

County of
Barry,
Michigan



Year Ended
December 31,
2015

Annual
Financial
Report

COUNTY OF BARRY, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

June 13, 2016

Board of Commissioners
County of Barry
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 the *County of Barry, Michigan* (the "County"), as of and for the year ended December 31, 2015, 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, the Barry County Community Mental Health Authority, the Barry County Medical Care Facility (Thornapple Manor), or the Barry County Transit. The Barry County Road Commission represents 68.3%, 81.8%, and 40.2% of the total assets and deferred outflows, net position, and revenues, respectively, of the discretely presented component units. The Barry County Community Mental Health Authority represents 4.4%, -0.4%, and 51.5% of the total assets and deferred outflows, net position, and revenues, respectively, of the discretely presented component units. Thornapple Manor is presented as a major enterprise fund, and is therefore a separate opinion unit. The Barry County Transit represents 61.3%, 64.2%, and 75.0% of the total assets and deferred outflows, net position, and revenues, respectively, of the nonmajor enterprise funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Barry County Road Commission, Barry County Community Mental Health Authority, Thornapple Manor, and the Barry County Transit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Barry County Road Commission and the Barry County Medical Care Facility (Thornapple Manor) 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 auditors' 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 reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Barry, Michigan as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 68

As described in Note 17, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. Accordingly, beginning net position of governmental activities, Thornapple Manor enterprise fund, nonmajor enterprise fund, business-type activities, and Barry County Community Mental Health Authority were restated. Our opinion is not modified with respect to this matter.

Restatement Beginning Fund Balance of the CDBG Housing Fund

As described in Note 17, the beginning fund balance/net position of the nonmajor governmental funds/governmental activities were increased by \$1,225,246 to record the outstanding balance of community development block grant loans receivable. Our opinion is not modified with respect to this matter.

Restatement of Beginning Net Position of the Aggregate Discretely Presented Component Units

As described in Note 17, beginning net position of the aggregate discretely presented component units was restated to include the operations of the Barry Community Mental Health Authority. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 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 fund financial statements and schedules, as listed in the table of contents, 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 June 13, 2016 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 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 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 cursive script that reads "Lehmann Lobson LLC".

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

As management of Barry County, we offer readers of the *County of Barry, Michigan's* (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2015. 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, 2015 are as follows:

Total net position	\$40,745,645
Unrestricted net position	4,206,314
Change in net position	2,072,609
Fund balances, governmental funds	13,545,880
Change in fund balances, governmental funds	727,772
Fund balance, general fund	4,490,570
(as percentage of general fund expenditures and transfers out)	29%
Unassigned fund balance, general fund	2,181,422
(as percentage of general fund expenditures and transfers out)	14%

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 Barry 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, and operation of a transit system.

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

The government-wide financial statements include not only Barry County itself (known as the *primary government*), but also the legally separate Barry County Road Commission, Barry County Community Mental Health Authority, 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, central dispatch special revenue fund, commission on aging special revenue fund, and the building authority Thornapple Manor debt service 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 statements or schedules 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, 2014 delinquent tax fund, and Thornapple Manor fund, which are considered to be major funds of the County.

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

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 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:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$25,321,310	\$24,299,072	\$18,639,273	\$19,649,955	\$43,960,583	\$43,949,027
Capital assets, net	12,899,478	13,229,984	24,867,793	25,922,271	37,767,271	39,152,255
Total assets	38,220,788	37,529,056	43,507,066	45,572,226	81,727,854	83,101,282
Deferred outflows of resources	3,075,433	753,051	1,264,924	-	4,340,357	753,051
Liabilities						
Long-term liabilities	14,934,195	15,932,453	5,875,627	6,032,294	20,809,822	21,964,747
Other liabilities	16,664,295	1,374,782	3,289,444	1,026,206	19,953,739	2,400,988
Total liabilities	31,598,490	17,307,235	9,165,071	7,058,500	40,763,561	24,365,735
Deferred inflows of resources	4,559,005	4,349,329	-	-	4,559,005	4,349,329
Net position						
Net investment						
in capital assets	12,474,478	12,750,184	19,417,793	20,272,271	31,892,271	33,022,455
Restricted	4,348,443	2,930,175	298,617	259,323	4,647,060	3,189,498
Unrestricted (deficit)	(11,684,195)	945,184	15,890,509	17,982,132	4,206,314	18,927,316
Total net position	\$ 5,138,726	\$16,625,543	\$35,606,919	\$38,513,726	\$40,745,645	\$55,139,269

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

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, buildings, vehicles, 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.

Net position of the County increased by \$2,072,609. A. The governmental activities increased by \$1,885,962. An increase in property tax revenue contributed approximately \$400,000 and the remainder was primarily due to decrease in costs. The business-type activities increase of \$186,647 is due primarily to an operating income of \$430,659 in the 2014 delinquent tax revolving fund.

Change in Net Position						
Governmental Activities		Business-type Activities		Total		
2015	2014	2015	2014	2015	2014	
Revenues						
Program revenues:						
Charges for services	\$ 2,674,383	\$ 2,253,331	\$18,530,341	\$17,781,712	\$21,204,724	\$20,035,043
Operating grants and contributions	3,842,887	4,143,196	766,583	770,055	4,609,470	4,913,251
Capital grants and contributions	86,354	193,160	71,294	15,180	157,648	208,340
General revenues:						
Property taxes	14,949,219	14,554,706	479,740	466,479	15,428,959	15,021,185
Grants and contributions not restricted to specific programs	1,256,899	1,089,176	-	-	1,256,899	1,089,176
Unrestricted investment earnings	139,116	288,437	57,456	113,764	196,572	402,201
Gain on sale of capital assets	4,250	-	3,406	-	7,656	-
Total revenues	22,953,108	22,522,006	19,908,820	19,147,190	42,861,928	41,669,196
Expenses						
General government	8,498,060	7,772,229	-	-	8,498,060	7,772,229
Public safety	7,570,520	7,646,914	-	-	7,570,520	7,646,914
Public works	102,367	128,807	-	-	102,367	128,807
Health and welfare	3,801,385	3,791,897	-	-	3,801,385	3,791,897
Recreation and cultural	651,164	636,611	-	-	651,164	636,611
Community and economic development	758,857	543,317	-	-	758,857	543,317
Interest on long-term debt	461,693	485,518	-	-	461,693	485,518
Delinquent tax administration	-	-	45,561	90,779	45,561	90,779
Thornapple Manor	-	-	17,280,096	17,084,261	17,280,096	17,084,261
Other	-	-	1,619,616	1,514,461	1,619,616	1,514,461
Total expenses	21,844,046	21,005,293	18,945,273	18,689,501	40,789,319	39,694,794

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Change in net position before transfers	\$ 1,109,062	\$ 1,516,713	\$ 963,547	\$ 457,689	\$ 2,072,609	\$ 1,974,402
Transfers	776,900	605,000	(776,900)	(605,000)	-	-
Change in net position	1,885,962	2,121,713	186,647	(147,311)	2,072,609	1,974,402
Net position, beginning of year	16,625,543	14,503,830	38,513,726	38,661,037	55,139,269	53,164,867
Restatements	(13,372,779)	-	(3,093,454)	-	(16,466,233)	-
Net position, end of year	<u>\$ 5,138,726</u>	<u>\$16,625,543</u>	<u>\$35,606,919</u>	<u>\$38,513,726</u>	<u>\$40,745,645</u>	<u>\$55,139,269</u>

Governmental Activities

During the year, the County invested \$8,498,060 or 39% of governmental activities expenses to general government activities. Health and welfare expenses totaled \$3,801,385 or 17% of governmental activities. Public safety expenditures totaled \$7,570,520 or 35% of governmental activities expenses. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 9% of governmental activities expenses.

Business-type activities. Business type activities increased the County's net position by \$186,647. This is primarily the result of the delinquent tax funds and foreclosure fund increasing by \$155,899. Transit and jail commissary also increase \$56,180 and \$30,530 respectively. Thornapple Manor showed a slight decrease of \$55,962.

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 \$13,545,880, an increase of \$727,772 in comparison with the prior year. Approximately 16% of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is *restricted*, *committed* or *assigned* to indicate that it cannot be used at the County's discretion, or it is *nonspendable* 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 \$2,181,422. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 14% of total general fund expenditures and transfers out.

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

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.

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 increased \$186,647. Key elements of this change have been addressed elsewhere in this analysis.

General Fund Budgetary Highlights

- Tax revenue exceeded the original budget by approximately \$162,000, due to conservative forecasting because of the collection process.
- Expenditures for the Trial Court came in under budget by approximately \$206,000. This was the result of prudent financial management by the Trial Court at all levels of the organization through flexibility and granting time for parties to resolve cases rather than have expensive contested matters; improving technology to operate more efficiently, reducing the cost of maintaining outdated technology and/or software; training staff, which benefit our constituents to more effectively navigate through the judicial system, resolve conflicts, and protect the public; and by cross-training staff to manage workflow.
- Sheriff and Jail expenditures were under budget by approximately \$104,000 and \$170,000. This was primarily due to savings in payroll expenditures due to staff turnover, along with savings in health care costs for inmates.
- Other expenditures came in under budget due primarily to contingency that was budgeted for unforeseen expenses, not be utilized.
- Operating transfers out exceeded the original and amended budget due to a board resolution to transfer the entire year-end surplus to designated funds.

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, 2015, amounted to \$37,767,271 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and systems, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the purchase of central dispatch equipment and various improvements to County buildings such as the courthouse, the maintenance shop, and the airport taxiway. The vehicle fund also purchased three vehicles for various uses.

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,734,208	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208	\$ 2,734,208
Construction in progress	3,843	440,257	3,950	10,956	7,793	451,213
Land improvements	521,833	539,800	1,467,729	1,531,941	1,989,562	2,071,741
Buildings	7,585,916	7,576,783	20,806,994	21,473,270	28,392,910	29,050,053
Machinery and equipment	2,053,678	1,938,936	2,589,120	2,906,104	4,642,798	4,845,040
Total	\$12,899,478	\$13,229,984	\$24,867,793	\$25,922,271	\$37,767,271	\$39,152,255

Additional information on Barry County's capital assets can be found in Note 7 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$20,809,822. Of this amount, \$14,934,195 was debt of governmental activities and \$5,875,627 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$14,336,413	\$15,316,701	\$ -	\$ -	\$14,336,413	\$15,316,701
Capital lease payable	-	-	5,450,000	5,650,000	5,450,000	5,650,000
Other installment debt	-	4,800	-	-	-	4,800
Compensated absences	597,782	610,952	425,627	382,294	1,023,409	993,246
Total	\$14,934,195	\$15,932,453	\$ 5,875,627	\$ 6,032,294	\$20,809,822	\$21,964,747

Additional information on the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2016:

In order to maintain long-term financial stability, the budgeting practice in Barry County continues to be grounded in adopting balanced budgets for all funds and to budget in a manner such that actual expenses do not exceed actual revenues in any given year. This practice has allowed Barry County to be structurally prepared for difficult economic times without resorting to crisis-management.

As a result of declining housing values and the economy, in 2010 the Barry County Board of Commissioners commissioned Michigan State University's State and Local Government Program to prepare a Financial Analysis and Forecast Report. The purpose of the report was to provide Barry County's decision makers with an overview of the County's general fund finances for the five year period prior (2005-2009) and a prospective view, or forecast, for the five years looking forward (2011-2015), to serve as a guideline for future planning.

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

In March of 2014, the Board of Commissioners commissioned an update to the Financial Analysis and Forecast Report to provide a continuation of the forecasting for 2014-2018. The 2014-2018 forecast report anticipated that revenue would increase between 0.86% and 2.00% annually. Actual property tax revenue increased by 3.3%. The County continues to use the MSU study as a source for forecasting and continues to prepare multi-year budgets. For 2016 the MSU study is forecasting revenue growth between 1.08% and 2.00%. As the County works closer to October, when the budget will be adopted, we will look at the MSU forecast as well as actual revenues from 2014 and 2015 to determine if a budgeted increase greater than the MSU study forecast is warranted.

