899</u>	<u>4,910,846</u>	<u>(634,496)</u>
<i>Plan Fiduciary Net Position - Beginning</i>	<u>38,710,988</u>	<u>40,480,754</u>	<u>35,052,855</u>	<u>30,142,009</u>	<u>30,776,505</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 44,131,626</u>	<u>\$ 38,710,988</u>	<u>\$ 40,480,754</u>	<u>\$ 35,052,855</u>	<u>\$ 30,142,009</u>
 Net Pension Liability - Ending (a) - (b)	<u>\$ 12,359,163</u>	<u>\$ 15,507,180</u>	<u>\$ 11,396,928</u>	<u>\$ 15,627,323</u>	<u>\$ 15,585,110</u>
 Plan fiduciary net position as a percentage of total pension liability	78.12%	71.40%	78.03%	69.16%	65.92%
 Covered payroll	\$ 8,687,064	\$ 8,440,406	\$ 8,049,626	\$ 8,309,065	\$ 7,492,355
 Net pension liability as a percentage of covered payroll	142.27%	183.73%	141.58%	188.08%	208.01%

* Built prospectively upon implementation on GASB 68. Ultimately, 10 years of data will be presented.

Barry County
Required Supplementary Information
Schedule of Contributions - MERS
Last Five Calendar Years

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,154,732	\$ 1,809,633	\$ 1,637,841	\$ 1,426,953	\$ 1,373,216
Contributions in relation to the actuarially determined contribution	2,654,732	2,309,633	2,858,700	3,676,953	1,873,216
Contribution deficiency (excess)	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (1,220,859)</u>	<u>\$ (2,250,000)</u>	<u>\$ (500,000)</u>
Covered employee payroll	\$ 8,687,064	\$ 8,440,406	\$ 8,049,626	\$ 8,309,065	\$ 7,492,355
Contributions as a percentage of covered employee payroll	30.56%	27.36%	35.51%	44.25%	25.00%

Valuation Date

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense, including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility
Mortality	RP-2014 Group Annuity Mortality Table of a 50% male and 50% female blend with rates multiplied by 105%

Barry County
Required Supplementary Information
Barry County Retiree Health Care Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Four Fiscal Years

	2019	2018	2017	2016
Total OPEB Liability				
Service cost	\$ 46,640	\$ 46,640	\$ 42,251	\$ 39,488
Interest cost	73,452	71,285	94,130	90,587
Differences between expected and actual experience	-	-	(403,885)	-
Changes in assumptions	-	-	20,249	-
Benefit payments, including refunds	(90,549)	(83,410)	(74,777)	(84,100)
Net Change in total OPEB Liability	29,543	34,515	(322,032)	45,975
<i>Total OPEB Liability - Beginning</i>	<i>1,094,591</i>	<i>1,060,076</i>	<i>1,382,108</i>	<i>1,336,133</i>
Total OPEB Liability - Ending (a)	\$ 1,124,134	\$ 1,094,591	\$ 1,060,076	\$ 1,382,108
Plan Fiduciary Net Position				
Contributions to OPEB trust	\$ 25,705	\$ 24,776	\$ 44,136	\$ 29,533
Net investment income	100,953	98,387	89,638	83,637
Difference between projected and actual earnings	-	-	81,566	47,836
Benefit payments, including refunds	(90,549)	(83,410)	(74,777)	(84,100)
Administrative expenses	-	-	(3,117)	(3,151)
Net Change in Plan Fiduciary Net Position	36,109	39,753	137,446	73,755
<i>Plan Fiduciary Net Position - Beginning</i>	<i>1,474,599</i>	<i>1,434,846</i>	<i>1,297,400</i>	<i>1,223,645</i>
Plan Fiduciary Net Position - Ending (b)	\$ 1,510,708	\$ 1,474,599	\$ 1,434,846	\$ 1,297,400
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (386,574)	\$ (380,008)	\$ (374,770)	\$ 84,708
Plan fiduciary net position as a percentage of total OPEB liability	134.39%	134.72%	135.35%	93.87%
Covered payroll **	\$ 8,522,984	\$ 8,547,799	\$ 8,672,124	\$ 8,309,065
Net OPEB liability as a percentage of covered payroll	-4.54%	-4.45%	-4.32%	1.02%

* Built prospectively upon implementation on GASB 75. Ultimately, 10 years of data will be presented.

** 2016 was estimated using the covered payroll for the County's pension plan.

Barry County
Required Supplementary Information
Barry County Retiree Health Care Plan
Schedule of Contributions
Last Four Fiscal Years

	2019	2018	2017	2016
Actuarially determined contribution	\$ 25,705	\$ 24,776	\$ 48,731	\$ 45,544
Contributions in relation to the actuarially determined contribution	25,705	24,776	44,136	29,533
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,595</u>	<u>\$ 16,011</u>
Covered employee payroll	\$ 8,522,984	\$ 8,547,799	\$ 8,672,124	\$ 8,309,065
Contributions as a percentage of covered employee payroll	0.30%	0.29%	0.51%	0.36%

Valuation Date: December 31, 2017

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age normal
Remaining amortization period	10 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases (merit / longevity increased plus wage inflation increases)	3.75% to 14.75%
Investment rate of return	7.00%
Retirement age	Based on service, 100% retirement at age 70
Health care trend rate	Ranges from 4.50% to 9.00%
Mortality	50% male - 50% female blend of the RP-2014 tables, including a 10% margin for future mortality improvements, relative to the actual mortality see in the 200-2013 Experience Study.

** Built prospectively upon implementation on GASB 75. Ultimately, 10 years of data will be presented.*

OTHER SUPPLEMENTARY INFORMATION

Barry County
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2019

	<u>General</u>	<u>Building Rehab</u>	<u>Parks and Recreation</u>	<u>Agriculture Preservation</u>	<u>Master Land Use Program</u>	<u>Total General Funds</u>
ASSETS						
Cash and investments	\$ 1,158,002	\$ 2,347,483	\$ 86,001	\$ 5,027	\$ 60,000	\$ 3,656,513
Taxes receivable	206,802	--	--	--	--	206,802
Due from component unit	500,000	--	--	--	--	500,000
Due from other governments	86,992	--	--	--	--	86,992
Due from other funds	619,193	--	--	--	--	619,193
Advance to other funds	75,512	--	--	--	--	75,512
<i>Total Assets</i>	\$ 2,646,501	\$ 2,347,483	\$ 86,001	\$ 5,027	\$ 60,000	\$ 5,145,012
LIABILITIES						
Accounts payable	\$ 142,257	\$ 3,700	\$ 124	\$ --	\$ --	\$ 146,081
Accrued liabilities	217,822	--	--	--	--	217,822
<i>Total Liabilities</i>	360,079	3,700	124	--	--	363,903
FUND BALANCE						
Nonspendable	75,512	--	--	--	--	75,512
Committed	--	2,343,783	85,877	5,027	--	2,434,687
Assigned	--	--	--	--	60,000	60,000
Unassigned	2,210,910	--	--	--	--	2,210,910
<i>Total Fund Balance</i>	2,286,422	2,343,783	85,877	5,027	60,000	4,781,109
<i>Total Liabilities and Fund Balance</i>	\$ 2,646,501	\$ 2,347,483	\$ 86,001	\$ 5,027	\$ 60,000	\$ 5,145,012

Barry County
General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds Treated as General
For the year Ended December 31, 2019

	General	Building Rehab	Parks and Recreation	Agriculture Preservation	Master Land Use Program	Elimination	Total General Funds
Revenues							
Taxes	\$ 12,133,354	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 12,133,354
Intergovernmental	1,991,267	2,700	4,625	--	--	--	1,998,592
Licenses and permits	91,947	--	--	--	--	--	91,947
Charges for services	1,801,833	--	--	--	--	--	1,801,833
Fines and forfeitures	29,356	--	--	--	--	--	29,356
Interest and rentals	317,265	13,049	--	--	--	--	330,314
Other revenues	3,787	--	--	--	--	--	3,787
Total Revenues	16,368,809	15,749	4,625	--	--	--	16,389,183
Expenditures							
General government	5,949,410	308,113	--	--	--	--	6,257,523
Public safety	5,973,677	--	--	--	--	--	5,973,677
Public works	14,688	--	--	--	--	--	14,688
Health and welfare	1,279,489	--	--	--	--	--	1,279,489
Community and economic development	430,162	--	--	12,961	--	--	443,123
Recreation and cultural	--	--	46,598	--	--	--	46,598
Other	631,581	--	--	--	--	--	631,581
Total Expenditures	14,279,007	308,113	46,598	12,961	--	--	14,646,679
Excess of Revenues Over							
(Under) Expenditures	2,089,802	(292,364)	(41,973)	(12,961)	--	--	1,742,504
Other Financing Sources (Uses)							
Transfers in	588,800	790,446	63,621	10,000	--	(864,067)	588,800
Transfers out	(2,678,602)	--	--	--	--	864,067	(1,814,535)
Net Other Financing Sources (Uses)	(2,089,802)	790,446	63,621	10,000	--	--	(1,225,735)
Net Change in Fund Balance	--	498,082	21,648	(2,961)	--	--	516,769
Fund Balance at Beginning of Period	2,286,422	1,845,701	64,229	7,988	60,000	--	4,264,340
Fund Balance at End of Period	\$ 2,286,422	\$ 2,343,783	\$ 85,877	\$ 5,027	\$ 60,000	\$ --	\$ 4,781,109