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, 269.945.1284.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF BARRY, MICHIGAN

Statement of Net Position

December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 5,329,413	\$ 6,136,477	\$ 11,465,890	\$ 5,162,721
Restricted cash and cash equivalents	145,952	326,769	472,721	-
Investments	11,516,109	6,949,352	18,465,461	376,489
Receivables, net	6,426,615	5,701,045	12,127,660	9,261,222
Internal balances	567,247	(567,247)	-	-
Other assets	447,358	81,273	528,631	1,824,266
Net other postemployment benefits asset	888,616	11,604	900,220	-
Capital assets not being depreciated	2,738,051	3,950	2,742,001	17,433,561
Capital assets being depreciated, net	10,161,427	24,863,843	35,025,270	20,918,925
Total assets	38,220,788	43,507,066	81,727,854	54,977,184
Deferred outflows of resources				
Deferred charge on advance refunding	679,582	-	679,582	26,708
Deferred pension amounts	2,395,851	1,264,924	3,660,775	349,401
Total deferred outflows of resources	3,075,433	1,264,924	4,340,357	376,109
Liabilities				
Accounts payable and accrued liabilities	1,079,185	1,318,458	2,397,643	1,492,952
Long-term liabilities:				
Due within one year	1,231,727	346,033	1,577,760	1,080,262
Due in more than one year	13,702,468	5,529,594	19,232,062	5,935,257
Net pension liability	15,585,110	1,970,986	17,556,096	1,239,899
Total liabilities	31,598,490	9,165,071	40,763,561	9,748,370
Deferred inflows of resources				
Property taxes levied for subsequent year	4,559,005	-	4,559,005	-
Net position				
Net investment in capital assets	12,474,478	19,417,793	31,892,271	36,811,489
Restricted	4,348,443	298,617	4,647,060	31,732
Unrestricted (deficit)	(11,684,195)	15,890,509	4,206,314	8,761,702
Total net position	\$ 5,138,726	\$ 35,606,919	\$ 40,745,645	\$ 45,604,923

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

COUNTY OF BARRY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2015

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues
Primary government					
Governmental activities:					
General government	\$ 8,498,060	\$ 2,024,145	\$ 2,080,130	\$ -	\$ (4,393,785)
Public safety	7,570,520	204,139	716,676	86,354	(6,563,351)
Public works	102,367	76,409	3,631	-	(22,327)
Health and welfare	3,801,385	233,293	888,965	-	(2,679,127)
Recreation and cultural	651,164	128,470	42,883	-	(479,811)
Community and economic development	758,857	7,927	110,602	-	(640,328)
Interest on long-term debt	461,693	-	-	-	(461,693)
Total governmental activities	21,844,046	2,674,383	3,842,887	86,354	(15,240,422)
Business-type activities:					
Delinquent tax administration	45,561	920,904	-	-	875,343
Thornapple Manor	17,280,096	17,224,134	-	-	(55,962)
Other	1,619,616	385,303	766,583	71,294	(396,436)
Total business-type activities	18,945,273	18,530,341	766,583	71,294	422,945
Total primary government	\$ 40,789,319	\$ 21,204,724	\$ 4,609,470	\$ 157,648	\$ (14,817,477)
Component units					
Road Commission	\$ 7,008,571	\$ 210,738	\$ 6,033,581	\$ 1,184,584	\$ 420,332
Mental Health	9,679,618	8,380,725	1,264,669	-	(34,224)
Drainage Districts	643,613	-	-	632,205	(11,408)
Board of Public Works	138,144	-	130,944	-	(7,200)
Economic Development Board	92,394	-	92,394	-	-
Airport Commission	369,369	268,599	90,388	337,454	327,072
Total component units	\$ 17,931,709	\$ 8,860,062	\$ 7,611,976	\$ 2,154,243	\$ 694,572

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenues	<u>\$ (15,240,422)</u>	<u>\$ 422,945</u>	<u>\$ (14,817,477)</u>	<u>\$ 694,572</u>
General revenues:				
Property taxes	14,949,219	479,740	15,428,959	-
Grants and contributions not restricted to specific programs	1,256,899	-	1,256,899	14,926
Unrestricted investment earnings	139,116	57,456	196,572	14,967
Gain on sale of capital assets	4,250	3,406	7,656	87,915
Transfers	<u>776,900</u>	<u>(776,900)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>17,126,384</u>	<u>(236,298)</u>	<u>16,890,086</u>	<u>117,808</u>
Change in net position	1,885,962	186,647	2,072,609	812,380
Net position, beginning of year, as restated	<u>3,252,764</u>	<u>35,420,272</u>	<u>38,673,036</u>	<u>44,792,543</u>
Net position, end of year	<u><u>\$ 5,138,726</u></u>	<u><u>\$ 35,606,919</u></u>	<u><u>\$ 40,745,645</u></u>	<u><u>\$ 45,604,923</u></u>

concluded

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

FUND FINANCIAL STATEMENTS

COUNTY OF BARRY, MICHIGAN

Balance Sheet

Governmental Funds

December 31, 2015

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
Assets				
Cash and cash equivalents	\$ -	\$ 272,205	\$ 112,373	\$ 4,246
Restricted cash and cash equivalents	-	-	-	145,952
Investments	8,389,209	798,948	1,099,979	391,612
Accounts receivable	-	-	-	-
Taxes receivable	221,874	1,543,882	865,809	1,264,147
Loans receivable	-	-	-	-
Due from other governments	279,873	49,108	66,489	-
Due from other funds	567,247	-	-	-
Advances to other funds	105,000	-	-	-
Total assets	\$ 9,563,203	\$ 2,664,143	\$ 2,144,650	\$ 1,805,957
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ 4,557,790	\$ -	\$ -	\$ -
Accounts payable	379,471	5,678	18,013	-
Accrued liabilities	135,372	17,888	16,278	-
Advances from other funds	-	-	-	-
Total liabilities	5,072,633	23,566	34,291	-
Deferred inflows of resources				
Property taxes levied for subsequent year	-	1,729,010	969,629	1,413,985
Fund balances				
Nonspendable	105,000	-	-	-
Restricted	-	911,567	1,015,730	391,972
Committed	2,204,148	-	125,000	-
Unassigned	2,181,422	-	-	-
Total fund balances	4,490,570	911,567	1,140,730	391,972
Total liabilities, deferred inflows of resources and funds balances	\$ 9,563,203	\$ 2,664,143	\$ 2,144,650	\$ 1,805,957

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



Nonmajor Governmental Funds	Totals
-----------------------------------	--------

\$ 5,032,963	\$ 5,421,787
-	145,952
235,276	10,915,024
23,252	23,252
398,585	4,294,297
1,211,732	1,211,732
501,864	897,334
-	567,247
-	105,000
<hr/>	
<u>\$ 7,403,672</u>	<u>\$ 23,581,625</u>

\$ 123,284	\$ 4,681,074
88,880	492,042
29,086	198,624
105,000	105,000
<hr/>	
346,250	5,476,740
<hr/>	

<u>446,381</u>	<u>4,559,005</u>
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30,925	135,925
2,128,605	4,447,874
4,451,511	6,780,659
-	2,181,422
<hr/>	
6,611,041	13,545,880
<hr/>	

<u>\$ 7,403,672</u>	<u>\$ 23,581,625</u>
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COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2015

Fund balances - total governmental funds \$ 13,545,880

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

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

Capital assets not being depreciated	2,738,051
Capital assets being depreciated, net	10,161,427
Less amounts accounted for in governmental internal service funds	(558,066)

Prepaid costs related to self-insurance programs and pension and other postemployment benefits plans do not represent current period costs and therefore are not reported in the fund financial statements.

Net other postemployment benefits (OPEB) asset	888,616
Prepaid self-insured retention balance	447,358

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

Net position of governmental activities accounted for in internal service funds	5,602,812
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds and installment purchase agreements payable	(13,270,000)
Compensated absences	(597,782)
Premium/discount on bonds payable, net	(1,066,413)
Deferred charge on advance refunding	679,582
Accrued interest on long-term liabilities	(130,356)
Liability for incurred-but-not-reported self-insurance claims	(113,124)

Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(15,585,110)
Deferred outflows related to the net pension liability	2,395,851

Net position of governmental activities	<u>\$ 5,138,726</u>
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The accompanying notes are an integral part of these financial statements.

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COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2015

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
Revenues				
Taxes	\$ 10,604,181	\$ 1,671,670	\$ 937,499	\$ 1,304,279
Intergovernmental	2,080,732	214,103	386,353	-
Licenses and permits	120,821	-	-	-
Charges for services	1,507,205	-	233,293	-
Fines and forfeitures	22,942	-	-	-
Interest and rentals	201,979	21,408	24,549	2,327
Other revenues	410,051	185	35,795	-
Total revenues	14,947,911	1,907,366	1,617,489	1,306,606
Expenditures				
Current:				
General government	5,502,690	-	-	695
Public safety	5,028,308	1,529,413	-	-
Public works	173,097	-	-	-
Health and welfare	1,163,053	-	1,604,628	-
Community and economic development	616,895	-	-	-
Recreation and cultural	13,754	-	-	-
Other	682,059	-	-	-
Debt service:				
Principal	-	4,800	-	815,000
Interest expense	-	-	-	480,850
Capital outlay	-	174,652	-	-
Total expenditures	13,179,856	1,708,865	1,604,628	1,296,545
Revenues over (under) expenditures	1,768,055	198,501	12,861	10,061
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	810,489	-	-	-
Transfers out	(2,541,489)	-	-	-
Total other financing sources (uses)	(1,731,000)	-	-	-
Net change in fund balances	37,055	198,501	12,861	10,061
Fund balances, beginning of year, as restated	4,453,515	713,066	1,127,869	381,911
Fund balances, end of year	\$ 4,490,570	\$ 911,567	\$ 1,140,730	\$ 391,972

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



Nonmajor Governmental Funds	Totals
\$ 431,590	\$ 14,949,219
2,358,638	5,039,826
14,231	135,052
313,280	2,053,778
-	22,942
425	250,688
51,492	497,523
<u>3,169,656</u>	<u>22,949,028</u>
1,590,805	7,094,190
385,323	6,943,044
42,814	215,911
949,063	3,716,744
139,334	756,229
728,541	742,295
-	682,059
50,000	869,800
14,556	495,406
70,974	245,626
<u>3,971,410</u>	<u>21,761,304</u>
<u>(801,754)</u>	<u>1,187,724</u>
7,150	7,150
1,298,031	2,108,520
(34,133)	(2,575,622)
<u>1,271,048</u>	<u>(459,952)</u>
469,294	727,772
<u>6,141,747</u>	<u>12,818,108</u>
<u>\$ 6,611,041</u>	<u>\$ 13,545,880</u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 727,772
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Acquisition/construction of capital assets	540,470
Less acquisition/construction of capital assets accounted for in governmental internal service funds	(59,356)
Gain (loss) on disposal of capital assets	(1,032)
Proceeds from sale of capital assets	(7,150)
Depreciation expense	(862,794)
Less depreciation expense accounted for in governmental internal service funds	185,239

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

Change in net other postemployment benefits (OPEB) asset	73,087
Change in net pension liability and related deferred amounts	(265,597)

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

Principal payments on long-term liabilities	869,800
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest on bonds payable	(8,106)
Amortization of deferred charge on advance refunding	(73,469)
Amortization of bond premiums and discounts	115,288
Change in the accrual of compensated absences	13,170
Net change in estimate for incurred-but-not-reported self-insurance claims and deposits with third party provider to fund such claims	(124,694)

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

Net operating loss from governmental activities accounted for in internal service funds	(499,148)
Interest revenue from governmental internal service funds	14,230
Gain (loss) on sale of capital assets in governmental internal service funds	4,250
Net transfers in governmental internal service funds	1,244,002

Change in net position of governmental activities	<u>\$ 1,885,962</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Real and personal property taxes	\$ 10,432,718	\$ 10,432,718	\$ 10,582,742	\$ 150,024
Other taxes	9,027	16,277	21,439	5,162
Total taxes	10,441,745	10,448,995	10,604,181	155,186
Intergovernmental:				
Federal grants	151,099	177,317	169,508	(7,809)
State grants	1,931,710	1,865,971	1,911,224	45,253
Total intergovernmental	2,082,809	2,043,288	2,080,732	37,444
Licenses and permits:				
Gun permits	25,000	10,300	10,300	-
Dog licenses	86,600	71,600	70,658	(942)
Marriage license fees	7,800	9,550	9,015	(535)
Planning services	37,500	33,000	30,848	(2,152)
Total licenses and permits	156,900	124,450	120,821	(3,629)
Charges for services:				
Circuit court	139,213	101,713	99,672	(2,041)
District court	464,000	500,200	507,298	7,098
Friend of the court	44,000	50,500	52,534	2,034
Probate court	31,000	33,000	31,767	(1,233)
County treasurer	2,220	6,420	6,806	386
County clerk	91,960	124,160	123,612	(548)
Register of deeds	225,641	190,021	188,958	(1,063)
Real estate transfer tax	208,168	215,000	219,969	4,969
Mapping department	10,682	8,700	7,902	(798)
Juvenile court	12,100	12,600	14,526	1,926
Sheriff	77,950	113,250	114,552	1,302
Record copying	140,615	85,500	90,191	4,691
Other	77,247	49,675	49,418	(257)
Total charges for services	1,524,796	1,490,739	1,507,205	16,466

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
Fines and forfeitures:				
Bond forfeitures	\$ 2,500	\$ 3,500	\$ 3,560	\$ 60
Ordinance fines and costs	15,000	19,000	19,382	382
Total fines and forfeitures	17,500	22,500	22,942	442
Interest and rentals:				
Interest revenues	75,020	75,020	126,120	51,100
Rentals	14,400	77,640	75,859	(1,781)
Total interest and rentals	89,420	152,660	201,979	49,319
Other revenues:				
Reimbursements and refunds	74,640	393,865	409,606	15,741
Other	1,178	1,178	445	(733)
Total other revenues	75,818	395,043	410,051	15,008
Total revenues	14,388,988	14,677,675	14,947,911	270,236
Expenditures				
General government:				
Board of commissioners	177,319	171,797	162,385	(9,412)
Trial court	1,596,791	1,577,206	1,371,092	(206,114)
Jury board	22,000	22,000	3,186	(18,814)
Probate court	731,555	741,139	668,786	(72,353)
Adult probation	9,546	9,546	9,077	(469)
County administrator	278,373	278,501	253,869	(24,632)
Elections	35,800	35,300	32,808	(2,492)
Legal counsel	50,000	150,000	136,421	(13,579)
Clerk	500,076	497,414	467,688	(29,726)
Equalization	177,674	177,725	170,614	(7,111)
Prosecuting attorney	705,614	716,274	740,963	24,689
Register of deeds	225,433	231,698	227,758	(3,940)
Land information services	294,415	291,864	260,372	(31,492)
Treasurer	258,787	261,546	230,909	(30,637)
Cooperative extension	111,552	111,552	110,089	(1,463)
Courthouse and grounds	542,919	531,754	490,220	(41,534)
Drain commissioner	166,575	173,851	166,453	(7,398)
Total general government	5,884,429	5,979,167	5,502,690	(476,477)

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Public safety:				
Sheriff	\$ 2,792,104	\$ 2,799,973	\$ 2,695,540	\$ (104,433)
Secondary road patrol	109,200	110,657	109,181	(1,476)
Court security	76,937	97,840	93,477	(4,363)
Highway safety grant	896	896	602	(294)
Marine safety	133,499	134,253	132,082	(2,171)
Emergency services	109,337	109,388	132,112	22,724
Jail	1,955,205	1,988,252	1,817,858	(170,394)
Animal control	77,072	77,072	47,456	(29,616)
Total public safety	<u>5,254,250</u>	<u>5,318,331</u>	<u>5,028,308</u>	<u>(290,023)</u>
Public works:				
Building rehabilitation	<u>188,000</u>	<u>188,000</u>	<u>173,097</u>	<u>(14,903)</u>
Health and welfare:				
District health department	400,000	459,653	459,653	-
Health department building	125,343	129,018	123,014	(6,004)
Animal shelter	183,852	187,810	163,333	(24,477)
Soldiers' and sailors' relief	68,023	68,023	13,368	(54,655)
Medical examiner	109,781	109,781	109,176	(605)
Substance abuse	125,455	75,670	81,527	5,857
Veterans' counselor	34,867	34,867	29,082	(5,785)
Veterans' burials	37,500	37,500	29,400	(8,100)
Mental health	154,500	154,500	154,500	-
Total health and welfare	<u>1,239,321</u>	<u>1,256,822</u>	<u>1,163,053</u>	<u>(93,769)</u>
Community and economic development:				
Appropriation to Economic Development Board	92,394	92,394	92,394	-
Appropriation to Airport Commission	45,194	45,194	45,194	-
Appropriation to Road Commission	276,900	276,900	276,900	-
Appropriation to Soil Conservation	15,500	15,500	15,500	-
Planning and zoning	212,390	205,917	186,482	(19,435)
Agriculture preservation	-	425	425	-
Total community and economic development	<u>642,378</u>	<u>636,330</u>	<u>616,895</u>	<u>(19,435)</u>

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Recreation and cultural:				
Parks and recreation	\$ 26,175	\$ 26,175	\$ 13,754	\$ (12,421)
Other:				
Insurance and bonds	329,172	395,412	397,396	1,984
Other	281,247	428,328	284,663	(143,665)
Total other	610,419	823,740	682,059	(141,681)
Total expenditures	13,844,972	14,228,565	13,179,856	(1,048,709)
Revenues over expenditures	544,016	449,110	1,768,055	1,318,945
Other financing sources (uses)				
Transfers in	776,900	788,361	810,489	22,128
Transfers out	(1,515,916)	(1,623,872)	(2,541,489)	917,617
Total other financing sources (uses)	(739,016)	(835,511)	(1,731,000)	939,745
Net change in fund balance	(195,000)	(386,401)	37,055	423,456
Fund balance, beginning of year	4,453,515	4,453,515	4,453,515	-
Fund balance, end of year	\$ 4,258,515	\$ 4,067,114	\$ 4,490,570	\$ 423,456

concluded

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

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Central Dispatch Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,684,006	\$ 1,684,006	\$ 1,671,670	\$ (12,336)
Intergovernmental	195,000	195,000	214,103	19,103
Interest and rentals	1,500	1,500	21,408	19,908
Other revenues	100	100	185	85
	<u>1,880,606</u>	<u>1,880,606</u>	<u>1,907,366</u>	<u>26,760</u>
Total revenues				
Expenditures				
Current - public safety	1,551,601	1,593,607	1,529,413	(64,194)
Debt service - principal	4,800	4,800	4,800	-
Capital outlay	165,000	308,000	174,652	(133,348)
	<u>1,721,401</u>	<u>1,906,407</u>	<u>1,708,865</u>	<u>(197,542)</u>
Total expenditures				
Net change in fund balance	159,205	(25,801)	198,501	224,302
Fund balance, beginning of year	<u>713,066</u>	<u>713,066</u>	<u>713,066</u>	<u>-</u>
Fund balance, end of year	<u>\$ 872,271</u>	<u>\$ 687,265</u>	<u>\$ 911,567</u>	<u>\$ 224,302</u>

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

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Commission on Aging Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 911,192	\$ 911,192	\$ 937,499	\$ 26,307
Intergovernmental	329,442	329,442	386,353	56,911
Charges for services	250,000	250,000	233,293	(16,707)
Interest and rentals	1,700	1,700	24,549	22,849
Other revenues	55,041	55,041	35,795	(19,246)
	<u>1,547,375</u>	<u>1,547,375</u>	<u>1,617,489</u>	<u>70,114</u>
Total revenue				
Expenditures				
Current - health and welfare	1,624,814	1,624,814	1,604,628	(20,186)
Capital outlay	3,000	3,000	-	(3,000)
	<u>1,627,814</u>	<u>1,627,814</u>	<u>1,604,628</u>	<u>(23,186)</u>
Total expenditures				
Net change in fund balance	(80,439)	(80,439)	12,861	93,300
Fund balance, beginning of year	<u>1,127,869</u>	<u>1,127,869</u>	<u>1,127,869</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,047,430</u>	<u>\$ 1,047,430</u>	<u>\$ 1,140,730</u>	<u>\$ 93,300</u>

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

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COUNTY OF BARRY, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2014	Thornapple Manor
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,505,610	\$ 123,198	\$ 999,697
Restricted cash and cash equivalents	-	-	326,769
Investments	6,495,013	-	-
Accounts receivable, net	-	-	2,817,555
Taxes receivable	22,261	1,752,252	-
Due from other governments	-	-	-
Due from other funds	1,434,000	-	-
Other assets	-	-	71,206
Total current assets	<u>9,456,884</u>	<u>1,875,450</u>	<u>4,215,227</u>
Noncurrent assets:			
Investments	-	-	-
Net other postemployment benefits asset	-	-	-
Capital assets not being depreciated	-	-	3,950
Capital assets being depreciated, net	-	-	24,091,730
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>24,095,680</u>
Total assets	<u>9,456,884</u>	<u>1,875,450</u>	<u>28,310,907</u>
Deferred outflows of resources			
Deferred pension amounts	-	-	1,212,866
Liabilities			
Current liabilities:			
Accounts payable	-	-	693,250
Accrued liabilities	-	-	540,292
Due to other governments	3,450	8,538	-
Due to other funds	-	1,434,000	-
Current portion of long-term debt	-	-	346,033
Total current liabilities	<u>3,450</u>	<u>1,442,538</u>	<u>1,579,575</u>
Noncurrent liabilities:			
Long-term debt, net of current portion	-	-	5,529,594
Net pension liability	-	-	1,406,226
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>6,935,820</u>
Total liabilities	<u>3,450</u>	<u>1,442,538</u>	<u>8,515,395</u>
Net position			
Net investment in capital assets	-	-	18,645,680
Restricted for property tax foreclosures	-	-	-
Unrestricted	<u>9,453,434</u>	<u>432,912</u>	<u>2,362,698</u>
Total net position	<u>\$ 9,453,434</u>	<u>\$ 432,912</u>	<u>\$ 21,008,378</u>

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



Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 3,507,972	\$ 6,136,477	\$ 4,588,700
-	326,769	-
341,218	6,836,231	601,085
15,732	2,833,287	-
1,013,723	2,788,236	-
79,522	79,522	-
-	1,434,000	-
10,067	81,273	-
<u>4,968,234</u>	<u>20,515,795</u>	<u>5,189,785</u>
113,121	113,121	-
11,604	11,604	-
-	3,950	-
<u>772,113</u>	<u>24,863,843</u>	<u>558,066</u>
<u>896,838</u>	<u>24,992,518</u>	<u>558,066</u>
<u>5,865,072</u>	<u>45,508,313</u>	<u>5,747,851</u>
52,058	1,264,924	-
23,793	717,043	145,039
22,897	563,189	-
26,238	38,226	-
567,247	2,001,247	-
-	346,033	-
<u>640,175</u>	<u>3,665,738</u>	<u>145,039</u>
-	5,529,594	-
<u>564,760</u>	<u>1,970,986</u>	<u>-</u>
<u>564,760</u>	<u>7,500,580</u>	<u>-</u>
<u>1,204,935</u>	<u>11,166,318</u>	<u>145,039</u>
772,113	19,417,793	558,066
298,617	298,617	-
<u>3,641,465</u>	<u>15,890,509</u>	<u>5,044,746</u>
<u>\$ 4,712,195</u>	<u>\$ 35,606,919</u>	<u>\$ 5,602,812</u>

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2014	Thornapple Manor
Operating revenues			
Charges for services	\$ 64,032	\$ 171,323	\$ 17,224,134
Interest and penalties on delinquent taxes	17,371	259,336	-
Other revenues	-	-	-
Total operating revenues	81,403	430,659	17,224,134
Operating expenses			
Operations	-	-	16,102,116
Depreciation	-	-	1,015,671
Other expenses	-	-	-
Total operating expenses	-	-	17,117,787
Operating income (loss)	81,403	430,659	106,347
Nonoperating revenues (expenses)			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	56,123	160	-
Interest expense	-	-	(162,309)
Gain on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	56,123	160	(162,309)
Income (loss) before transfers	137,526	430,819	(55,962)
Transfers			
Transfers in	615,996	-	-
Transfers out	(776,900)	-	-
Total transfers	(160,904)	-	-
Change in net position	(23,378)	430,819	(55,962)
Net position, beginning of year, as restated	9,476,812	2,093	21,064,340
Net position, end of year	\$ 9,453,434	\$ 432,912	\$ 21,008,378

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

Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 635,511	\$ 18,095,000	\$ 4,143,005
158,634	435,341	-
-	-	6,241
794,145	18,530,341	4,149,246
1,477,027	17,579,143	4,462,368
188,150	1,203,821	185,239
-	-	787
1,665,177	18,782,964	4,648,394
(871,032)	(252,623)	(499,148)
479,740	479,740	-
833,324	833,324	-
5,726	62,009	14,230
-	(162,309)	-
3,406	3,406	4,250
1,322,196	1,216,170	18,480
451,164	963,547	(480,668)
-	615,996	1,244,002
(615,996)	(1,392,896)	-
(615,996)	(776,900)	1,244,002
(164,832)	186,647	763,334
4,877,027	35,420,272	4,839,478
\$ 4,712,195	\$ 35,606,919	\$ 5,602,812

COUNTY OF BARRY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2014	Thornapple Manor
Cash flows from operating activities			
Cash received from customers and users	\$ 93,905	\$ 2,825,088	\$ 17,295,241
Cash received from interfund services	-	-	-
Cash payments to suppliers for goods and services	-	-	(4,214,638)
Cash payments to employees for services	-	-	(12,375,774)
Cash payments to purchase delinquent taxes	-	(4,173,694)	-
Net cash provided by (used in) operating activities	93,905	(1,348,606)	704,829
Cash flows from non-capital financing activities			
Transfers in	615,996	-	-
Transfers out	(776,900)	-	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Long-term advances (to)/from other funds	(3,086,894)	3,086,894	-
Payments on long-term advances to/(from) other funds	3,028,493	(1,652,894)	-
Net cash provided by (used in) non-capital financing activities	(219,305)	1,434,000	-
Cash flows from capital and related financing activities			
Intergovernmental capital grants	-	-	-
Principal payments on long-term debt	-	-	(200,000)
Interest payments on long-term debt	-	-	(162,309)
Purchases of capital assets	-	-	(84,346)
Proceeds from sale of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	(446,655)
Cash flows from investing activities			
Purchase of investments	(2,661,090)	-	-
Sale of investments	2,831,673	-	-
Interest received	56,123	160	-
Net cash provided by (used in) investing activities	226,706	160	-
Net increase (decrease) in cash and cash equivalents	101,306	85,554	258,174
Cash and cash equivalents, beginning of year	1,404,304	37,644	1,068,292
Cash and cash equivalents, end of year	\$ 1,505,610	\$ 123,198	\$ 1,326,466



Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 2,461,257	\$ 22,675,491	\$ -
-	-	4,149,246
(813,234)	(5,027,872)	(132,123)
(640,116)	(13,015,890)	(4,490,395)
-	(4,173,694)	-
<hr/>		<hr/>
1,007,907	458,035	(473,272)
<hr/>		<hr/>
-	615,996	1,244,002
(615,996)	(1,392,896)	-
479,740	479,740	-
747,291	747,291	-
-	-	-
(1,375,599)	-	-
<hr/>		<hr/>
(764,564)	450,131	1,244,002
<hr/>		<hr/>
71,294	71,294	-
-	(200,000)	-
-	(162,309)	-
(64,997)	(149,343)	(59,356)
3,406	3,406	4,250
<hr/>		<hr/>
9,703	(436,952)	(55,106)
<hr/>		<hr/>
(454,339)	(3,115,429)	-
-	2,831,673	-
5,726	62,009	-
<hr/>		<hr/>
(448,613)	(221,747)	-
<hr/>		<hr/>
(195,567)	249,467	715,624
<hr/>		<hr/>
3,703,539	6,213,779	3,873,076
<hr/>		<hr/>
\$ 3,507,972	\$ 6,463,246	\$ 4,588,700
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COUNTY OF BARRY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2014	Thornapple Manor
Statement of net position classification of cash and cash equivalents			
Cash and cash equivalents	\$ 1,505,610	\$ 123,198	\$ 999,697
Restricted cash and cash equivalents	-	-	326,769
	<u>\$ 1,505,610</u>	<u>\$ 123,198</u>	<u>\$ 1,326,466</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 81,403	\$ 430,659	\$ 106,347
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	1,015,671
Changes in:			
Accounts receivable	-	-	71,107
Taxes receivable	9,052	(1,161,674)	-
Other assets	-	-	(515)
Net other postemployment benefits asset	-	-	-
Accounts payable	-	-	230,831
Accrued liabilities	-	-	63,550
Due to other governments	3,450	(27,013)	-
Due to other funds	-	(590,578)	-
Compensated absences	-	-	43,333
Net pension liability and related deferred amounts	-	-	(825,495)
Net cash provided by (used in) operating activities	<u>\$ 93,905</u>	<u>\$ (1,348,606)</u>	<u>\$ 704,829</u>

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



Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 3,507,972	\$ 6,136,477	\$ 4,588,700
-	326,769	-
<u>\$ 3,507,972</u>		<u>\$ 4,588,700</u>

\$ (871,032)	\$ (252,623)	\$ (499,148)
188,150	1,203,821	185,239
(6,809)	64,298	72,876
1,092,227	(60,395)	-
15,100	14,585	-
(8,367)	(8,367)	-
3,117	233,948	10,200
3,870	67,420	(242,439)
14,447	(9,116)	-
567,247	(23,331)	-
-	-	-
9,957	(815,538)	-
<u>\$ 1,007,907</u>		<u>\$ (473,272)</u>

concluded

COUNTY OF BARRY, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2015

	Agency Funds	Private Purpose Trust Funds
Assets		
Cash and cash equivalents	<u>\$ 514,436</u>	<u>\$ 69,666</u>
Liabilities		
Accounts payable	\$ 182,905	-
Due to other governments	239,577	-
Undistributed receipts	<u>91,954</u>	<u>-</u>
Total liabilities	<u>\$ 514,436</u>	<u>-</u>
Net position		
Restricted for private purposes		<u>\$ 69,666</u>