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue							
	Register of Deeds Automation	Local Corrections Officer Training	Victim Services Unit	Indigent Defense	Concealed Pistol License	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
ASSETS								
Cash and investments	\$ 127,813	\$ 67,705	\$ 5,996	\$ 131,726	\$ 161,600	\$ 9,562	\$ 9,517	\$ 1,989
Accounts receivable	--	--	--	--	--	--	--	--
Taxes receivable	--	--	--	--	--	--	--	--
Due from component unit	--	--	--	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--	--
Due from other governments	--	--	--	--	--	--	--	14,475
Total Assets	\$ 127,813	\$ 67,705	\$ 5,996	\$ 131,726	\$ 161,600	\$ 9,562	\$ 9,517	\$ 16,464
LIABILITIES								
Accounts payable	\$ 1,077	\$ --	\$ 784	\$ 2,888	\$ 20	\$ --	\$ --	\$ --
Accrued liabilities	--	--	--	3,681	--	--	--	1,499
Unearned revenue	--	--	--	124,008	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	--
Advance from other funds	--	--	--	--	--	--	--	--
Total Liabilities	1,077	--	784	130,577	20	--	--	1,499
DEFERRED INFLOWS OF RESOURCES								
Revenues intended to finance a subsequent year	--	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	1,077	--	784	130,577	20	--	--	1,499
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	126,736	67,705	5,212	1,149	161,580	9,562	--	14,965
Committed	--	--	--	--	--	--	9,517	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	126,736	67,705	5,212	1,149	161,580	9,562	9,517	14,965
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 127,813	\$ 67,705	\$ 5,996	\$ 131,726	\$ 161,600	\$ 9,562	\$ 9,517	\$ 16,464

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue							
	Law Library	Commission on Aging	CDBG Housing	Middleville Police Services	MSHDA Home Program	Swift and Sure Program	56B Sobriety Court	Community Corrections
ASSETS								
Cash and investments	\$ 397	\$ 992,425	\$ 103,115	\$ --	\$ --	\$ 12,210	\$ 41,764	\$ --
Accounts receivable	--	--	--	--	13,312	--	--	--
Taxes receivable	--	958,140	--	--	--	--	--	--
Due from component unit	--	--	--	--	--	--	--	--
Loans receivable, net	--	--	918,562	--	--	--	--	--
Due from other governments	--	70,115	--	101,551	--	29,710	25,549	25,867
Total Assets	\$ 397	\$ 2,020,680	\$ 1,021,677	\$ 101,551	\$ 13,312	\$ 41,920	\$ 67,313	\$ 25,867
LIABILITIES								
Accounts payable	\$ --	\$ 19,189	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,051
Accrued liabilities	--	30,840	--	7,170	--	2,069	2,629	1,059
Unearned revenue	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	94,381	--	--	--	9,291
Advance from other funds	--	--	--	--	--	--	--	--
Total Liabilities	--	50,029	--	101,551	--	2,069	2,629	16,401
DEFERRED INFLOWS OF RESOURCES								
Revenues intended to finance a subsequent year	--	1,079,862	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	1,129,891	--	101,551	--	2,069	2,629	16,401
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	--	890,789	1,021,677	--	13,312	--	64,684	--
Committed	397	--	--	--	--	39,851	--	9,466
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	397	890,789	1,021,677	--	13,312	39,851	64,684	9,466
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 397	\$ 2,020,680	\$ 1,021,677	\$ 101,551	\$ 13,312	\$ 41,920	\$ 67,313	\$ 25,867

**Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019**

	Special Revenue							
	Adult Drug Court	Michigan Justice Training	Social Welfare	Child Care Fund	Juvenile Continuum of Care	Diverted Felons	Charlton Park	Friend of the Court
ASSETS								
Cash and investments	\$ 239,540	\$ 14,232	\$ 98,783	\$ 2,438,686	\$ 4,574	\$ 547,977	\$ 417,807	\$ 575,221
Accounts receivable	--	--	--	--	--	--	--	--
Taxes receivable	--	--	--	--	--	--	441,023	--
Due from component unit	--	--	--	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--	--
Due from other governments	31,770	--	--	199,093	6,230	--	--	249,458
Total Assets	\$ 271,310	\$ 14,232	\$ 98,783	\$ 2,637,779	\$ 10,804	\$ 547,977	\$ 858,830	\$ 824,679
LIABILITIES								
Accounts payable	\$ --	\$ --	\$ --	\$ 25,584	\$ --	\$ --	\$ 4,422	\$ 2,556
Accrued liabilities	2,604	--	--	10,510	--	--	5,173	21,214
Unearned revenue	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	--
Advance from other funds	--	--	--	--	--	--	75,512	--
Total Liabilities	2,604	--	--	36,094	--	--	85,107	23,770
DEFERRED INFLOWS OF RESOURCES								
Revenues intended to finance a subsequent year	--	--	--	--	--	--	497,040	--
Total Liabilities and Deferred Inflows of Resources	2,604	--	--	36,094	--	--	582,147	23,770
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	--	14,232	--	--	10,804	547,977	--	--
Committed	268,706	--	98,783	2,601,685	--	--	276,683	800,909
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	268,706	14,232	98,783	2,601,685	10,804	547,977	276,683	800,909
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 271,310	\$ 14,232	\$ 98,783	\$ 2,637,779	\$ 10,804	\$ 547,977	\$ 858,830	\$ 824,679

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue							
	Bench Warrant	Sheriff K-9 Donation	Animal Shelter T.N.R. Grant 2016	Solid Waste	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Remonumentation
ASSETS								
Cash and investments	\$ 1,360	\$ 7,935	\$ 5,387	\$ 172,121	\$ 1,921	\$ 287,538	\$ 11,279	\$ --
Accounts receivable	--	--	--	22,351	--	--	--	--
Taxes receivable	--	--	--	--	--	--	--	--
Due from component unit	--	--	--	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--	--
Due from other governments	--	--	--	--	--	--	--	30,915
Total Assets	\$ 1,360	\$ 7,935	\$ 5,387	\$ 194,472	\$ 1,921	\$ 287,538	\$ 11,279	\$ 30,915
LIABILITIES								
Accounts payable	\$ --	\$ --	\$ 425	\$ 472	\$ --	\$ 8,840	\$ --	\$ 5,725
Accrued liabilities	--	--	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	3,477
Advance from other funds	--	--	--	--	--	--	--	--
Total Liabilities	--	--	425	472	--	8,840	--	9,202
DEFERRED INFLOWS OF RESOURCES								
Revenues intended to finance a subsequent year	--	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	--	425	472	--	8,840	--	9,202
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	1,360	7,935	4,962	--	1,921	278,698	11,279	--
Committed	--	--	--	194,000	--	--	--	21,713
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	1,360	7,935	4,962	194,000	1,921	278,698	11,279	21,713
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,360	\$ 7,935	\$ 5,387	\$ 194,472	\$ 1,921	\$ 287,538	\$ 11,279	\$ 30,915

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue		Debt Service		Capital Projects		Permanent	
	Two Seven Oh Inc. T.N.R	Friend of the Court Renovation	Thornapple Manor 2012 Bonds	Building Authority Thornapple	McKeown Bridge Construction	Capital Replacement	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
ASSETS								
Cash and investments	\$ --	\$ 27,157	\$ 2,723	\$ 477,477	\$ 8,721	\$ 537,646	\$ 31,418	\$ 7,575,322
Accounts receivable	--	--	--	--	--	--	--	35,663
Taxes receivable	--	--	--	1,398,209	--	--	--	2,797,372
Due from component unit	--	--	--	--	--	18,500	--	18,500
Loans receivable, net	--	--	--	--	--	--	--	918,562
Due from other governments	--	--	--	--	--	--	--	784,733
Total Assets	\$ --	\$ 27,157	\$ 2,723	\$ 1,875,686	\$ 8,721	\$ 556,146	\$ 31,418	\$ 12,130,152
LIABILITIES								
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 78,033
Accrued liabilities	--	--	--	--	--	--	--	88,448
Unearned revenue	--	--	--	--	--	--	--	124,008
Due to other funds	--	--	--	17,409	--	--	--	124,558
Advance from other funds	--	--	--	--	--	--	--	75,512
Total Liabilities	--	--	--	17,409	--	--	--	490,559
DEFERRED INFLOWS OF RESOURCES								
Revenues intended to finance a subsequent year	--	--	--	1,574,405	--	--	--	3,151,307
Total Liabilities and Deferred Inflows of Resources	--	--	--	1,591,814	--	--	--	3,641,866
FUND BALANCE								
Nonspendable	--	--	--	--	--	--	30,925	30,925
Restricted	--	27,157	2,723	283,872	--	--	493	3,570,784
Committed	--	--	--	--	8,721	556,146	--	4,886,577
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	--	27,157	2,723	283,872	8,721	556,146	31,418	8,488,286
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ --	\$ 27,157	\$ 2,723	\$ 1,875,686	\$ 8,721	\$ 556,146	\$ 31,418	\$ 12,130,152

Concluded.