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

COUNTY OF BARRY, MICHIGAN

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Year Ended December 31, 2015

Additions	
Local contributions	\$ -
Deductions	
Services to beneficiaries	<u>300</u>
Change in net position	(300)
Net position, beginning of year	<u>69,966</u>
Net position, end of year	<u><u>\$ 69,666</u></u>

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

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

December 31, 2015

	Road Commission	Mental Health	Drainage Districts
Assets			
Cash and cash equivalents	\$ 3,626,962	\$ 956,505	\$ 144,840
Investments	-	-	376,489
Receivables	1,577,397	1,008,376	1,835,296
Inventories	1,733,823	-	-
Prepaid items	-	75,667	-
Capital assets not being depreciated	16,530,829	-	111,924
Capital assets being depreciated, net	14,353,588	47,435	3,705,556
Total assets	37,822,599	2,087,983	6,174,105
Deferred outflows of resources			
Deferred charge on advance refunding	-	-	-
Deferred pension amounts	-	349,401	-
Total deferred outflows of resources	-	349,401	-
Liabilities			
Accounts payable and accrued liabilities	210,342	1,022,112	225,320
Long-term liabilities:			
Due within one year	308,227	56,392	315,643
Due in more than one year	-	319,557	1,225,354
Net pension liability	-	1,239,899	-
Total liabilities	518,569	2,637,960	1,766,317
Net position			
Net investment in capital assets	30,884,417	47,435	2,276,483
Restricted for debt service	-	-	-
Unrestricted (deficit)	6,419,613	(248,011)	2,131,305
Total net position	\$ 37,304,030	\$ (200,576)	\$ 4,407,788

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



Board of Public Works	Economic Development Board	Airport Commission	Totals
\$ 35,154	\$ -	\$ 399,260	\$ 5,162,721
-	-	-	376,489
4,794,959	-	45,194	9,261,222
-	-	14,776	1,748,599
-	-	-	75,667
-	-	790,808	17,433,561
-	-	2,812,346	20,918,925
4,830,113	-	4,062,384	54,977,184
26,708	-	-	26,708
-	-	-	349,401
26,708	-	-	376,109
34,743	-	435	1,492,952
400,000	-	-	1,080,262
4,390,346	-	-	5,935,257
-	-	-	1,239,899
4,825,089	-	435	9,748,370
-	-	3,603,154	36,811,489
31,732	-	-	31,732
-	-	458,795	8,761,702
\$ 31,732	\$ -	\$ 4,061,949	\$ 45,604,923

COUNTY OF BARRY, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2015

	Road Commission	Mental Health	Drainage Districts
Expenses			
Road Commission	\$ 7,008,571	\$ -	\$ -
Mental Health	-	9,679,618	-
Drainage Districts	-	-	643,613
Board of Public Works	-	-	-
Economic Development Board	-	-	-
Airport Commission	-	-	-
Total expenses	<u>7,008,571</u>	<u>9,679,618</u>	<u>643,613</u>
Program revenues			
Charges for services	210,738	8,380,725	-
Operating grants and contributions	6,033,581	1,264,669	-
Capital grants and contributions	<u>1,184,584</u>	<u>-</u>	<u>632,205</u>
Total program revenues	<u>7,428,903</u>	<u>9,645,394</u>	<u>632,205</u>
Net revenues (expenses)	<u>420,332</u>	<u>(34,224)</u>	<u>(11,408)</u>
General revenues			
Grants and contributions not restricted to specific programs	-	13,636	1,290
Unrestricted investment earnings	9,915	3,188	1,014
Gain on sale of capital assets	<u>87,915</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>97,830</u>	<u>16,824</u>	<u>2,304</u>
Change in net position	518,162	(17,400)	(9,104)
Net position, beginning of year, as restated	<u>36,785,868</u>	<u>(183,176)</u>	<u>4,416,892</u>
Net position, end of year	<u>\$ 37,304,030</u>	<u>\$ (200,576)</u>	<u>\$ 4,407,788</u>

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



Board of Public Works	Economic Development Board	Airport Commission	Totals
\$ -	\$ -	\$ -	\$ 7,008,571
-	-	-	9,679,618
-	-	-	643,613
138,144	-	-	138,144
-	92,394	-	92,394
-	-	369,369	369,369
<u>138,144</u>	<u>92,394</u>	<u>369,369</u>	<u>17,931,709</u>
-	-	268,599	8,860,062
130,944	92,394	90,388	7,611,976
-	-	337,454	2,154,243
<u>130,944</u>	<u>92,394</u>	<u>696,441</u>	<u>18,626,281</u>
<u>(7,200)</u>	<u>-</u>	<u>327,072</u>	<u>694,572</u>
-	-	-	14,926
850	-	-	14,967
-	-	-	87,915
<u>850</u>	<u>-</u>	<u>-</u>	<u>117,808</u>
(6,350)	-	327,072	812,380
<u>38,082</u>	<u>-</u>	<u>3,734,877</u>	<u>44,792,543</u>
<u>\$ 31,732</u>	<u>\$ -</u>	<u>\$ 4,061,949</u>	<u>\$ 45,604,923</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *County of Barry, 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 the Barry County Transit, a nonmajor enterprise fund, and the Barry County Community Mental Health Authority component unit, are presented for the fiscal year ending September 30, 2015. These funds are audited individually. Complete financial statements are issued under separate cover and can be obtained from the entity’s respective administrative offices.

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 is reported as an enterprise fund and has a December 31 year-end. A separate report is not prepared for the Building Authority.

The 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, 2015. 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. The Thornapple Manor Medical Care Facility is a 138-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. Therefore, the County is deemed to have the ability to impose its will on the Thornapple Manor Fund.

COUNTY OF BARRY, MICHIGAN

Notes to 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.

Barry County Community Mental Health Authority (the "CMH Authority") - The CMH Authority was created to operate, control and manage an integrated behavioral healthcare system to serve Barry County. The County is a direct beneficiary of the services provided. The County appoints the members of the CMH Authority's Board and provides financial support. Consequently, the County exercises effective control through its power of appointment. The component unit is audited individually and complete financial statements can be obtained from the CMH Authority's administrative office.

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 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 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 below.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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 65% and 35%, 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.

Jointly Governed Organizations

The County participates in the following activity which is considered to be a jointly governed organizations 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, has 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

The *commission on aging fund* accounts for services provided to the elderly. Revenue is primarily generated through state and federal grants and a dedicated property tax millage.

The *building authority thornapple manor debt service fund* was established to account for principal and interest payments on general obligation bonds issued to fund construction projects at Thornapple Manor. Debt service payments are funded by a dedicated property tax millage.

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 *2014 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2014.

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.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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 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.

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 restricted 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."

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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 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 accounting for 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. At December 31, 2015, management has recorded an allowance of \$689,053 for uncollectible balances in the Thornapple Manor enterprise fund.

Loans receivable in the CDBG housing special revenue fund and the HOME 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.

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 accrued interest payable.

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 2015 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2015, 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, 2015 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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. Inventories of the Road Commission are priced at cost as determined on the average cost 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.

Capital Assets

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

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 fair value at the date of donation.

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

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

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

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

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Road Commission - Discretely Presented Component Unit

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Barry County Road Commission on an individual basis. The dollar threshold depends on the category of the asset, but the asset must have an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost of purchase or construction. Donated capital assets are recorded at estimated fair market value at the date of donation. The amount reported for infrastructure includes assets acquired or constructed since 1980.

Asset Category	Years
Buildings	30-50
Road equipment	5-8
Shop equipment	7-10
Engineering equipment	4-10
Office equipment	4-10
Infrastructure - roads	8-30
Infrastructure - bridges	12-50

CMH Authority - Discretely Presented Component Unit

Capital assets, which include property, plant, equipment, are reported in the government-wide financial statements. Capital assets are defined by the CMH Authority as individual assets with an initial cost equal to or greater than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost of purchase or construction. Donated capital assets are recorded at estimated fair market value at the date of donation.

Asset Category	Years
Furniture and fixtures	5-15
Equipment	5
Buildings	30
Vehicles	5

Thornapple Manor - Enterprise fund

All property and equipment are valued at historical cost. Donated assets are recorded at the fair market value at the time of the donation. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset Category	Years
Land improvements	5-25
Building and improvements	10-40
Equipment	5-25

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Transit - Blended Component Unit

Capital assets are capitalized at total acquisition cost, provided such cost exceeds \$5,000 and the expected useful life of the asset is more than one year. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the estimated useful lives of the assets.

Asset Category	Years
Land improvements	8
Building and improvements	20
Vehicles	5-10
Furniture and equipment	2-10

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as defined in the Revenue and Expense Manual published by the Michigan Department of Transportation and/or as approved by the Bureau of Passenger Transportation (BPT).

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 benefits provided in its pension plan. More detailed information on pension-related deferred outflows of resources can be found in Note 14.

Compensated Absences

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

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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.

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 general 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. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

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.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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. A budget was not adopted for the Sheriff K-9 Donation special revenue fund.

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.

During the year ended December 31, 2015 the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Expenditures	Budget Variance
General fund:			
General government - prosecuting attorney	\$ 716,274	\$ 740,963	\$ 24,689
Public safety - emergency services	109,388	132,112	22,724
Health and welfare - substance abuse	75,670	81,527	5,857
Other - insurance and bonds	395,412	397,396	1,984
Transfers out	1,623,872	2,541,489	917,617
Nonmajor governmental funds:			
Healthy start - transfers out	-	4	4
Animal shelter T.N.R. grant 2014 - transfers out	-	207	207
Sheriff K-9 donation	-	12,598	12,598

The budgetary variance in transfers out of the general fund was a result of a Board of Commissioner's resolution to spread the year-end general fund surplus to certain funds, as designed by the Board.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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, 2015:

	Primary Government	Component Units	Total
Statement of net position			
Cash and cash equivalents	\$ 11,465,890	\$ 5,162,721	\$ 16,628,611
Restricted cash and cash equivalents	472,721	-	472,721
Investments	18,465,461	376,489	18,841,950
	<u>30,404,072</u>	<u>5,539,210</u>	<u>35,943,282</u>
Statement of fiduciary net position			
Cash and cash equivalents - agency funds	514,436	-	514,436
Cash and cash equivalents - private purpose trusts	69,666	-	69,666
	<u>584,102</u>	<u>-</u>	<u>584,102</u>
Total	<u>\$ 30,988,174</u>	<u>\$ 5,539,210</u>	<u>\$ 36,527,384</u>
Cash on hand			\$ 3,633
Checking and savings accounts			25,976,591
Certificates of deposit:			
Due within one year			654,065
Due in 1-5 years			672,293
Due in 6-10 years			158,360
Investments			<u>9,062,442</u>
Total			<u>\$ 36,527,384</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, \$25,397,787 of the County's bank balance of \$29,099,152 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2015:

U.S. government treasuries	\$ 190,581
U.S. government agencies	6,725,899
Money market funds	1,204,602
Municipal bonds	<u>941,360</u>
Total	<u>\$ 9,062,442</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, 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:

Not subject to credit risk	\$ 190,581
Moody's Aaa	535,409
SP A-2	1,021,000
S&P AA+	6,190,490
S&P AAAm	1,017,071
SP-1	50,360
Morningstar 3 Stars	<u>57,531</u>
Total	<u>\$ 9,062,442</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	\$ 1,204,602
1 - 5 years	1,812,037
6 - 10 years	3,505,352
11 - 15 years	1,928,682
16 - 20 years	97,980
21 - 25 years	369,526
26 - 30 years	<u>144,263</u>
Total	<u>\$ 9,062,442</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

4. RECEIVABLES AND PAYABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 4,294,297	\$ -	\$ -
Taxes (delinquent)	-	2,788,236	-
Accounts	23,252	3,522,340	1,054,059
Allowance for uncollectible accounts			
accounts	-	(689,053)	-
Loans	1,211,732	-	-
Due from other governments	897,334	79,522	1,577,397
Special assessments	-	-	1,835,296
Leases	-	-	4,794,470
Total	<u>\$ 6,426,615</u>	<u>\$ 5,701,045</u>	<u>\$ 9,261,222</u>

Of the amounts detailed above, \$1,375,252 of special assessments receivable in the component units are not expected to be collected within one year. Similarly, \$4,359,727 of leases receivable in the component units are not expected to be collected within one year. Loans receivable of \$1,147,757 are not expected to be collected within one year.

Accounts payable and accrued liabilities

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 637,081	\$ 717,043	\$ 688,376
Accrued liabilities	198,624	563,189	169,248
Due to other governments	-	38,226	577,612
Self-insurance claims payable	113,124	-	-
Accrued interest on			
long-term debt	130,356	-	57,716
Total	<u>\$ 1,079,185</u>	<u>\$ 1,318,458</u>	<u>\$ 1,492,952</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

5. OTHER ASSETS

The composition of other assets of December 31, 2015, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ -	\$ -	\$ 1,748,599
Prepaid self-insured retention balance	447,358	-	-
Other prepaid items	-	81,273	75,667
Total	<u>\$ 447,358</u>	<u>\$ 81,273</u>	<u>\$ 1,824,266</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015, was as follows:

	Due to and from Primary Government Funds	
	Due from Fund	Due to Fund
General fund	\$ 567,247	\$ -
Delinquent tax umbrella fund	1,434,000	-
Delinquent tax revolving 2014 fund	-	1,434,000
Nonmajor enterprise funds	-	567,247
Total	<u>\$ 2,001,247</u>	<u>\$ 2,001,247</u>

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.

	Advances to and from Primary Government Funds	
	Advance to Fund	Advance from Fund
General fund	\$ 105,000	\$ -
Nonmajor governmental funds	-	105,000
Total	<u>\$ 105,000</u>	<u>\$ 105,000</u>

This balance represents an interfund loan to finance capital-related activity. The advance is payable in annual installments of \$11,461 beginning in 2018.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

For the year ended December 31, 2015, interfund transfers consisted of the following:

Transfers in	Transfers out				Totals
	General Fund	Nonmajor Governmental Funds	Delinquent Tax Umbrella	Nonmajor Enterprise Funds	
General fund	\$ -	\$ 33,589	\$ 776,900	\$ -	\$ 810,489
Nonmajor governmental funds	1,297,487	544	-	-	1,298,031
Delinquent tax umbrella	-	-	-	615,996	615,996
Internal service funds	1,244,002	-	-	-	1,244,002
Totals	<u>\$ 2,541,489</u>	<u>\$ 34,133</u>	<u>\$ 776,900</u>	<u>\$ 615,996</u>	<u>\$ 3,968,518</u>

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 2,734,208	\$ -	\$ -	\$ -	\$ 2,734,208
Construction in progress	440,257	3,843	-	(440,257)	3,843
	<u>3,174,465</u>	<u>3,843</u>	<u>-</u>	<u>(440,257)</u>	<u>2,738,051</u>
Capital assets being depreciated:					
Land improvements	1,133,250	21,994	-	-	1,155,244
Buildings	14,078,872	252,027	-	101,243	14,432,142
Equipment	6,091,240	262,606	(83,653)	339,014	6,609,207
	<u>21,303,362</u>	<u>536,627</u>	<u>(83,653)</u>	<u>440,257</u>	<u>22,196,593</u>
Less accumulated depreciation for:					
Land improvements	(593,450)	(39,961)	-	-	(633,411)
Buildings	(6,502,089)	(344,137)	-	-	(6,846,226)
Equipment	(4,152,304)	(478,696)	75,471	-	(4,555,529)
	<u>(11,247,843)</u>	<u>(862,794)</u>	<u>75,471</u>	<u>-</u>	<u>(12,035,166)</u>
Total capital assets being depreciated, net	<u>10,055,519</u>	<u>(326,167)</u>	<u>(8,182)</u>	<u>440,257</u>	<u>10,161,427</u>
Governmental activities capital assets, net	<u>\$ 13,229,984</u>	<u>\$ (322,324)</u>	<u>\$ (8,182)</u>	<u>\$ -</u>	<u>\$ 12,899,478</u>

At December 31, 2015, the County had outstanding commitments for governmental activities totaling approximately \$141,000.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	\$ 10,956	\$ 3,950	\$ (10,956)	\$ -	\$ 3,950
Capital assets being depreciated:					
Land improvements	2,013,298	24,456	-	-	2,037,754
Buildings	26,271,237	-	-	-	26,271,237
Vehicles	1,373,291	64,997	(126,271)	-	1,312,017
Equipment	4,529,979	66,896	-	-	4,596,875
	<u>34,187,805</u>	<u>156,349</u>	<u>(126,271)</u>	<u>-</u>	<u>34,217,883</u>
Less accumulated depreciation for:					
Land improvements	(481,357)	(88,668)	-	-	(570,025)
Buildings	(4,797,967)	(666,276)	-	-	(5,464,243)
Vehicles	(829,518)	(131,817)	126,271	-	(835,064)
Equipment	(2,167,648)	(317,060)	-	-	(2,484,708)
	<u>(8,276,490)</u>	<u>(1,203,821)</u>	<u>126,271</u>	<u>-</u>	<u>(9,354,040)</u>
Total capital assets being depreciated, net	<u>25,911,315</u>	<u>(1,047,472)</u>	<u>-</u>	<u>-</u>	<u>24,863,843</u>
Business-type activities capital assets, net	<u>\$ 25,922,271</u>	<u>\$ (1,043,522)</u>	<u>\$ (10,956)</u>	<u>\$ -</u>	<u>\$ 24,867,793</u>

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

Depreciation of governmental activities by function	
General government	\$ 281,398
Culture and recreation	74,363
Public safety	257,358
Health and welfare	64,436
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets	<u>185,239</u>
Total governmental activities	<u>\$ 862,794</u>
Depreciation of business-type activities by function	
Thornapple Manor	\$ 1,015,671
Transit	<u>188,150</u>
Total business-type activities	<u>\$ 1,203,821</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Road Commission					
Capital assets not being depreciated:					
Land	\$ 85,433	\$ -	\$ -	\$ -	\$ 85,433
Land improvements	16,037,068	-	-	-	16,037,068
Right-of-ways	404,755	3,573	-	-	408,328
	<u>16,527,256</u>	<u>3,573</u>	<u>-</u>	<u>-</u>	<u>16,530,829</u>
Capital assets being depreciated:					
Land improvements	214,808	-	-	-	214,808
Buildings	872,728	30,009	-	-	902,737
Equipment	8,269,419	1,590,533	(804,532)	-	9,055,420
Pit depletion	715,477	41,836	-	-	757,313
Infrastructure	20,127,848	75,872	(283,477)	-	19,920,243
	<u>30,200,280</u>	<u>1,738,250</u>	<u>(1,088,009)</u>	<u>-</u>	<u>30,850,521</u>
Less accumulated depreciation for:					
Land improvements	(148,523)	(10,740)	-	-	(159,263)
Buildings	(625,716)	(17,236)	-	-	(642,952)
Equipment	(7,394,089)	(376,510)	707,330	-	(7,063,269)
Pit depletion	(175,049)	(66)	-	-	(175,115)
Infrastructure	(7,894,641)	(845,170)	283,477	-	(8,456,334)
	<u>(16,238,018)</u>	<u>(1,249,722)</u>	<u>990,807</u>	<u>-</u>	<u>(16,496,933)</u>
Total capital assets being depreciated, net	<u>13,962,262</u>	<u>488,528</u>	<u>(97,202)</u>	<u>-</u>	<u>14,353,588</u>
Road Commission capital assets, net	<u>\$ 30,489,518</u>	<u>\$ 492,101</u>	<u>\$ (97,202)</u>	<u>\$ -</u>	<u>\$ 30,884,417</u>
CMH Authority					
Capital assets being depreciated:					
Furniture and fixtures	\$ 96,879	\$ -	\$ -	\$ -	\$ 96,879
Equipment	69,647	-	(1,425)	-	68,222
Buildings	28,648	-	-	-	28,648
Vehicles	110,095	-	-	-	110,095
	<u>305,269</u>	<u>-</u>	<u>(1,425)</u>	<u>-</u>	<u>303,844</u>
Less accumulated depreciation for:					
Furniture and fixtures	(77,121)	(3,995)	-	-	(81,116)
Equipment	(69,460)	(187)	1,425	-	(68,222)
Buildings	(3,798)	(1,300)	-	-	(5,098)
Vehicles	(97,095)	(4,878)	-	-	(101,973)
	<u>(247,474)</u>	<u>(10,360)</u>	<u>1,425</u>	<u>-</u>	<u>(256,409)</u>
CMH Authority capital assets, net	<u>\$ 57,795</u>	<u>\$ (10,360)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,435</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Drainage Districts					
Capital assets not being depreciated:					
Construction in progress	\$ 92,840	\$ 55,920	\$ -	\$ (36,836)	\$ 111,924
Capital assets being depreciated:					
Drain infrastructure	4,677,727	198,571	-	36,836	4,913,134
Vehicles	9,350	-	-	-	9,350
	<u>4,687,077</u>	<u>198,571</u>	<u>-</u>	<u>36,836</u>	<u>4,922,484</u>
Less accumulated depreciation for:					
Drain infrastructure	(1,125,649)	(89,202)	-	-	(1,214,851)
Vehicles	(1,454)	(623)	-	-	(2,077)
	<u>(1,127,103)</u>	<u>(89,825)</u>	<u>-</u>	<u>-</u>	<u>(1,216,928)</u>
Total capital assets being depreciated, net	<u>3,559,974</u>	<u>108,746</u>	<u>-</u>	<u>36,836</u>	<u>3,705,556</u>
Drainage Districts capital assets, net	<u>\$ 3,652,814</u>	<u>\$ 164,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,817,480</u>
Airport Commission					
Capital assets not being depreciated:					
Land	\$ 285,000	\$ -	\$ -	\$ -	\$ 285,000
Construction in progress	640,530	357,739	-	(492,461)	505,808
	<u>925,530</u>	<u>357,739</u>	<u>-</u>	<u>(492,461)</u>	<u>790,808</u>
Capital assets being depreciated:					
Land improvements	4,061,568	-	-	492,461	4,554,029
Buildings	1,215,704	-	-	-	1,215,704
Equipment	77,779	15,000	-	-	92,779
	<u>5,355,051</u>	<u>15,000</u>	<u>-</u>	<u>492,461</u>	<u>5,862,512</u>
Less accumulated depreciation for:					
Land improvements	(2,716,978)	(113,546)	-	-	(2,830,524)
Buildings	(151,883)	(23,894)	-	-	(175,777)
Equipment	(40,013)	(3,852)	-	-	(43,865)
	<u>(2,908,874)</u>	<u>(141,292)</u>	<u>-</u>	<u>-</u>	<u>(3,050,166)</u>
Total capital assets being depreciated, net	<u>2,446,177</u>	<u>(126,292)</u>	<u>-</u>	<u>492,461</u>	<u>2,812,346</u>
Airport Commission capital assets, net	<u>\$ 3,371,707</u>	<u>\$ 231,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,603,154</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

8. 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, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Primary Government</i>					
<i>Governmental activities</i>					
General obligation bonds	\$ 14,135,000	\$ -	\$ (865,000)	\$ 13,270,000	\$ 950,000
Installment purchase agreements	4,800	-	(4,800)	-	-
	14,139,800	-	(869,800)	13,270,000	950,000
Compensated absences	610,952	148,421	(161,591)	597,782	166,439
Bond premiums and discounts, net	1,181,701	-	(115,288)	1,066,413	115,288
Total governmental activities	<u>\$ 15,932,453</u>	<u>\$ 148,421</u>	<u>\$ (1,146,679)</u>	<u>\$ 14,934,195</u>	<u>\$ 1,231,727</u>
<i>Business-type activities</i>					
Capital leases payable	\$ 5,650,000	\$ -	\$ (200,000)	\$ 5,450,000	\$ 200,000
Compensated absences	382,294	399,684	(356,351)	425,627	146,033
Total business-type activities	<u>\$ 6,032,294</u>	<u>\$ 399,684</u>	<u>\$ (556,351)</u>	<u>\$ 5,875,627</u>	<u>\$ 346,033</u>
<i>Component Units</i>					
<i>Road Commission</i>					
Compensated absences	\$ 283,654	\$ 24,573	\$ -	\$ 308,227	\$ 308,227
<i>CMH Authority</i>					
Compensated absences	367,552	63,530	(55,133)	375,949	56,392
<i>Drainage Districts</i>					
Drain notes and other debt	1,468,283	262,000	(189,286)	1,540,997	315,643
<i>Board of Public Works</i>					
General obligation bonds	5,190,346	-	(400,000)	4,790,346	400,000
Total component units	<u>\$ 7,309,835</u>	<u>\$ 350,103</u>	<u>\$ (644,419)</u>	<u>\$ 7,015,519</u>	<u>\$ 1,080,262</u>

COUNTY OF BARRY, MICHIGAN

Notes to 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 Courts and Law 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 and loans payable at December 31, 2015 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.	\$ 425,000
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\$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.	<u>12,845,000</u>
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Total general obligation debt - governmental activities	<u>\$ 13,270,000</u>
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For the governmental activities, compensated absences are generally liquidated by the general fund.

Capital leases payable at December 31, 2015 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>\$ 5,450,000</u>
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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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Notes payable and amounts owed to other governmental units at December 31, 2015 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

Drain Notes

\$232,000 Delton Village special assessment district note dated June 17, 2008, due in annual installments of \$23,200 through June 1, 2018, with interest at 4.25%, payable annually.	\$ 69,600
\$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.	228,000
\$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.	234,514
\$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 .65 to 3.30%, payable annually.	200,883
\$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.	240,000
\$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.	171,000
\$135,000 Little Thornapple River intercounty drain special assessment district note dated December 23, 2014, due in annual installments of \$67,500 through June 1, 2017, with interest at 1.39%, payable annually.	135,000
\$60,000 Barry/Eaton intercounty drain assessment district note dated August 5, 2015, due in annual installments of \$30,000 through June 1, 2017, with interest at 1.18%, payable annually.	60,000
\$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.	<u>202,000</u>
Total notes payable - Drainage Districts	<u>\$ 1,540,997</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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, 2015 of the Board of Public Works are as follows:

\$1,125,000 Middleville Sanitary Sewer System Bonds dated February 1, 1999, due in annual installments ranging from \$50,000 to \$75,000 through October 1, 2018, with interest ranging from 4.15 to 4.80%, payable semi-annually.	\$ 225,000
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\$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.	328,281
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\$1,040,000 Water Supply System Bonds Series A dated August 23, 2006, due in annual installments ranging from \$40,000 to \$65,000 through April 1, 2027, with interest at 2.125%, payable semi-annually.	675,000
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\$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.	115,000
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\$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.	275,000
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\$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.	290,000
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\$2,763,000 Leach and Middle Lake Sanitary Sewer System Bonds, dated January 22, 2010, payable in annual installment ranging from \$148,000 to \$155,000, with interest at 2.5%, payable semi-annually.	2,062,065
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\$885,000 Michigan Transportation Fund Refunding Bonds, Series 2013, dated September 9, 2013, payable in annual installment ranging from \$65,000 to \$75,000, with interest ranging from .8% to 3.6%, payable semi-annually.	820,000
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Total bonds payable - Board of Public Works	<u>\$ 4,790,346</u>
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COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 950,000	\$ 483,562	\$ 200,000	\$ 159,300
2017	1,060,000	452,487	200,000	155,300
2018	1,145,000	417,425	225,000	151,050
2019	1,230,000	379,775	250,000	146,300
2020	1,315,000	333,338	250,000	140,988
2021-2025	7,570,000	785,488	1,500,000	590,187
2026-2030	-	-	1,900,000	329,806
2031-2032	-	-	925,000	33,169
Total	<u>\$ 13,270,000</u>	<u>\$ 2,852,075</u>	<u>\$ 5,450,000</u>	<u>\$ 1,706,100</u>