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the year Ended December 31, 2019

	Special Revenue							
	Register of Deeds Automation	Local Corrections Officer Training	Victim Services Unit	Indigent Defense	Concealed Pistol License	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	1,285	298,978	--	--	--	79,072
Licenses and permits	--	--	--	--	42,514	--	--	--
Charges for services	63,970	10,153	--	--	--	--	--	--
Fines and forfeitures	--	--	--	--	--	7,000	--	--
Interest and rentals	137	--	17	--	--	--	14	--
Other revenues	--	--	--	--	--	--	--	--
Total Revenues	64,107	10,153	1,302	298,978	42,514	7,000	14	79,072
Expenditures								
General government	54,358	--	--	500,895	--	--	--	67,726
Public safety	--	2,322	2,219	--	7,413	--	--	--
Public works	--	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--	--
Recreation and cultural	--	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--
Total Expenditures	54,358	2,322	2,219	500,895	7,413	--	--	67,726
Excess of Revenues Over (Under) Expenditures	9,749	7,831	(917)	(201,917)	35,101	7,000	14	11,346
Other Financing Sources (Uses)								
Sale of capital assets	--	--	--	--	--	--	--	--
Transfers in	--	--	--	203,066	--	--	--	--
Transfers out	--	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	--	203,066	--	--	--	--
Net Change in Fund Balance	9,749	7,831	(917)	1,149	35,101	7,000	14	11,346
Fund Balance at Beginning of Period	116,987	59,874	6,129	--	126,479	2,562	9,503	3,619
Fund Balance at End of Period	\$ 126,736	\$ 67,705	\$ 5,212	\$ 1,149	\$ 161,580	\$ 9,562	\$ 9,517	\$ 14,965

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the year Ended December 31, 2019

	Special Revenue							
	Law Library	Commission on Aging	CDBG Housing	Middleville Police Services	MSHDA Home Program	Swift and Sure Program	56B Sobriety Court	Community Corrections
Revenues								
Taxes	\$ --	\$ 1,034,343	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	6,500	450,866	--	279,309	--	122,720	117,135	110,873
Licenses and permits	--	--	--	--	--	--	--	--
Charges for services	--	235,261	--	--	--	5,103	10,615	--
Fines and forfeitures	--	--	--	--	--	--	--	--
Interest and rentals	--	3,836	5	--	--	--	--	--
Other revenues	--	4,109	--	--	--	--	--	--
Total Revenues	6,500	1,728,415	5	279,309	--	127,823	127,750	110,873
Expenditures								
General government	22,333	--	--	--	--	146,502	134,387	--
Public safety	--	--	--	279,309	--	--	--	111,524
Public works	--	--	--	--	--	--	--	--
Health and welfare	--	1,772,725	26,145	--	--	--	--	--
Recreation and cultural	--	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--
Total Expenditures	22,333	1,772,725	26,145	279,309	--	146,502	134,387	111,524
Excess of Revenues Over (Under) Expenditures	(15,833)	(44,310)	(26,140)	--	--	(18,679)	(6,637)	(651)
Other Financing Sources (Uses)								
Sale of capital assets	--	--	--	--	--	--	--	--
Transfers in	13,500	--	--	--	--	32,375	21,437	--
Transfers out	--	(3,028)	--	--	--	--	--	--
Net Other Financing Sources (Uses)	13,500	(3,028)	--	--	--	32,375	21,437	--
Net Change in Fund Balance	(2,333)	(47,338)	(26,140)	--	--	13,696	14,800	(651)
Fund Balance at Beginning of Period	2,730	938,127	1,047,817	--	13,312	26,155	49,884	10,117
Fund Balance at End of Period	\$ 397	\$ 890,789	\$ 1,021,677	\$ --	\$ 13,312	\$ 39,851	\$ 64,684	\$ 9,466

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the year Ended December 31, 2019

	Special Revenue							
	Adult Drug Court	Michigan Justice Training	Social Welfare	Child Care Fund	Juvenile Continuum of Care	Diverted Felons	Charlton Park	Friend of the Court
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 476,124	\$ --
Intergovernmental	128,458	4,889	--	672,248	20,306	120,410	68,976	1,035,770
Licenses and permits	--	--	--	--	--	--	--	--
Charges for services	7,540	--	--	--	--	--	67,177	19,391
Fines and forfeitures	--	--	--	--	--	--	--	--
Interest and rentals	--	--	764	--	--	--	12,012	--
Other revenues	--	--	--	--	--	--	100	--
Total Revenues	135,998	4,889	764	672,248	20,306	120,410	624,389	1,055,161
Expenditures								
General government	173,492	--	6,558	--	13,483	9,935	--	1,159,954
Public safety	--	5,200	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Health and welfare	--	--	--	1,095,129	--	--	--	--
Recreation and cultural	--	--	--	--	--	--	554,940	--
Debt service, principal	--	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--
Total Expenditures	173,492	5,200	6,558	1,095,129	13,483	9,935	554,940	1,159,954
Excess of Revenues Over (Under) Expenditures	(37,494)	(311)	(5,794)	(422,881)	6,823	110,475	69,449	(104,793)
Other Financing Sources (Uses)								
Sale of capital assets	--	--	--	--	--	--	31,828	--
Transfers in	37,494	--	7,840	422,881	--	--	--	104,793
Transfers out	--	--	--	--	--	--	(180)	--
Net Other Financing Sources (Uses)	37,494	--	7,840	422,881	--	--	31,648	104,793
Net Change in Fund Balance	--	(311)	2,046	--	6,823	110,475	101,097	--
Fund Balance at Beginning of Period	268,706	14,543	96,737	2,601,685	3,981	437,502	175,586	800,909
Fund Balance at End of Period	\$ 268,706	\$ 14,232	\$ 98,783	\$ 2,601,685	\$ 10,804	\$ 547,977	\$ 276,683	\$ 800,909

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the year Ended December 31, 2019

	Special Revenue						
	Bench Warrant	Sheriff K-9 Donation	Animal Shelter T.N.R. Grant 2016	Solid Waste	C SNIP Donation	Animal Shelter Donation	Community Resource Network Remonumentation
Revenues							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	5,000	8,000	--	--	47,789	1,638
Licenses and permits	--	--	--	--	--	--	--
Charges for services	--	--	--	80,612	--	--	--
Fines and forfeitures	--	--	--	--	--	--	--
Interest and rentals	--	--	--	--	--	3,428	22
Other revenues	--	--	--	--	--	--	--
Total Revenues	--	5,000	8,000	80,612	--	51,217	1,660
Expenditures							
General government	--	--	--	--	--	--	70,164
Public safety	--	--	--	--	--	--	--
Public works	--	--	--	80,130	--	--	--
Health and welfare	--	--	25,125	--	--	61,016	2,716
Recreation and cultural	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	--	--	25,125	80,130	--	61,016	2,716
Excess of Revenues Over (Under) Expenditures	--	5,000	(17,125)	482	--	(9,799)	(1,056)
Other Financing Sources (Uses)							
Sale of capital assets	--	--	--	--	--	--	--
Transfers in	--	--	--	1,100	--	--	21,335
Transfers out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	--	1,100	--	--	21,335
Net Change in Fund Balance	--	5,000	(17,125)	1,582	--	(9,799)	(1,056)
Fund Balance at Beginning of Period	1,360	2,935	22,087	192,418	1,921	288,497	12,335
Fund Balance at End of Period	\$ 1,360	\$ 7,935	\$ 4,962	\$ 194,000	\$ 1,921	\$ 278,698	\$ 11,279

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the year Ended December 31, 2019

	<u>Special Revenue</u>		<u>Debt Service</u>		<u>Capital Projects</u>		<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Two Seven Oh Inc. T.N.R</u>	<u>Friend of the Court Renovation</u>	<u>Thornapple Manor 2012 Bonds</u>	<u>Authority Thornapple Manor Debt</u>	<u>McKeown Bridge Construction</u>	<u>Capital Replacement</u>	<u>Cemetery Perpetual Care</u>	
Revenues								
Taxes	\$ --	\$ --	\$ --	\$ 1,266,225	\$ --	\$ --	\$ --	\$ 2,776,692
Intergovernmental	--	--	396,300	--	--	--	--	4,028,047
Licenses and permits	--	--	--	--	--	--	--	42,514
Charges for services	--	--	--	--	--	--	--	499,822
Fines and forfeitures	--	--	--	--	--	--	--	7,000
Interest and rentals	--	--	--	10,367	--	--	135	30,737
Other revenues	--	--	--	--	--	--	--	4,209
Total Revenues	--	--	396,300	1,276,592	--	--	135	7,389,021
Expenditures								
General government	--	--	396,550	581	--	3,669	--	2,760,587
Public safety	--	--	--	--	--	--	--	407,987
Public works	--	750	--	--	--	14,750	--	95,630
Health and welfare	--	--	--	--	--	--	--	2,982,856
Recreation and cultural	--	--	--	--	--	--	--	554,940
Debt service, principal	--	75,000	--	1,155,000	--	--	--	1,230,000
Debt service, interest	--	10,894	--	366,725	--	--	--	377,619
Capital outlay	--	--	--	--	--	23,107	--	23,107
Total Expenditures	--	86,644	396,550	1,522,306	--	41,526	--	8,432,726
Excess of Revenues Over (Under) Expenditures	--	(86,644)	(250)	(245,714)	--	(41,526)	135	(1,043,705)
Other Financing Sources (Uses)								
Sale of capital assets	--	--	--	--	--	--	--	31,828
Transfers in	--	88,800	--	--	--	--	--	954,621
Transfers out	--	--	--	--	--	--	--	(3,208)
Net Other Financing Sources (Uses)	--	88,800	--	--	--	--	--	983,241
Net Change in Fund Balance	--	2,156	(250)	(245,714)	--	(41,526)	135	(60,464)
<i>Fund Balance at Beginning of Period</i>	--	25,001	2,973	529,586	8,721	597,672	31,283	8,548,750
Fund Balance at End of Period	\$ --	\$ 27,157	\$ 2,723	\$ 283,872	\$ 8,721	\$ 556,146	\$ 31,418	\$ 8,488,286

Concluded.

Barry County
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2019

	Enterprise					
	Foreclosure Fund	Jail Commissary	2017 Delinquent Tax Revolving	Barry County Transit (9/30/19)	2019 Delinquent Tax Revolving	Total Enterprise Funds
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 1,845,314	\$ 188,340	\$ 112,410	\$ 2,445,630	\$ 25,750	\$ 4,617,444
Accounts receivable	--	--	--	37,765	--	37,765
Taxes receivable	--	--	489,988	--	494,635	984,623
Due from other governments	--	--	--	126,428	--	126,428
Total Current Assets	1,845,314	188,340	602,398	2,609,823	520,385	5,766,260
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	--	--	--	982,658	--	982,658
Capital assets being depreciated, net	--	--	--	497,728	--	497,728
Net OPEB asset	--	--	--	57,859	--	57,859
Total Assets	1,845,314	188,340	602,398	4,148,068	520,385	7,304,505
DEFERRED OUTFLOWS OF RESOURCES						
OPEB	--	--	--	906	--	906
Pension	--	--	--	231,405	--	231,405
Total Deferred Outflows of Resources	--	--	--	232,311	--	232,311
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	6,337	5,700	161,358	--	173,395
Accrued liabilities	--	--	--	44,177	24,294	68,471
Due to other governments	--	--	6,494	11,412	--	17,906
Due to other funds	--	--	--	--	494,635	494,635
Total Current Liabilities	--	6,337	12,194	216,947	518,929	754,407
<i>Noncurrent Liabilities</i>						
Net pension liability	--	--	--	904,816	--	904,816
Total Liabilities	--	6,337	12,194	1,121,763	518,929	1,659,223
DEFERRED INFLOWS OF RESOURCES						
OPEB	--	--	--	43,704	--	43,704
Pension	--	--	--	46,750	--	46,750
Total Deferred Inflows of Resources	--	--	--	90,454	--	90,454
NET POSITION						
Net investment in capital assets	--	--	--	1,480,386	--	1,480,386
<i>Unrestricted</i>	1,845,314	182,003	590,204	1,687,776	1,456	4,306,753
Total Net Position	\$ 1,845,314	\$ 182,003	\$ 590,204	\$ 3,168,162	\$ 1,456	\$ 5,787,139

Barry County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the year Ended December 31, 2019

	Enterprise						
	2016 Delinquent Tax Revolving	Foreclosure Fund	Jail Commissary	2017 Delinquent Tax Revolving	Barry County Transit (9/30/19)	2019 Delinquent Tax Revolving	Total Enterprise Funds
Operating Revenues							
Charges for services	\$ --	\$ 276,717	\$ 91,070	\$ 45,165	\$ 270,296	\$ 972	\$ 684,220
Interest and penalties on delinquent taxes	--	--	--	170,703	--	477	171,180
Total Operating Revenues	--	276,717	91,070	215,868	270,296	1,449	855,400
Operating Expenses							
Administrative	--	--	--	--	506,287	--	506,287
Operations	--	500	120,935	25,780	1,060,998	--	1,208,213
Maintenance	--	--	--	--	83,479	--	83,479
Depreciation	--	--	--	--	163,442	--	163,442
Total Operating Expenses	--	500	120,935	25,780	1,814,206	--	1,961,421
Operating Income (Loss)	--	276,217	(29,865)	190,088	(1,543,910)	1,449	(1,106,021)
Non-Operating Revenues (Expenses)							
Taxes	--	--	--	--	526,820	--	526,820
Intergovernmental revenues	--	--	--	--	1,023,831	--	1,023,831
Interest income	--	17,701	--	193	19,856	7	37,757
Loss on sale of capital assets	--	--	--	--	(3,891)	--	(3,891)
Net Non-Operating Revenues (Expenses)	--	17,701	--	193	1,566,616	7	1,584,517
Transfers	--	293,918	(29,865)	190,281	22,706	1,456	478,496
Transfers in	--	--	--	483	--	--	483
Transfers out	(593,912)	(1,905)	--	--	--	--	(595,817)
Change In Net Position	(593,912)	292,013	(29,865)	190,764	22,706	1,456	(116,838)
<i>Net Position at Beginning of Period</i>	593,912	1,553,301	211,868	399,440	3,145,456	--	5,903,977
Net Position at End of Period	\$ --	\$ 1,845,314	\$ 182,003	\$ 590,204	\$ 3,168,162	\$ 1,456	\$ 5,787,139

Barry County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Enterprise						
	2016 Delinquent Tax Revolving	Foreclosure Fund	Jail Commissary	2017 Delinquent Tax Revolving	Barry County Transit (9/30/19)	2019 Delinquent Tax Revolving	Total Enterprise Funds
Cash Flows from Operating Activities							
Cash received from customers and users	\$ 421,804	\$ 276,795	\$ 91,070	\$ 1,322,590	\$ 250,406	\$ (493,186)	\$ 1,869,479
Cash payments to suppliers for goods and services	(5,382)	(500)	(117,693)	(23,655)	(1,511,045)	24,294	(1,633,981)
Cash payments to employees for services	-	-	-	-	35,777	-	35,777
Net Cash Provided (Used) by Operating Activities	416,422	276,295	(26,623)	1,298,935	(1,224,862)	(468,892)	271,275
Cash Flows from Noncapital Financing Activities							
Transfers in	-	-	-	483	-	-	483
Transfers out	(593,912)	(1,905)	-	-	-	-	(595,817)
Interfund loans	-	-	-	(1,312,000)	-	494,635	(817,365)
Taxes	-	-	-	-	526,820	-	526,820
Intergovernmental operating revenues	-	-	-	-	1,198,988	-	1,198,988
Net Cash Provided (Used) by Noncapital Financing Activities	(593,912)	(1,905)	-	(1,311,517)	1,725,808	494,635	313,109
Cash flows from Capital and Related Financing Activities							
Purchase of capital assets	-	-	-	-	(1,110,934)	-	(1,110,934)
Loss on sale of capital assets	-	-	-	-	(3,891)	-	(3,891)
Net Cash Used by Capital and Related Financing Activities	-	-	-	-	(1,114,825)	-	(1,114,825)
Cash flows from Investing Activities							
Interest received	-	17,701	-	193	19,856	7	37,757
Total Cash Provided by Investing Activities	-	17,701	-	193	19,856	7	37,757
Net Increase (Decrease) in Cash and Investments	(177,490)	292,091	(26,623)	(12,389)	(594,023)	25,750	(492,684)
<i>Cash and Investments - Beginning of Year</i>	<i>177,490</i>	<i>1,553,223</i>	<i>214,963</i>	<i>124,799</i>	<i>3,039,653</i>	<i>-</i>	<i>5,110,128</i>
Cash and Investments - End of Year	\$ -	\$ 1,845,314	\$ 188,340	\$ 112,410	\$ 2,445,630	\$ 25,750	\$ 4,617,444