Year Ended December 31,	Component Units	
	Principal	Interest
2016	\$ 715,643	\$ 164,104
2017	720,643	144,054
2018	653,143	124,948
2019	559,943	106,459
2020	560,826	92,141
2021-2025	2,164,080	263,488
2026-2030	957,065	40,389
Total	<u>\$ 6,331,343</u>	<u>\$ 935,583</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

9. 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 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	Commission on Aging	Building Authority Thornapple Manor Debt	Nonmajor Funds	Totals
Nonspendable						
Advances to other funds	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ 105,000
Permanent fund corpus	-	-	-	-	30,925	30,925
	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,925</u>	<u>135,925</u>
Restricted						
Central dispatch/E-911	-	911,567	-	-	-	911,567
Senior services	-	-	1,015,730	-	-	1,015,730
Cemetery perpetual care	-	-	-	-	596	596
Thornapple Manor debt	-	-	-	391,972	-	391,972
County parks	-	-	-	-	8,721	8,721
Animal services/shelter	-	-	-	-	139,409	139,409
Community outreach	-	-	-	-	12,183	12,183
Register of deeds systems	-	-	-	-	105,396	105,396
Judicial programs	-	-	-	-	254,613	254,613
Law enforcement	-	-	-	-	51,255	51,255
Housing assistance	-	-	-	-	1,214,010	1,214,010
Criminal diversion	-	-	-	-	320,526	320,526
Other purposes	-	-	-	-	21,896	21,896
	<u>-</u>	<u>911,567</u>	<u>1,015,730</u>	<u>391,972</u>	<u>2,128,605</u>	<u>4,447,874</u>
Committed						
Senior services	-	-	125,000	-	-	125,000
Hazardous waste disposal	-	-	-	-	204,947	204,947
Remonumentation plan	-	-	-	-	18,507	18,507
County parks	-	-	-	-	78,320	78,320
Child and family services	-	-	-	-	2,966,911	2,966,911
Public safety programs	-	-	-	-	13,042	13,042
Judicial programs	-	-	-	-	751,926	751,926
Debt service	-	-	-	-	35,743	35,743
Building improvements	2,172,201	-	-	-	372,000	2,544,201
Other purposes	31,947	-	-	-	10,115	42,062
	<u>2,204,148</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>4,451,511</u>	<u>6,780,659</u>
Unassigned	<u>2,181,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,181,422</u>
Total fund balances - governmental funds	<u>\$ 4,490,570</u>	<u>\$ 911,567</u>	<u>\$ 1,140,730</u>	<u>\$ 391,972</u>	<u>\$ 6,611,041</u>	<u>\$13,545,880</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

10. NET POSITION

The composition of the County's net investment in capital assets as of December 31, 2015 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 2,738,051	\$ 3,950	\$ 17,433,561
Capital assets being depreciated, net	10,161,427	24,863,843	20,918,925
	<u>12,899,478</u>	<u>24,867,793</u>	<u>38,352,486</u>
Related debt:			
Total bonds and notes payable	14,336,413	5,450,000	6,331,343
Bonds payable related to capital leases	(13,911,413)	-	(4,790,346)
	<u>425,000</u>	<u>5,450,000</u>	<u>1,540,997</u>
Net investment in capital assets	<u>\$ 12,474,478</u>	<u>\$ 19,417,793</u>	<u>\$ 36,811,489</u>

The composition of the County's restricted net position as of December 31, 2015 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Health and welfare programs	\$ 1,174,987	\$ -	\$ -
Public safety programs	977,053	-	-
Judicial programs	575,139	-	-
Recreation and cultural programs	8,721	-	-
Housing rehabilitation loans	1,214,010	-	-
Other state-mandated programs	105,396	-	-
Debt service	261,616	-	31,732
Property tax foreclosures	-	298,617	-
Cemetery perpetual care:			
Nonexpendable	30,925	-	-
Expendable	596	-	-
Total restricted net position	<u>\$ 4,348,443</u>	<u>\$ 298,617</u>	<u>\$ 31,732</u>

11. 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. The County is self-insured for liability, workers' compensation, and disability. 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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 PBS, which furnishes claims review and processing.

The County is self-insured for workers' compensation up to \$500,000 for each loss up to an aggregate amount of \$1,000,000. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000 for each occurrence. The County is then self-insured for annual aggregated claims in excess of insurance coverage. The program is administered by a service agency that furnishes claims review and processing.

The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA or the "Authority"). 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.

The Authority 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 the Authority. In the event that the County incurs loss in excess of the resources available, the Authority as a whole (i.e. all constituent municipalities) is liable for the excess. In the event that the Authority's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific Authority'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, the Authority 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 \$178,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$178,000 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 the Authority as a whole.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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:

	Workers' Compensation	Disability	MMRMA Liability	Totals
Liability, January 1, 2014	\$ 191,858	\$ -	\$ 29,194	\$ 221,052
Claims and changes in estimates	120,774	66,091	(18,567)	168,298
Claim payments	(72,632)	(66,091)	(9,618)	(148,341)
Liability, December 31, 2014	240,000	-	1,009	241,009
Claims and changes in estimates	34,605	36,586	163,399	234,590
Claim payments	(274,605)	(36,586)	(51,284)	(362,475)
Liability, December 31, 2015	\$ -	\$ -	\$ 113,124	\$ 113,124

Thornapple Manor Blended Component Unit

Thornapple Manor is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries' (workers' compensation), as well as medical benefits provided to employees.

Thornapple Manor, as part of the County, participates in the Michigan Municipal Risk Management Authority (risk pool) for claims relating to general and automobile liability (including medical malpractice), automobile physical damage and property loss claims. The MMRMA program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the County.

Thornapple Manor is insured for workers' compensation claims via a policy with a commercial carrier.

Thornapple Manor is insured against potential professional liability claims under an occurrence-basis policy, whereby all claims resulting from incidents that occur during the policy period are covered up to insured limits, regardless of when the claims are reported to the insurance carrier. There are no known outstanding or pending claims as of December 31, 2015.

Thornapple Manor, as part of the County, is self-insured for employee medical benefit claims. Thornapple Manor estimates the liability (included in accounts payable) for employee medical benefit claims incurred through the end of the year, including both those claims that have been reported, as well as those that have not yet been reported.

Road Commission Component Unit

The Barry County Road Commission is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan, which authorizes contracts between municipal corporations (inter-local agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts.

The Pool was established for the purpose of making a self-insurance pooling program available which includes, but is not limited to, general liability coverage, auto liability coverage, property insurance coverage, stop loss insurance protections, claims administration and risk management and loss control services pursuant to Michigan Public Act 138 of 1982. The Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, automobile and equipment liability, errors or omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

The Road Commission also has self-insurance for workers' compensation as a member of the County Road Association Self-Insurance Fund. The Road Commission's employee medical benefits insurance is purchased through a commercial carrier. At December 31, 2015, there were no claims that exceeded insurance coverage. The Road Commission did not have any significant reduction in insurance coverage from previous years.

CMH Authority Component Unit

The CMH Authority is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The CMH Authority participated in the public entity risk pool - Michigan Municipal Risk Management Authority (MMRMA) for auto and general liability, property and crime and vehicle physical damage coverage.

MMRMA, a separate legal entity, is a self-insured association organized under the laws of the State of Michigan to provide self-insurance protection against loss and risk management services to various Michigan governmental entities.

As a member of this pool, the CMH Authority is responsible for paying all losses, including damages, loss adjustment expenses and defense costs, for each occurrence that falls within the member's self-insured retention. If a covered loss exceeds the CMH Authority's limits, all further payments for such loss are the sole obligation of the CMH Authority. If for any reason MMRMA's resources available to pay losses are depleted, the payment of all unpaid losses of the CMH Authority is the sole obligation of the CMH Authority. Settled claims have not exceeded the amount of coverage in any of the past three years.

The CMH Authority's coverage limits are \$10,000,000 for liability and vehicle physical damage, and approximately \$50,000,000 for buildings and personal property.

12. 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

13. CONTINGENT LIABILITIES

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

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

14. 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 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. Member contributions range from 0% to 9.03% of covered wages, as summarized in the table below.

Employees Covered by Benefit Terms. At December 31, 2014, plan membership for governmental activities consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	131
Inactive employees entitles to but not yet receiving benefits	35
Active employees	<u>172</u>
Total membership	<u><u>338</u></u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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. Employer contributions are expressed as a percentage of payroll for open divisions and as a fixed monthly amount for closed divisions as summarized in the following table for the plan as a whole:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
MCF Local 2742	Defined Benefit	Open	3.15%	2.00%
911 Central Dispatch Supervisors	Defined Benefit	Open	17.81%	0.57%
911 Central Dispatch (after 5/11)	Defined Benefit	Open	7.43%	0.00%
MCF Non Union	Defined Benefit	Open	11.13%	0.00%
MCF Administrator	Defined Benefit	Open	66.17%	0.00%
Hybrid	Hybrid	Open	7.76%	0.00%
BCCEA-CourtHouse	Defined Benefit	Closed	\$ 16,129	5.99%
Elected Officials	Defined Benefit	Closed	11,864	3.70%
Sheriff-Corrections	Defined Benefit	Closed	9,976	9.03%
Sheriff-Deputies	Defined Benefit	Closed	14,984	6.06%
General	Defined Benefit	Closed	8,958	0.00%
911 Central Dispatch	Defined Benefit	Closed	2,818	3.00%
Department Heads	Defined Benefit	Closed	25,482	3.70%
Sheriff-Command	Defined Benefit	Closed	9,498	6.06%

Net Pension Liability. The County's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014.

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3% to 4%
Salary increases	4.5% in the long-term (2% and 3% for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%, net of investment expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted in 2008. (The MERS Retirement Board is currently conducting an actuarial experience study covering the period from January 1, 2009, through December 31, 2013.)

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. 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	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.87%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.53%
Diversifying strategies	10.00%	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.25%</u>

Discount Rate. The discount rate used to measure the total pension liability is 8.25% for 2015. 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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, 2014	\$ 43,700,167	\$ 30,776,505	\$ 12,923,662
Changes for the year:			
Service cost	840,881	-	840,881
Interest	3,545,367	-	3,545,367
Employer contributions	-	1,873,216	(1,873,216)
Employee contributions	-	315,846	(315,846)
Net investment income	-	(462,833)	462,833
Benefit payments, including refunds of employee contributions	(2,292,924)	(2,292,924)	-
Administrative expense	-	(67,801)	67,801
Other changes	(66,372)	-	(66,372)
Net changes	2,026,952	(634,496)	2,661,448
Balances at December 31, 2015	\$ 45,727,119	\$ 30,142,009	15,585,110
Amount reported in Transit enterprise fund			564,760
Amount reported in Thornapple Manor enterprise fund			1,406,226
Total primary government			\$ 17,556,096

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 8.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
County's net pension liability	\$ 20,975,525	\$ 15,585,110	\$ 11,044,459

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

For the year ended December 31, 2015, the County's governmental activities recognized pension expense of \$2,138,813. The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,395,851
Amount reported in Transit enterprise fund	52,058
Amount reported in Thornapple Manor enterprise fund	<u>1,212,866</u>
Total	<u>\$ 3,660,775</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2016. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources for governmental activities will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2016	\$ 598,963
2017	598,963
2018	598,963
2019	<u>598,962</u>
Total	<u>\$ 2,395,851</u>

Payable to the Pension Plan. At December 31, 2015, the County (governmental activities) reported a payable of \$135,418 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2015.

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.

Road Commission Discretely Presented Component Unit

The Barry County Board of Road Commissioners has a 401(k) single employer defined contribution plan, available to all employees of the Road Commission. Detailed information on this plan is available in the Road Commission's separately issued financial statements.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Community Mental Health Authority Component Unit

The Community Mental Health Authority participates in its own defined benefit pension plan with MERS. Detailed information on this plan, including all required footnote disclosures, is available in the separately issued financial statements.

15. OTHER POSTEMPLOYMENT BENEFITS

Primary Government

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.

Funding Policy. The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. The required contribution is based on projected pay-as-you go financing requirements, with an additional amount to prefund benefits as determined annually by the County Board of Commissioners. For the year ended December 31, 2015, the County contributed \$141,341 (\$116,888 for current retiree benefits and an additional \$24,453 in advance funding). Retirees receiving benefits contributed \$43,017, or approximately 30% of the total premiums, through their required contribution based on the level of coverage selected. At December 31, 2012, there were 15 retirees participating in the plan.

Annual OPEB Cost and Net OPEB Obligation. The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the net OPEB obligation/asset:

Annual required contribution	\$ 13,463
Interest on net OPEB obligation	(61,294)
Adjustment to annual required contribution	<u>107,718</u>
Net OPEB cost (expense)	59,887
Contributions made	<u>141,341</u>
Change in net OPEB asset	(81,454)
Net OPEB asset, beginning of year	<u>818,766</u>
Net OPEB asset, end of year	<u><u>\$ 900,220</u></u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

This amount is classified on the statement of net position as follows:

Governmental activities	\$ 888,616
Business-type activities	<u>11,604</u>
	<u>\$ 900,220</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 and the two previous years was as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage Contributed	Net OPEB (Obligation) Asset
2013	\$ 161,342	38%	\$ 826,321
2014	109,016	93%	818,766
2015	59,887	236%	900,220

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 113% funded. The actuarial accrued liability for benefits was \$1,046,037, and the actuarial value of assets was \$1,180,809, resulting in an overfunded actuarial accrued liability (UAAL) of \$134,774.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to the point. The actuarial methods and assumptions used to include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions include: (a) a rate of return on investments of 7.5%; and (b) projected healthcare benefit increases of 4.5% to 9.0%. The unfunded actuarial accrued liability is being amortized as a level dollar amount over 10 years on an open basis.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Road Commission Discretely Presented Component Unit

Plan Description. The Road Commission provides healthcare benefits to certain employees upon retirement, in accordance with the Road Commission policy. Currently, 18 retirees participate and receive benefits. As of January 1, 2003, the Barry County Road Commission changed its policy for providing hospitalization medical coverage for their retirees. Per the policy in place as of December 31, 2002, the Road Commission provided hospitalization medical coverage and life insurance on a complimentary basis for any employee who retired at age 55 with at least eight years of service. The Road Commission continues to provide life insurance using the same parameters. One current employee and four retirees were grandfathered in under the previous policy.