Barry County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2019

	Enterprise						
	2016 Delinquent Tax Revolving	Foreclosure Fund	Jail Commissary	2017 Delinquent Tax Revolving	Barry County Transit (9/30/19)	2019 Delinquent Tax Revolving	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to							
Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ -	\$ 276,217	\$ (29,865)	\$ 190,088	\$ (1,543,910)	\$ 1,449	\$ (1,106,021)
Adjustments to Reconcile Operating Income to Net Cash							
Flows Provided (Used) by Operating Activities							
Depreciation expense	-	-	-	-	163,442	-	163,442
Changes in Assets and Liabilities							
Accounts receivable	-	78	-	-	(19,890)	-	(19,812)
Taxes receivable	421,804	-	-	1,109,141	-	(494,635)	1,036,310
Net OPEB asset and related deferred items	-	-	-	-	(6,283)	-	(6,283)
Accounts payable	(5,382)	-	3,242	2,125	139,719	-	139,704
Accrued liabilities	-	-	-	-	6,025	24,294	30,319
Due to other governments	-	-	-	(2,419)	-	-	(2,419)
Net pension liability and related deferred amounts	-	-	-	-	36,035	-	36,035
Net Cash Provided (Used) by Operating Activities	<u>\$ 416,422</u>	<u>\$ 276,295</u>	<u>\$ (26,623)</u>	<u>\$ 1,298,935</u>	<u>\$ (1,224,862)</u>	<u>\$ (468,892)</u>	<u>\$ 271,275</u>

Barry County
Combining Statement of Net Position
Internal Service Funds
December 31, 2019

	Internal Service					
	Data Processing	Telephone	Vehicle Fund	Workers' Compensation Fund	Health Insurance	Disability Fund
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 1,304,590	\$ 43,051	\$ 1,001,744	\$ 119,195	\$ 346,482	\$ 230,499
Total Current Assets	1,304,590	43,051	1,001,744	119,195	346,482	230,499
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	164,983	--	--	--	--	--
Capital assets being depreciated, net	276,193	--	419,979	--	--	--
Total Assets	1,745,766	43,051	1,421,723	119,195	346,482	230,499
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	11,769	--	--	--	--	--
Accrued liabilities	--	--	--	--	--	3,136
Total Current Liabilities	11,769	--	--	--	--	3,136
<i>Noncurrent Liabilities</i>						
Total Liabilities	11,769	--	--	--	--	3,136
NET POSITION						
Investment in capital assets	441,176	--	419,979	--	--	--
<i>Unrestricted</i>	1,292,821	43,051	1,001,744	119,195	346,482	227,363
Total Net Position	\$ 1,733,997	\$ 43,051	\$ 1,421,723	\$ 119,195	\$ 346,482	\$ 227,363

Continued...

Barry County
Combining Statement of Net Position
Internal Service Funds
December 31, 2019

	Internal Service					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 1,625,930	\$ 6,542	\$ 17,501	\$ 99,718	\$ 283,277	\$ 5,078,529
Total Current Assets	1,625,930	6,542	17,501	99,718	283,277	5,078,529
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	--	--	--	--	--	164,983
Capital assets being depreciated, net	--	--	--	--	--	696,172
Total Assets	1,625,930	6,542	17,501	99,718	283,277	5,939,684
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	--	--	--	9,033	20,802
Accrued liabilities	--	--	--	--	--	3,136
Total Current Liabilities	--	--	--	--	9,033	23,938
<i>Noncurrent Liabilities</i>						
Total Liabilities	--	--	--	--	9,033	23,938
NET POSITION						
Investment in capital assets	--	--	--	--	--	861,155
<i>Unrestricted</i>	1,625,930	6,542	17,501	99,718	274,244	5,054,591
Total Net Position	\$ 1,625,930	\$ 6,542	\$ 17,501	\$ 99,718	\$ 274,244	\$ 5,915,746

Concluded.

Barry County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year Ended December 31, 2019

	Internal Service					
	<u>Data Processing</u>	<u>Telephone</u>	<u>Vehicle Fund</u>	<u>Workers' Compensation Fund</u>	<u>Health Insurance</u>	<u>Disability Fund</u>
Operating Revenues						
Charges for services	\$ --	\$ 42,218	\$ --	\$ 188,972	\$ 2,086,298	\$ 63,314
Total Operating Revenues	<u>--</u>	<u>42,218</u>	<u>--</u>	<u>188,972</u>	<u>2,086,298</u>	<u>63,314</u>
Operating Expenses						
Operations	152,990	47,234	49,320	146,655	2,116,853	76,454
Depreciation	72,017	--	161,516	--	--	--
Total Operating Expenses	<u>225,007</u>	<u>47,234</u>	<u>210,836</u>	<u>146,655</u>	<u>2,116,853</u>	<u>76,454</u>
Operating Income (Loss)	<u>(225,007)</u>	<u>(5,016)</u>	<u>(210,836)</u>	<u>42,317</u>	<u>(30,555)</u>	<u>(13,140)</u>
Non-Operating Revenues (Expenses)						
Interest income	--	--	--	--	--	--
Gain on sale of capital assets	--	--	18,549	--	--	--
Other revenue	3,072	--	6,957	423	--	--
Net Non-Operating Revenues (Expenses)	<u>3,072</u>	<u>--</u>	<u>25,506</u>	<u>423</u>	<u>--</u>	<u>--</u>
Transfers	<u>(221,935)</u>	<u>(5,016)</u>	<u>(185,330)</u>	<u>42,740</u>	<u>(30,555)</u>	<u>(13,140)</u>
Transfers in	263,482	--	--	--	27,191	--
Transfers out	--	--	--	--	--	--
Change In Net Position	<u>41,547</u>	<u>(5,016)</u>	<u>(185,330)</u>	<u>42,740</u>	<u>(3,364)</u>	<u>(13,140)</u>
Net Position at Beginning of Period	1,692,450	48,067	1,607,053	76,455	349,846	240,503
Net Position at End of Period	<u>\$ 1,733,997</u>	<u>\$ 43,051</u>	<u>\$ 1,421,723</u>	<u>\$ 119,195</u>	<u>\$ 346,482</u>	<u>\$ 227,363</u>

Continued...

Barry County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year Ended December 31, 2019

	Internal Service					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
Operating Revenues						
Charges for services	\$ 174,862	\$ 58,822	\$ 2,193,728	\$ 59,361	\$ 26,832	\$ 4,894,407
Total Operating Revenues	<u>174,862</u>	<u>58,822</u>	<u>2,193,728</u>	<u>59,361</u>	<u>26,832</u>	<u>4,894,407</u>
Operating Expenses						
Operations	50,423	57,752	2,818,290	61,735	10,320	5,588,026
Depreciation	--	--	--	--	--	233,533
Total Operating Expenses	<u>50,423</u>	<u>57,752</u>	<u>2,818,290</u>	<u>61,735</u>	<u>10,320</u>	<u>5,821,559</u>
Operating Income (Loss)	<u>124,439</u>	<u>1,070</u>	<u>(624,562)</u>	<u>(2,374)</u>	<u>16,512</u>	<u>(927,152)</u>
Non-Operating Revenues (Expenses)						
Interest income	21,389	--	--	--	--	21,389
Gain on sale of capital assets	--	--	--	--	--	18,549
Other revenue	11,885	443	--	--	--	22,780
Net Non-Operating Revenues (Expenses)	<u>33,274</u>	<u>443</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>62,718</u>
Transfers	<u>157,713</u>	<u>1,513</u>	<u>(624,562)</u>	<u>(2,374)</u>	<u>16,512</u>	<u>(864,434)</u>
Transfers in	--	3,000	570,368	--	--	864,041
Transfers out	--	--	--	--	--	--
Change In Net Position	157,713	4,513	(54,194)	(2,374)	16,512	(393)
<i>Net Position at Beginning of Period</i>	<u>1,468,217</u>	<u>2,029</u>	<u>71,695</u>	<u>102,092</u>	<u>257,732</u>	<u>5,916,139</u>
Net Position at End of Period	\$ 1,625,930	\$ 6,542	\$ 17,501	\$ 99,718	\$ 274,244	\$ 5,915,746

Concluded.

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	Internal Service Funds					
	Data Processing	Telephone	Vehicle Fund	Workers' Compensation Fund	Health Insurance	Disability Fund
Cash Flows from Operating Activities						
Cash received for interfund activity	\$ -	\$ 42,218	\$ -	\$ 188,972	\$ 2,086,298	\$ 63,314
Cash payments to suppliers for goods and services	(141,421)	(47,234)	(49,320)	-	-	-
Cash payments to employees for services and fringe benefits	-	-	-	(146,655)	(2,116,853)	(75,347)
Net Cash Provided (Used) by Operating Activities	(141,421)	(5,016)	(49,320)	42,317	(30,555)	(12,033)
Cash Flows from Non-capital and Related Financing Activities						
Transfers in	263,482	-	-	-	27,191	-
Other Non-operating Revenues	3,072	-	6,957	423	-	-
Net Cash Provided by Non-capital and Related Financing Activities	266,554	-	6,957	423	27,191	-
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(226,003)	-	(171,744)	-	-	-
Proceeds from disposal of capital assets	-	-	38,124	-	-	-
Net Cash Used by Capital and Related Financing Activities	(226,003)	-	(133,620)	-	-	-
Cash Flows from Investing Activities						
Interest income	-	-	-	-	-	-
Total Cash Flows Provided by Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Equivalents	(100,870)	(5,016)	(175,983)	42,740	(3,364)	(12,033)
<i>Cash and Equivalents - Beginning of Year</i>	<i>1,405,460</i>	<i>48,067</i>	<i>1,177,727</i>	<i>76,455</i>	<i>349,846</i>	<i>242,532</i>
<i>Cash and Equivalents - End of Year</i>	<i>\$ 1,304,590</i>	<i>\$ 43,051</i>	<i>\$ 1,001,744</i>	<i>\$ 119,195</i>	<i>\$ 346,482</i>	<i>\$ 230,499</i>

Continued...