As of January 1, 2005, the Road Commission added a policy for providing \$10 per month for every year of service for their association employees retiring from January 1, 2003 to November 1, 2006. These employees must be at least 55 years of age and have at least 20 years of service. This would become effective upon retirement of January 1, 2005, whichever comes latest. The amount shall be paid until the employee is deceased. If an opening is open for health insurance through the Road Commission and the retiree chooses to be carried through the Road Commission, the current health insurance cancellation policy will apply. This is a contingency upon the employee's association acceptance. All other current employees receive no health benefits upon retirement.

Funding Policy. Benefits are provided based on requirements of employee contracts and are financed on a pay-as-you-go basis. For the year ended December 31, 2015, the Road Commission expended \$99,298 for 18 participants currently eligible to receive benefits.

Funding Progress. For the year beginning January 1, 2015, the Road Commission has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$1,297,155, and the Road Commission had no assets in trust for future OPEB obligations, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,297,155. The covered payroll (annual payroll of active employees covered by the plan) was \$1,716,877, and the ratio of the UAAL to the covered payroll was 76%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

The following table shows the components of the Road Commission's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Road Commission's net OPEB obligation:

Annual required contribution	\$ 99,298
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	99,298
Contributions made	99,298
Change in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ -

The Road Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 and the two previous years was as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage Contributed	Net OPEB (Obligation) Asset
2013	\$ 110,452	100%	\$ -
2014	109,225	100%	-
2015	99,298	100%	-

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumption includes a 6.49% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investment, calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 12% initially, reduced by decrements to an ultimate rate of 5% after ten years. Both rates included a 4.5% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014, was 19 years.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

16. SUBSEQUENT EVENTS

In May 2016, the Road Commission issued Michigan Transportation Fund bonds in the amount of \$4.5 million. The proceeds will be used to make improvements to the county roads. The bonds will be repaid with the increased gas tax revenue that the Road Commission is scheduled to receive beginning in 2017.

In May 2016, the Community Mental Health Authority commenced construction on a new facility with scheduled completion in February 2017. The Authority paid cash of \$120,000 for the purchase of the property. The remaining construction costs (up to \$3,061,000) will be financed by a loan through the U.S. Department of Agriculture. The loan will be repaid over a term of 30 years.

17. RESTATEMENTS

The County adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result of this change, beginning net position of governmental activities, the Thornapple Manor enterprise fund, nonmajor enterprise funds, and the CMH Authority component unit were decreased by \$14,598,025, \$2,590,709, \$502,745, and \$888,291, respectively. The net decrease in beginning net position of business-type activities was \$3,093,454.

In the current year, the County determined that the Barry Community Mental Health Authority, a legally separate entity, met the criteria to be reported as a discretely presented component unit. The accompanying financial statements now include the statement of net position and results of operations of this entity. In addition to the restatement to beginning net position for implementation of GASB 68 (as described above), beginning of net position was increased by \$66,604 to correct errors in the prior year financial statements. The net impact on beginning net position as presented in the County's financial statements was \$(183,176).

The County has issued loans to qualifying citizens under the community development block grant program. These loans were not previously recorded in the financial statements. As a result of this change, beginning fund balance of nonmajor governmental funds and beginning net position of governmental activities were increased by \$1,225,246. The impact of this error on the change in fund balance/net position of the prior year was an overstatement of \$773.

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BARRY, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Primary Government

Schedule of Changes in County's Net Pension Liability and Related Ratios

	Year Ended December 31, 2015
Total pension liability	
Service cost	\$ 840,881
Interest	3,545,367
Benefit payments, including refunds of employee contributions	(2,292,924)
Other	(66,372)
Net change in total pension liability	2,026,952
Total pension liability, beginning of year	43,700,167
Total pension liability, end of year	45,727,119
Plan fiduciary net position	
Employer contributions	1,873,216
Employee contributions	315,846
Net investment income	(462,833)
Benefit payments, including refunds of employee contributions	(2,292,924)
Administrative expense	(67,801)
Net change in plan fiduciary net position	(634,496)
Plan fiduciary net position, beginning of year	30,776,505
Plan fiduciary net position, end of year	30,142,009
County's net pension liability	\$ 15,585,110
Plan fiduciary net position as a percentage of total pension liability	65.9%
Covered-employee payroll	\$ 7,492,355
County's net pension liability as a percentage of covered-employee payroll	208.0%

Notes:

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF BARRY, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Primary Government

Schedule of the Net Pension Liability

Fiscal Year Ended December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered- Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 45,727,119	\$ 30,142,009	\$ 15,585,110	65.9%	\$ 7,492,355	208.01%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF BARRY, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Primary Government

Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2015	\$ 1,385,085	\$ 1,873,216	\$ 488,131	\$ 7,492,355	25.0%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31 which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	5 to 24 years, based on division
Asset valuation method	Open; 5-year smooth market
Inflation	3.0% to 4.0%
Salary increases	4.5% in the long-term (2% and 3% for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2011 valuation. The next study is scheduled for 2016.
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

COUNTY OF BARRY, MICHIGAN

Required Supplementary Information

Single Employer Other Postemployment Benefits Plan

Primary Government

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ -	\$ 1,459,719	\$ 1,459,719	0.0%	n/a	n/a
12/31/2010	-	1,018,853	1,018,853	0.0%	n/a	n/a
12/31/2012	1,180,809	1,046,037	(134,772)	112.9%	n/a	n/a

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2013	\$ 138,428	45%
2014	49,011	207%
2015	13,463	1050%

COUNTY OF BARRY, MICHIGAN

Required Supplementary Information

Single Employer Other Postemployment Benefits Plan

Road Commission Component Unit

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2009	\$ -	\$ 1,993,289	\$ 1,993,289	0.0%	\$ 2,074,182	96.1%
12/31/2010	-	1,894,640	1,894,640	0.0%	1,751,054	108.2%
12/31/2014	-	1,297,155	1,297,155	0.0%	1,716,877	75.6%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2013	\$ 110,452	100%
2014	109,225	100%
2015	99,298	100%

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

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

General Fund - By Activity

December 31, 2015

	General Fund	Building Rehab	Parks and Recreation
Assets			
Cash and cash equivalents	\$ -	\$ 1,404,359	\$ 28,822
Investments	7,578,685	810,524	-
Taxes receivable	221,874	-	-
Due from other governments	279,873	-	-
Due from other funds	567,247	-	-
Advances to other funds	105,000	-	-
Total assets	\$ 8,752,679	\$ 2,214,883	\$ 28,822
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ 5,994,096	\$ -	\$ -
Accounts payable	336,789	42,682	-
Accrued liabilities	135,372	-	-
Total liabilities	6,466,257	42,682	-
Fund balances			
Nonspendable	105,000	-	-
Committed	-	2,172,201	28,822
Unassigned	2,181,422	-	-
Total fund balances	2,286,422	2,172,201	28,822
Total liabilities and fund balances	\$ 8,752,679	\$ 2,214,883	\$ 28,822



Agriculture Preservation	Adjustments	Total
\$ 3,125	\$ (1,436,306)	\$ -
-	-	8,389,209
-	-	221,874
-	-	279,873
-	-	567,247
-	-	105,000
<u>\$ 3,125</u>	<u>\$ (1,436,306)</u>	<u>\$ 9,563,203</u>
\$ -	\$ (1,436,306)	\$ 4,557,790
-	-	379,471
-	-	135,372
<u>-</u>	<u>(1,436,306)</u>	<u>5,072,633</u>
-	-	105,000
3,125	-	2,204,148
-	-	2,181,422
<u>3,125</u>	<u>-</u>	<u>4,490,570</u>
<u>\$ 3,125</u>	<u>\$ (1,436,306)</u>	<u>\$ 9,563,203</u>

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund - By Activity For the Year Ended December 31, 2015

	General Fund	Building Rehab	Parks and Recreation
Revenues			
Taxes	\$ 10,604,181	\$ -	\$ -
Intergovernmental	2,080,732	-	-
Licenses and permits	120,821	-	-
Charges for services	1,507,205	-	-
Fines and forfeitures	22,942	-	-
Interest and rentals	198,348	3,631	-
Other revenues	410,051	-	-
Total revenues	14,944,280	3,631	-
Expenditures			
Current:			
General government	5,502,690	-	-
Public safety	5,028,308	-	-
Public works	-	173,097	-
Health and welfare	1,163,053	-	-
Community and economic development	616,470	-	-
Recreation and cultural	-	-	13,754
Other	682,059	-	-
Total expenditures	12,992,580	173,097	13,754
Revenues over (under) expenditures	1,951,700	(169,466)	(13,754)
Other financing sources (uses)			
Transfers in	875,965	383,462	19,175
Transfers out	(2,827,665)	(181,937)	-
Total other financing sources (uses)	(1,951,700)	201,525	19,175
Net changes in fund balances	-	32,059	5,421
Fund balances, beginning of year	2,286,422	2,140,142	23,401
Fund balances, end of year	\$ 2,286,422	\$ 2,172,201	\$ 28,822



Agriculture Preservation	Eliminations	Total
\$ -	\$ -	\$ 10,604,181
-	-	2,080,732
-	-	120,821
-	-	1,507,205
-	-	22,942
-	-	201,979
-	-	410,051
-	-	14,947,911
-	-	5,502,690
-	-	5,028,308
-	-	173,097
-	-	1,163,053
425	-	616,895
-	-	13,754
-	-	682,059
425	-	13,179,856
(425)	-	1,768,055
-	(468,113)	810,489
-	468,113	(2,541,489)
-	-	(1,731,000)
(425)	-	37,055
3,550	-	4,453,515
\$ 3,125	\$ -	\$ 4,490,570

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
General fund:				
Taxes:				
Real and personal property taxes	\$ 10,432,718	\$ 10,432,718	\$ 10,582,742	\$ 150,024
Other taxes	9,027	16,277	21,439	5,162
Total taxes	10,441,745	10,448,995	10,604,181	155,186
Intergovernmental:				
Federal grants	151,099	177,317	169,508	(7,809)
State grants	1,931,710	1,865,971	1,911,224	45,253
Total intergovernmental	2,082,809	2,043,288	2,080,732	37,444
Licenses and permits:				
Gun permits	25,000	10,300	10,300	-
Dog licenses	86,600	71,600	70,658	(942)
Marriage license fees	7,800	9,550	9,015	(535)
Planning services	37,500	33,000	30,848	(2,152)
Total licenses and permits	156,900	124,450	120,821	(3,629)
Charges for services:				
Circuit court	139,213	101,713	99,672	(2,041)
District court	464,000	500,200	507,298	7,098
Friend of the court	44,000	50,500	52,534	2,034
Probate court	31,000	33,000	31,767	(1,233)
County treasurer	2,220	6,420	6,806	386
County clerk	91,960	124,160	123,612	(548)
Register of deeds	225,641	190,021	188,958	(1,063)
Real estate transfer tax	208,168	215,000	219,969	4,969
Mapping department	10,682	8,700	7,902	(798)
Juvenile court	12,100	12,600	14,526	1,926
Sheriff	77,950	113,250	114,552	1,302
Record copying	140,615	85,500	90,191	4,691
Other	77,247	49,675	49,418	(257)
Total charges for services	1,524,796	1,490,739	1,507,205	16,466
Fines and forfeitures:				
Bond forfeitures	2,500	3,500	3,560	60
Ordinance fines and costs	15,000	19,000	19,382	382
Total fines and forfeitures	17,500	22,500	22,942	442

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
General fund (concluded):				
Interest and rentals:				
Interest revenue	\$ 75,020	\$ 75,020	\$ 122,489	\$ 47,469
Rentals	14,400	77,640	75,859	(1,781)
Total interest and rentals	89,420	152,660	198,348	45,688
Other revenues:				
Reimbursements and refunds	74,640	393,865	409,606	15,741
Other	1,178	1,178	445	(733)
Total other revenues	75,818	395,043	410,051	15,008
Total general fund	14,388,988	14,677,675	14,944,280	266,605
Building rehab fund:				
Interest and rentals:				
Interest revenue	-	-	3,631	3,631
Total revenues	14,388,988	14,677,675	14,947,911	270,236
Expenditures				
General fund:				
General government:				
Board of commissioners	177,319	171,797	162,385	(9,412)
Trial court	1,596,791	1,577,206	1,371,092	(206,114)
Jury board	22,000	22,000	3,186	(18,814)
Probate court	731,555	741,139	668,786	(72,353)
Adult probation	9,546	9,546	9,077	(469)
County administrator	278,373	278,501	253,869	(24,632)
Elections	35,800	35,300	32,808	(2,492)
Legal counsel	50,000	150,000	136,421	(13,579)
Clerk	500,076	497,414	467,688	(29,726)
Equalization	177,674	177,725	170,614	(7,111)
Prosecuting attorney	705,614	716,274	740,963	24,689
Register of deeds	225,433	231,698	227,758	(3,940)
Land information services	294,415	291,864	260,372	(31,492)
Treasurer	258,787	261,546	230,909	(30,637)
Cooperative extension	111,552	111,552	110,089	(1,463)
Courthouse and grounds	542,919	531,754	490,220	(41,534)
Drain commissioner	166,575	173,851	166,453	(7,398)
Total general government	5,884,429	5,979,167	5,502,690	(476,477)