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	Internal Service Funds					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
Cash Flows from Operating Activities						
Cash received for interfund activity	\$ 174,862	\$ 58,822	\$ 2,193,728	\$ 59,361	\$ 26,832	\$ 4,894,407
Cash payments to suppliers for goods and services	-	-	-	-	-	(237,975)
Cash payments to employees for services and fringe benefits	(50,423)	(57,752)	(2,957,255)	(61,735)	(4,276)	(5,470,296)
Net Cash Provided (Used) by Operating Activities	<u>124,439</u>	<u>1,070</u>	<u>(763,527)</u>	<u>(2,374)</u>	<u>22,556</u>	<u>(813,864)</u>
Cash Flows from Non-capital and Related Financing Activities						
Transfers in	-	3,000	570,368	-	-	864,041
Other Non-operating Revenues	11,885	443	-	-	-	22,780
Net Cash Provided by Non-capital and Related Financing Activities	<u>11,885</u>	<u>3,443</u>	<u>570,368</u>	<u>-</u>	<u>-</u>	<u>886,821</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	-	-	-	-	-	(397,747)
Proceeds from sale of capital assets	-	-	-	-	-	38,124
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(359,623)</u>
Cash Flows from Investing Activities						
Interest income	21,389	-	-	-	-	21,389
Total Cash Flows Provided by Investing Activities	<u>21,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,389</u>
Net Increase (Decrease) in Cash and Equivalents	157,713	4,513	(193,159)	(2,374)	22,556	(265,277)
<i>Cash and Equivalents - Beginning of Year</i>	1,468,217	2,029	210,660	102,092	260,721	5,343,806
<i>Cash and Equivalents - End of Year</i>	<u>\$ 1,625,930</u>	<u>\$ 6,542</u>	<u>\$ 17,501</u>	<u>\$ 99,718</u>	<u>\$ 283,277</u>	<u>\$ 5,078,529</u>

Concluded.

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	Internal Service Funds					
	Data Processing	Telephone	Vehicle Fund	Workers' Compensation Fund	Health Insurance	Disability Fund
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ (225,007)	\$ (5,016)	\$ (210,836)	\$ 42,317	\$ (30,555)	\$ (13,140)
Adjustments to Reconcile Operating Income (Loss) to Net						
Cash Provided (Used) by Operating Activities						
Depreciation expense	72,017	-	161,516	-	-	-
Changes in Assets and Liabilities						
Accounts payable	11,569	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	1,107
Net Cash Provided (Used) by Operating Activities	<u>\$ (141,421)</u>	<u>\$ (5,016)</u>	<u>\$ (49,320)</u>	<u>\$ 42,317</u>	<u>\$ (30,555)</u>	<u>\$ (12,033)</u>

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	Internal Service Funds					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 124,439	\$ 1,070	\$ (624,562)	\$ (2,374)	\$ 16,512	\$ (927,152)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation expense	-	-	-	-	-	233,533
Changes in Assets and Liabilities						
Accounts payable	-	-	(138,965)	-	6,044	(121,352)
Accrued liabilities	-	-	-	-	-	1,107
Net Cash Provided (Used) by Operating Activities	<u>\$ 124,439</u>	<u>\$ 1,070</u>	<u>\$ (763,527)</u>	<u>\$ (2,374)</u>	<u>\$ 22,556</u>	<u>\$ (813,864)</u>

Barry County Economic Development Board
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Community and economic development	\$ 133,891	\$ --	\$ 133,891	\$ --	\$ --
Total	\$ 133,891	\$ --	\$ 133,891	\$ --	\$ --
Change in Net Position					--
<i>Net Position at Beginning of Period</i>					<i>--</i>
<i>Net Position at End of Period</i>					<i>\$ --</i>

Barry County Economic Development Board
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2019

Revenues	
Intergovernmental	\$ 133,891
<i>Total Revenues</i>	<u>133,891</u>
Expenditures	
Community and economic development	133,891
<i>Total Expenditures</i>	<u>133,891</u>
<i>Excess of Revenues Over</i>	
<i>(Under) Expenditures</i>	<u>--</u>
<i>Net Change in Fund Balance</i>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u><u>\$ --</u></u>

**Barry County Airport
Statement of Net Position
December 31, 2019**

ASSETS

Current Assets

Cash and investments	\$	276,746
----------------------	----	---------

Inventories		15,776
-------------	--	--------

<i>Total Current Assets</i>		292,522
------------------------------------	--	---------

Noncurrent Assets

Capital assets not being depreciated		506,508
--------------------------------------	--	---------

Capital assets being depreciated, net		4,480,505
---------------------------------------	--	-----------

<i>Total Assets</i>		5,279,535
----------------------------	--	-----------

LIABILITIES

Current Liabilities

Accounts payable		20,734
------------------	--	--------

<i>Total Current Liabilities</i>		20,734
---	--	--------

NET POSITION

Investment in capital assets		4,987,013
------------------------------	--	-----------

<i>Unrestricted</i>		271,788
---------------------	--	---------

<i>Total Net Position</i>	\$	5,258,801
----------------------------------	----	-----------

**Barry County Airport
Statement of Activities
For the Year Ended December 31, 2019**

Functions/Programs		Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Public works	\$ 535,102	\$ 366,029	\$ --	\$ 187,941	\$ 18,868
<i>Total</i>	535,102	366,029	--	187,941	18,868
<i>Change in Net Position</i>					18,868
<i>Net Position at Beginning of Period</i>					5,239,933
<i>Net Position at End of Period</i>					\$ 5,258,801

**Barry County Airport
Balance Sheet
Governmental Fund
December 31, 2019**

	<u>Airport Commission</u>
ASSETS	
Cash and investments	\$ 276,746
Inventories	15,776
<i>Total Assets</i>	<u>\$ 292,522</u>
LIABILITIES	
Accounts payable	\$ 20,734
<i>Total Liabilities</i>	<u>20,734</u>
FUND BALANCE	
Nonspendable	15,776
Unassigned	256,012
<i>Total Fund Balance</i>	<u>271,788</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 292,522</u>

Barry County Airport
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
December 31, 2019

Total Fund Balance - Governmental Fund	\$ 271,788
General government capital assets of \$8,772,133, net of accumulated depreciation of \$3,785,120, are not financial resources and, accordingly, are not reported in the funds.	4,987,013
Total Net Position - Governmental Activities	\$ <u>5,258,801</u>

Barry County Airport
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2019

	<u>Airport Commission</u>
Revenues	
Charges for services	\$ 331,952
Intergovernmental revenues	187,941
Other revenues	36,177
<i>Total Revenues</i>	<u>556,070</u>
Expenditures	
Public works	296,157
Capital outlay	250,690
<i>Total Expenditures</i>	<u>546,847</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,223</u>
<i>Net Change in Fund Balance</i>	<u>9,223</u>
<i>Fund Balance at Beginning of Period</i>	262,565
<i>Fund Balance at End of Period</i>	<u>\$ 271,788</u>

Barry County Airport
Reconciliation of Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2019

Total Net Change in Fund Balances - Governmental Fund	\$	9,223
---	----	-------

Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$250,690 exceeds depreciation expense of \$236,949 and loss on disposals of capital assets of \$4,096.

9,645

Changes in Net Position - Governmental Activities	\$	<u>18,868</u>
--	-----------	----------------------

Barry County Drain Commission
Statement of Net Position
December 31, 2019

ASSETS

Current Assets

Cash and investments	\$ 1,678,976
Special assessments receivable	637,427
Due from other governments	4,500
Total Current Assets	2,320,903

Noncurrent Assets

Capital assets not being depreciated	1,523,020
Capital assets being depreciated, net	4,531,934
Special assessment receivable, long-term	2,242,607
Total Assets	10,618,464

LIABILITIES

Current Liabilities

Accounts payable	127,153
Accrued interest	40,617
Current portion of long-term debt	575,895
Due to other governments	518,500
Total Current Liabilities	1,262,165

Noncurrent Liabilities

Bonds and notes payable	3,343,038
Total Liabilities	4,605,203

NET POSITION

Net investment in capital assets	4,261,607
<i>Restricted for:</i>	
Debt service	64,049
Capital projects	1,679,077
<i>Unrestricted</i>	8,528
Total Net Position	\$ 6,013,261

Barry County Drain Commission
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs		Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Public works	\$ 1,317,413	\$ 608,520	\$ 519,127	\$ 1,082,829	\$ 893,063
Interest on long-term debt	75,630	--	--	--	(75,630)
Total	\$ 1,393,043	\$ 608,520	\$ 519,127	\$ 1,082,829	\$ 817,433
General Purpose Revenues:					
Interest revenue				2,029	
Total General Revenues				2,029	
Change in Net Position				819,462	
<i>Net Position at Beginning of Period</i>				5,193,799	
Net Position at End of Period				\$ 6,013,261	

**Barry County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2019**

	Debt Service		Capital Projects					Total
	Algonquin Lake Dam Project	Little Thornapple Debt 2019	Revolving Drain Maintenance	Gun Lake Weed Assessment	Algonquin Lake Drain Maintenance	Regular Drain	Little Thornapple Construction	Governmental Funds
ASSETS								
Cash and investments	\$ 16,942	\$ 22,880	\$ 20,649	\$ 161,310	\$ 10,182	\$ 1,232,430	\$ 214,583	\$ 1,678,976
Special assessments receivable	71,191	438,320	--	341,479	--	2,029,044	--	2,880,034
Due from other governments	--	--	--	--	--	4,500	--	4,500
<i>Total Assets</i>	\$ 88,133	\$ 461,200	\$ 20,649	\$ 502,789	\$ 10,182	\$ 3,265,974	\$ 214,583	\$ 4,563,510
LIABILITIES								
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 127,153	\$ --	\$ 127,153
Due to other governments	--	--	18,500	--	--	500,000	--	518,500
<i>Total Liabilities</i>	--	--	18,500	--	--	627,153	--	645,653
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues	46,964	438,320	--	189,991	--	1,499,456	--	2,174,731
<i>Total Liabilities and Deferred Inflows of Resources</i>	46,964	438,320	18,500	189,991	--	2,126,609	--	2,820,384
FUND BALANCE								
Restricted	41,169	22,880	2,149	312,798	10,182	1,139,365	214,583	1,743,126
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	41,169	22,880	2,149	312,798	10,182	1,139,365	214,583	1,743,126
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	\$ 88,133	\$ 461,200	\$ 20,649	\$ 502,789	\$ 10,182	\$ 3,265,974	\$ 214,583	\$ 4,563,510

Barry County Drain Commission
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Total Fund Balance - Governmental Funds	\$ 1,743,126
In the statement of activities, interest is accrued on outstanding bonds and notes payable, whereas in governmental funds, the interest expenditure is reported when due.	(40,617)
Capital assets used in governmental activities of \$7,689,940, net of accumulated depreciation of \$1,634,986, are not financial resources and, therefore, are not reported as assets in the governmental funds.	6,054,954
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(3,918,933)
Long-term receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	2,174,731
Total Net Position - Governmental Activities	\$ <u>6,013,261</u>

Barry County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2019

	Debt Service		Capital Projects					
	Algonquin Lake Dam Project	Little Thornapple Debt 2019	Revolving Drain Maintenance	Gun Lake Weed Assessment	Algonquin Lake Drain Maintenance	Regular Drain	Little Thornapple Construction	Total Governmental Funds
Revenues								
Special assessments	\$ 26,757	\$ 11,680	\$ --	\$ 190,005	\$ --	\$ 1,082,829	\$ --	\$ 1,311,271
Other revenues	--	--	30,731	344	--	594,515	--	625,590
Interest revenue	--	25	--	318	3	1,096	587	2,029
Total Revenues	26,757	11,705	30,731	190,667	3	1,678,440	587	1,938,890
Expenditures								
Public works	550	6,825	6,035	88,723	1,001	880,894	218,004	1,202,032
Debt service, principal	26,814	--	--	--	--	941,759	--	968,573
Debt service, interest	2,424	--	--	--	--	54,662	--	57,086
Capital outlay	--	--	--	--	--	1,380,637	--	1,380,637
Total Expenditures	29,788	6,825	6,035	88,723	1,001	3,257,952	218,004	3,608,328
Excess of Revenues Over (Under) Expenditures	(3,031)	4,880	24,696	101,944	(998)	(1,579,512)	(217,417)	(1,669,438)
Other Financing Sources (Uses)								
Note issuance	--	--	--	--	--	2,560,954	450,000	3,010,954
Transfers in	--	18,000	--	--	--	--	--	18,000
Transfers out	--	--	--	--	--	--	(18,000)	(18,000)
Net Other Financing Sources (Uses)	--	18,000	--	--	--	2,560,954	432,000	3,010,954
Net Change in Fund Balance	(3,031)	22,880	24,696	101,944	(998)	981,442	214,583	1,341,516
<i>Fund Balance at Beginning of Period</i>	<i>44,200</i>	<i>--</i>	<i>(22,547)</i>	<i>210,854</i>	<i>11,180</i>	<i>157,923</i>	<i>--</i>	<i>401,610</i>
Fund Balance at End of Period	\$ 41,169	\$ 22,880	\$ 2,149	\$ 312,798	\$ 10,182	\$ 1,139,365	\$ 214,583	\$ 1,743,126

Barry County Drain Commission
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2019

Total Net Change in Fund Balances - Governmental Funds	\$ 1,341,516
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(18,544)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	273,615
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of principal retirement of \$968,573, net of note proceeds of \$3,010,954.	(2,042,381)
Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$1,380,637 are in excess of depreciation expense of \$115,381.	1,265,256
Changes in Net Position - Governmental Activities	\$ <u>819,462</u>

Barry County Board of Public Works
Statement of Net Position
December 31, 2019

ASSETS

Current Assets

Cash and investments	\$ 19,219
Accounts receivable	388,275
Total Current Assets	407,494

Noncurrent Assets

Accounts receivable, long-term	2,806,859
Total Assets	3,214,353

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on bond refunding	16,112
Total Deferred Outflows of Resources	16,112

LIABILITIES

Current Liabilities

Accrued interest	23,275
Current portion of bonds payable	365,000
Total Current Liabilities	388,275

Noncurrent Liabilities

Bonds Payable	2,820,346
Total Liabilities	3,208,621

NET POSITION

Restricted for:

Debt service	21,844
--------------	--------

Unrestricted

	--
Total Net Position	\$ 21,844

**Barry County Board of Public Works
Statement of Activities
For the Year Ended December 31, 2019**

Functions/Programs		Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Public works	\$ 1,053	\$ --	\$ 85,707	\$ --	\$ 84,654
Interest on long-term debt	87,264	--	--	--	(87,264)
Total	\$ 88,317	\$ --	\$ 85,707	\$ --	\$ (2,610)
General Purpose Revenues:					
Interest income					147
Total General Revenues					147
Change in Net Position					(2,463)
<i>Net Position at Beginning of Period</i>					24,307
Net Position at End of Period					\$ 21,844

**Barry County Board of Public Works
Balance Sheet
Governmental Funds
December 31, 2019**

	Debt Service								Total
	Yankee Springs Debt	Middleville Sewer Debt 2006 B	Middleville Sewer Debt 2006 A	Fawn Lake Sewer Debt	Yankee Springs Arsenic Debt	Finkbeiner Crane Debt	1999 Middleville Sewer	Leach and Middle Lake Sewer	Governmental Funds
ASSETS									
Cash and investments	\$ 692	\$ 38	\$ 111	\$ 436	\$ 3,539	\$ 13,487	\$ 554	\$ 362	\$ 19,219
Accounts receivable	189,458	75,398	472,497	176,870	201,063	528,145	--	1,551,703	3,195,134
<i>Total Assets</i>	<u>\$ 190,150</u>	<u>\$ 75,436</u>	<u>\$ 472,608</u>	<u>\$ 177,306</u>	<u>\$ 204,602</u>	<u>\$ 541,632</u>	<u>\$ 554</u>	<u>\$ 1,552,065</u>	<u>\$ 3,214,353</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	189,458	75,398	472,497	176,870	201,063	528,145	--	1,551,703	3,195,134
<i>Total Deferred Inflows of Resources</i>	<u>189,458</u>	<u>75,398</u>	<u>472,497</u>	<u>176,870</u>	<u>201,063</u>	<u>528,145</u>	<u>--</u>	<u>1,551,703</u>	<u>3,195,134</u>
FUND BALANCE									
Restricted	692	38	111	436	3,539	13,487	554	362	19,219
Unassigned	--	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>692</u>	<u>38</u>	<u>111</u>	<u>436</u>	<u>3,539</u>	<u>13,487</u>	<u>554</u>	<u>362</u>	<u>19,219</u>
<i>Total Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 190,150</u>	<u>\$ 75,436</u>	<u>\$ 472,608</u>	<u>\$ 177,306</u>	<u>\$ 204,602</u>	<u>\$ 541,632</u>	<u>\$ 554</u>	<u>\$ 1,552,065</u>	<u>\$ 3,214,353</u>

Barry County Board of Public Works
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Total Fund Balance - Governmental Funds	\$ 19,219
Long-term liabilities, including related accrued interest and deferred charges on refundings, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund statements.	(3,192,509)
Long-term receivables are not available to pay for current period expenditures and are, therefore, reported as deferred inflows of resources in the governmental fund statements.	3,195,134
Total Net Position - Governmental Activities	\$ <u>21,844</u>

Barry County Board of Public Works
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2019

	Debt Service								
	Yankee Springs Debt	Middleville Sewer Debt 2006 B	Middleville Sewer Debt 2006 A	Fawn Lake Sewer Debt	Yankee Springs Arsenic Debt	Finkbeiner Crane Debt	1999 Middleville Sewer	Leach and Middle Lake Sewer	Total Governmental Funds
Revenues									
Intergovernmental	\$ 40,582	\$ 11,806	\$ 64,966	\$ 33,800	\$ 29,781	\$ 96,678	\$ --	\$ 175,239	\$ 452,852
Interest income	25	1	39	21	18	--	--	82	186
Total Revenues	<u>40,607</u>	<u>11,807</u>	<u>65,005</u>	<u>33,821</u>	<u>29,799</u>	<u>96,678</u>	<u>--</u>	<u>175,321</u>	<u>453,038</u>
Expenditures									
Public works	--	--	--	803	--	250	--	--	1,053
Debt service, principal	35,000	10,000	55,000	25,000	25,000	80,000	--	135,000	365,000
Debt service, interest	5,582	1,806	9,967	7,997	4,780	16,677	--	40,239	87,048
Total Expenditures	<u>40,582</u>	<u>11,806</u>	<u>64,967</u>	<u>33,800</u>	<u>29,780</u>	<u>96,927</u>	<u>--</u>	<u>175,239</u>	<u>453,101</u>
Excess of Revenues Over									
(Under) Expenditures	25	1	38	21	19	(249)	--	82	(63)
Net Change in Fund Balance	<u>25</u>	<u>1</u>	<u>38</u>	<u>21</u>	<u>19</u>	<u>(249)</u>	<u>--</u>	<u>82</u>	<u>(63)</u>
<i>Fund Balance at Beginning of Period</i>	667	37	73	415	3,520	13,736	554	280	19,282
Fund Balance at End of Period	<u>\$ 692</u>	<u>\$ 38</u>	<u>\$ 111</u>	<u>\$ 436</u>	<u>\$ 3,539</u>	<u>\$ 13,487</u>	<u>\$ 554</u>	<u>\$ 362</u>	<u>\$ 19,219</u>

Barry County Board of Public Works
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2019

Total Net Change in Fund Balances - Governmental Funds	\$ (63)
Repayment of long-term debt is reported as expenditures in the governmental fund statements, but the repayment reduces long-term liabilities in the statement of net position in the current period.	365,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In the current period these amounts consist of long-term receivables (not collected within 60 days of year-end).	(367,184)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the current year change in accrued interest payable and deferred charges on bond refunding.	(216)
Changes in Net Position - Governmental Activities	\$ <u>(2,463)</u>



**BARRY COUNTY
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED DECEMBER 31, 2019**

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	
Independent Auditor's Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	2
Notes to the Schedule of Expenditures of Federal Awards	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	7
Schedule of Findings and Questioned Costs	9

INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Barry County
Hastings, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Barry County, Michigan (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 8, 2020, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC
Grand Rapids, MI
May 8, 2020

Barry County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal/Pass-through Grantor Program Title	CFDA Number	Federal/Pass-through Grantor Number	Federal Expenditures
U.S. Department of Transportation			
Passed through the Michigan State Police Office of Highway Safety Planning: FY 2020 Sobriety Court	20.601	2013-MU-BX-0051-AL-14-05	\$ 17,208
Passed through the Michigan Department of Transportation: Operating Assistance: Contract 2017-0014/P2/R1 (FY19)	20.509	2017-0014/P2/R1	296,396
Rural Transit Assistance Program	20.509	N/A	5,595
			301,991
Total U.S. Department of Transportation			319,199
U.S. Department of Health and Human Services			
Passed through the Michigan Office of Services to the Aging and Region III-B Area Agency on Aging: Title III-B Special Programs for the Aging, Grants for:			
Title III-D Health Promotion/Disease Prevention: FY 2019	93.043	19BCCOA1	1,611
Supportive Services and Senior Centers (Aging Cluster): FY 2019	93.044	19BCCOA1	17,097
FY 2020	93.044	20BCCOA1	8,162
			25,259
Title III-C Special Programs for the Aging, Nutrition Services (Aging Cluster): FY 2019 Nutrition Congregate	93.045	19BCCOA1	60,344
FY 2020 Nutrition Congregate	93.045	20BCCOA1	22,420
FY 2019 Nutrition Home Delivered Meals	93.045	19BCCOA1	54,007
FY 2020 Nutrition Home Delivered Meals	93.045	20BCCOA1	12,759
			149,530
Nutrition Services Incentive Program (Aging Cluster): FY 2019	93.053	19BCCOA1	34,858
FY 2020	93.053	20BCCOA1	16,424
			51,282
Total Aging Cluster			\$ 226,071

See notes to the schedule of expenditures of federal awards

Continued...

Barry County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal/Pass-through Grantor Program Title	CFDA Number	Federal/Pass-through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued)			
Title III-E/National Family Caregiver Support:			
FY 2019	93.052	SFSC-04-11001-5	\$ 4,700
FY 2020	93.052	SFSC-04-11001-5	1,582
			<u>6,282</u>
Child Support Enforcement:			
Passed through Michigan Department of Human Services			
Title IV-D Program	93.563	CS/COM-17-08003	866,019
Incentive Payments	93.563	-n/a-	93,811
			<u>959,830</u>
Passed through the Michigan State Court Administrative Office:			
Access and Visitation Grant	93.597	-n/a-	1,275
			<u>1,275</u>
Total U.S. Department of Health and Human Services			<u>1,195,069</u>
U.S. Department of Homeland Security			
Emergency Management Performance Grant:			
FY 2019	97.042	EMC-2018-EP-00002	27,643
FY 2020	97.042	n/a	9,500
			<u>37,143</u>
Homeland Security Grant Program:			
State Homeland Security Program - Training FY 2016	97.067	EMW-2016-SS-00010-S01	19,178
State Homeland Security Program - Equipment FY 2016	97.067	EMW-2016-SS-00010-S01	9,339
			<u>28,517</u>
Total U.S. Department of Homeland Security			<u>65,660</u>
Total Expenditures of Federal Awards			<u>\$ 1,579,928</u>

See notes to the schedule of expenditures of federal awards

Concluded.

Barry County

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Barry County (the "County") under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Audited Financial Statements. The County's financial statements include the operations of the Barry County Road Commission, which received federal awards that are not included in the Schedule for the year ended December 31, 2019, as this entity was separately audited.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

NOTE C - RECONCILIATION TO FINANCIAL STATEMENTS

A reconciliation of the amounts presented in the Schedule to the amounts presented in the financial statements is as follows:

Intergovernmental revenues reported in the financial statements:	
Governmental funds	\$ 6,248,477
Barry County Transit (09/30/2019)	<u>1,023,831</u>
Total intergovernmental revenue:	7,272,308
Subtract state and local sources:	<u>5,692,380</u>
Total expenditures of federal awards:	<u>\$ 1,579,928</u>

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

Board of Commissioners
Barry County
Hastings, Michigan

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Barry County, Michigan* (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 8, 2020. Our report includes a reference to other auditors who audited the financial statements of the Barry County Road Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Independent Auditor's Report indicated that the audit of the Barry County Road Commission was not performed in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Gabridge & Company". The signature is written in a cursive, flowing style.

Gabridge & Company, PLC
Grand Rapids, MI
May 8, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Barry County
Hastings, Michigan

Report on Compliance for Each Major Federal Program

We have audited *Barry County, Michigan's* (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Barry County Road Commission, which received \$65,365 in federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2019. Our audit, described below, did not include the operations of Barry County Road Commission, because the entity arranged for a separate financial statement audit and did not meet the criteria for a single audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on its Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gabridge & Company, PLC
Grand Rapids, MI
May 8, 2020

Barry County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number
Child Support Enforcement	93.563
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS
--

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
--

No matters were reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

No matters were reported.

May 8, 2020

Board of Commissioners
Barry County
Hastings, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Barry County, Michigan* (the “County”) as of and for the year ended December 31, 2019. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 24, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. There were no new accounting policies implemented during the year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management’s estimate of the accrued compensated absences and the related pay rates as of year-end.
- Management’s estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

- Management's estimate of insurance claims incurred but not yet reported is based on information provided by the entity's third parties administrators and subsequent claims activity.
- Management's assumptions used to calculate the actuarial report and the net present value of post-employment benefits, including pension and other post-employment benefits.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 8, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the

consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the budgetary comparison schedules, the pension and OPEB schedules, and management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of management, the Board of Commissioners, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink that reads "Gabridge & Company". The signature is written in a cursive, flowing style.

Gabridge & Company, PLC
Grand Rapids, MI