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
General fund (continued):				
Public safety:				
Sheriff	\$ 2,792,104	\$ 2,799,973	\$ 2,695,540	\$ (104,433)
Secondary road patrol	109,200	110,657	109,181	(1,476)
Court security	76,937	97,840	93,477	(4,363)
Highway safety grant	896	896	602	(294)
Marine safety	133,499	134,253	132,082	(2,171)
Emergency services	109,337	109,388	132,112	22,724
Jail	1,955,205	1,988,252	1,817,858	(170,394)
Animal control	77,072	77,072	47,456	(29,616)
Total public safety	5,254,250	5,318,331	5,028,308	(290,023)
Health and welfare:				
District health department	400,000	459,653	459,653	-
Health department building	125,343	129,018	123,014	(6,004)
Animal shelter	183,852	187,810	163,333	(24,477)
Soldiers' and sailors' relief	68,023	68,023	13,368	(54,655)
Medical examiner	109,781	109,781	109,176	(605)
Substance abuse	125,455	75,670	81,527	5,857
Veterans' counselor	34,867	34,867	29,082	(5,785)
Veterans' burials	37,500	37,500	29,400	(8,100)
Mental health	154,500	154,500	154,500	-
Total health and welfare	1,239,321	1,256,822	1,163,053	(93,769)
Community and economic development:				
Appropriation to Economic Development				
Board	92,394	92,394	92,394	-
Appropriation to Airport Commission	45,194	45,194	45,194	-
Appropriation to Road Commission	276,900	276,900	276,900	-
Appropriation to Soil Conservation	15,500	15,500	15,500	-
Planning and zoning	212,390	205,917	186,482	(19,435)
Total community and economic development	642,378	635,905	616,470	(19,435)
Other:				
Insurance and bonds	329,172	395,412	397,396	1,984
Other	281,247	428,328	284,663	(143,665)
Total other	610,419	823,740	682,059	(141,681)

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Total general fund	\$ 13,630,797	\$ 14,013,965	\$ 12,992,580	\$ (1,021,385)
Building rehab fund:				
Public works	188,000	188,000	173,097	(14,903)
Parks and recreation fund:				
Recreation and cultural	26,175	26,175	13,754	(12,421)
Agriculture preservation fund:				
Community and economic development	-	425	425	-
Total expenditures	13,844,972	14,228,565	13,179,856	(1,048,709)
Revenues over (under) expenditures	544,016	449,110	1,768,055	1,318,945
Other financing sources (uses)				
Transfers in:				
General fund	776,900	874,337	875,965	1,628
Building rehab fund	-	11,461	383,462	372,001
Parks and recreation fund	19,175	19,175	19,175	-
Eliminations	(19,175)	(116,612)	(468,113)	(351,501)
Total transfers in	776,900	788,361	810,489	22,128
Transfers out:				
General fund	(1,535,091)	(1,538,047)	(2,827,665)	(1,289,618)
Building rehab fund	-	(202,437)	(181,937)	20,500
Eliminations	19,175	116,612	468,113	351,501
Total transfers out	(1,515,916)	(1,623,872)	(2,541,489)	(917,617)
Total other financing sources (uses)	(739,016)	(835,511)	(1,731,000)	(895,489)
Net change in fund balance	(195,000)	(386,401)	37,055	423,456
Fund balance, beginning of year	4,453,515	4,453,515	4,453,515	-
Fund balance, end of year	\$ 4,258,515	\$ 4,067,114	\$ 4,490,570	\$ 423,456

concluded

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2015

	Special Revenue	Debt Service	Capital Projects
Assets			
Cash and cash equivalents	\$ 4,616,419	\$ 35,743	\$ 380,721
Investments	203,835	-	-
Accounts receivable	23,252	-	-
Taxes receivable	398,585	-	-
Loans receivable	1,211,732	-	-
Due from other governments	501,864	-	-
Total assets	\$ 6,955,687	\$ 35,743	\$ 380,721
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ 123,284	\$ -	\$ -
Accounts payable	88,880	-	-
Accrued liabilities	29,086	-	-
Advances from other funds	105,000	-	-
Total liabilities	346,250	-	-
Deferred inflows of resources			
Property taxes levied for subsequent year	446,381	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	2,119,288	-	8,721
Committed	4,043,768	35,743	372,000
Total fund balances	6,163,056	35,743	380,721
Total liabilities and fund balances	\$ 6,955,687	\$ 35,743	\$ 380,721



Permanent	
Cemetery Perpetual Care	Totals
\$ 80	\$ 5,032,963
31,441	235,276
-	23,252
-	398,585
-	1,211,732
-	501,864
<u>\$ 31,521</u>	<u>\$ 7,403,672</u>
\$ -	\$ 123,284
-	88,880
-	29,086
-	105,000
<u>-</u>	<u>346,250</u>
-	446,381
30,925	30,925
596	2,128,605
-	4,451,511
<u>31,521</u>	<u>6,611,041</u>
<u>\$ 31,521</u>	<u>\$ 7,403,672</u>

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2015

	Special Revenue	Debt Service	Capital Projects
Revenues			
Taxes	\$ 431,590	\$ -	\$ -
Intergovernmental	2,358,638	-	-
Licenses and permits	14,231	-	-
Charges for services	313,280	-	-
Interest and rentals	353	-	-
Other revenues	51,492	-	-
Total revenues	3,169,584	-	-
Expenditures			
Current:			
General government	1,590,805	-	-
Public safety	385,323	-	-
Public works	42,814	-	-
Health and welfare	949,063	-	-
Community and economic development	139,334	-	-
Recreation and cultural	728,541	-	-
Debt service:			
Principal	-	50,000	-
Interest expense	-	14,556	-
Capital outlay	70,974	-	-
Total expenditures	3,906,854	64,556	-
Revenues over (under) expenditures	(737,270)	(64,556)	-
Other financing sources (uses)			
Proceeds from sale of capital assets	7,150	-	-
Transfers in	848,331	77,700	372,000
Transfers out	(11,672)	(22,124)	(337)
Total other financing sources (uses)	843,809	55,576	371,663
Net changes in fund balances	106,539	(8,980)	371,663
Fund balances, beginning of year, as restated	6,056,517	44,723	9,058
Fund balances, end of year	\$ 6,163,056	\$ 35,743	\$ 380,721



Permanent	
Cemetery Perpetual Care	Totals
\$ -	\$ 431,590
-	2,358,638
-	14,231
-	313,280
72	425
-	51,492
<hr/>	
72	3,169,656
<hr/>	
-	1,590,805
-	385,323
-	42,814
-	949,063
-	139,334
-	728,541
-	50,000
-	14,556
-	70,974
<hr/>	
-	3,971,410
<hr/>	
72	(801,754)
<hr/>	
-	7,150
-	1,298,031
-	(34,133)
<hr/>	
-	1,271,048
<hr/>	
72	469,294
<hr/>	
31,449	6,141,747
<hr/>	
\$ 31,521	\$ 6,611,041
<hr/>	

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

	Charlton Park	Friend of the Court	Local Corrections Officer Training
Assets			
Cash and cash equivalents	\$ 97,921	\$ 610,145	\$ 48,855
Investments	138,421	-	-
Accounts receivable	-	-	-
Taxes receivable	398,585	-	-
Loans receivable	-	-	-
Due from other governments	-	206,214	-
Total assets	\$ 634,927	\$ 816,359	\$ 48,855
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	514	4,096	180
Accrued liabilities	4,712	11,354	-
Advance from other funds	105,000	-	-
Total liabilities	110,226	15,450	180
Deferred inflows of resources			
Property taxes levied for subsequent year	446,381	-	-
Fund balances			
Restricted	-	-	48,675
Committed	78,320	800,909	-
Total fund balances	78,320	800,909	48,675
Total liabilities and fund balances	\$ 634,927	\$ 816,359	\$ 48,855

Solid Waste	C SNIP Donation	Animal Shelter Donation	Animal Shelter T.N.R. Grant 2014	Animal Shelter T.N.R. Grant 2015	Two Seven Oh Inc - T.N.R.
\$ 196,958	\$ 1,921	\$ 109,953	\$ -	\$ 31,889	\$ -
-	-	-	-	-	-
23,252	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	27,767
<u>\$ 220,210</u>	<u>\$ 1,921</u>	<u>\$ 109,953</u>	<u>\$ -</u>	<u>\$ 31,889</u>	<u>\$ 27,767</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,767
15,263	-	2,399	-	1,955	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,263</u>	<u>-</u>	<u>2,399</u>	<u>-</u>	<u>1,955</u>	<u>27,767</u>
-	-	-	-	-	-
-	1,921	107,554	-	29,934	-
204,947	-	-	-	-	-
<u>204,947</u>	<u>1,921</u>	<u>107,554</u>	<u>-</u>	<u>29,934</u>	<u>-</u>
<u>\$ 220,210</u>	<u>\$ 1,921</u>	<u>\$ 109,953</u>	<u>\$ -</u>	<u>\$ 31,889</u>	<u>\$ 27,767</u>

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

	Community Resource Network	Healthy Start	Remonu- mentation
Assets			
Cash and cash equivalents	\$ 6,904	\$ -	\$ -
Investments	5,279	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Loans receivable	-	-	-
Due from other governments	-	-	31,082
Total assets	\$ 12,183	\$ -	\$ 31,082
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 12,575
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Advance from other funds	-	-	-
Total liabilities	-	-	12,575
Deferred inflows of resources			
Property taxes levied for subsequent year	-	-	-
Fund balances			
Restricted	12,183	-	-
Committed	-	-	18,507
Total fund balances	12,183	-	18,507
Total liabilities and fund balances	\$ 12,183	\$ -	\$ 31,082



Register of Deeds Automation	Victim Services Unit	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week	Law Library
\$ 105,525	\$ 536	\$ 120	\$ 7,753	\$ 10,755	\$ 10,219
-	3,871	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	13,514	-
<u>\$ 105,525</u>	<u>\$ 4,407</u>	<u>\$ 120</u>	<u>\$ 7,753</u>	<u>\$ 24,269</u>	<u>\$ 10,219</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	23	-	-	-	104
129	-	-	-	685	-
-	-	-	-	-	-
<u>129</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>685</u>	<u>104</u>
-	-	-	-	-	-
105,396	4,384	120	-	23,584	-
-	-	-	7,753	-	10,115
<u>105,396</u>	<u>4,384</u>	<u>120</u>	<u>7,753</u>	<u>23,584</u>	<u>10,115</u>
<u>\$ 105,525</u>	<u>\$ 4,407</u>	<u>\$ 120</u>	<u>\$ 7,753</u>	<u>\$ 24,269</u>	<u>\$ 10,219</u>

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

	CDBG Housing	Middleville Police Services	MSHDA Home Grant
Assets			
Cash and cash equivalents	\$ 4,746	\$ -	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Loans receivable	1,198,420	-	13,312
Due from other governments	-	61,552	-
Total assets	\$ 1,203,166	\$ 61,552	\$ 13,312
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ 58,084	\$ -
Accounts payable	2,468	-	-
Accrued liabilities	-	3,386	-
Advance from other funds	-	-	-
Total liabilities	2,468	61,470	-
Deferred inflows of resources			
Property taxes levied for subsequent year	-	-	-
Fund balances			
Restricted	1,200,698	-	13,312
Committed	-	82	-
Total fund balances	1,200,698	82	13,312
Total liabilities and fund balances	\$ 1,203,166	\$ 61,552	\$ 13,312



Community Corrections	Adult Drug Court	Juvenile Drug Court	Michigan Justice Training	56B Sobriety Court	Social Welfare
\$ -	\$ 243,287	\$ 631,264	\$ 15,197	\$ 4,285	\$ 34,826
-	-	-	-	-	56,264
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,491	26,829	45,257	-	11,612	-
<u>\$ 20,491</u>	<u>\$ 270,116</u>	<u>\$ 676,521</u>	<u>\$ 15,197</u>	<u>\$ 15,897</u>	<u>\$ 91,090</u>
\$ 10,027	\$ -	\$ -	\$ -	\$ -	\$ -
4,800	-	117	-	-	-
457	1,410	1,041	-	711	-
-	-	-	-	-	-
<u>15,284</u>	<u>1,410</u>	<u>1,158</u>	<u>-</u>	<u>711</u>	<u>-</u>
-	-	-	-	-	-
-	-	194,902	15,197	15,186	-
5,207	268,706	480,461	-	-	91,090
<u>5,207</u>	<u>268,706</u>	<u>675,363</u>	<u>15,197</u>	<u>15,186</u>	<u>91,090</u>
<u>\$ 20,491</u>	<u>\$ 270,116</u>	<u>\$ 676,521</u>	<u>\$ 15,197</u>	<u>\$ 15,897</u>	<u>\$ 91,090</u>

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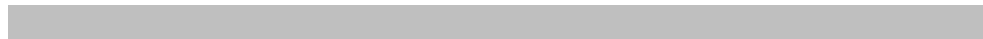
COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

	Child Care	Veterans' Trust	Sure and Swift Program
Assets			
Cash and cash equivalents	\$ 2,084,520	\$ 7,665	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Loans receivable	-	-	-
Due from other governments	38,716	-	18,830
Total assets	\$ 2,123,236	\$ 7,665	\$ 18,830
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 14,831
Accounts payable	44,363	-	-
Accrued liabilities	3,961	-	1,240
Advance from other funds	-	-	-
Total liabilities	48,324	-	16,071
Deferred inflows of resources			
Property taxes levied for subsequent year	-	-	-
Fund balances			
Restricted	-	7,665	-
Committed	2,074,912	-	2,759
Total fund balances	2,074,912	7,665	2,759
Total liabilities and fund balances	\$ 2,123,236	\$ 7,665	\$ 18,830



Diverted Felons	Bench Warrant	Sheriff K-9 Donation	Concealed Pistol License	Total
\$ 320,526	\$ 1,360	\$ 15,058	\$ 14,231	\$ 4,616,419
-	-	-	-	203,835
-	-	-	-	23,252
-	-	-	-	398,585
-	-	-	-	1,211,732
-	-	-	-	501,864
<u>\$ 320,526</u>	<u>\$ 1,360</u>	<u>\$ 15,058</u>	<u>\$ 14,231</u>	<u>\$ 6,955,687</u>
\$ -	\$ -	\$ -	\$ -	\$ 123,284
-	-	12,598	-	88,880
-	-	-	-	29,086
-	-	-	-	105,000
-	-	12,598	-	346,250
-	-	-	-	446,381
320,526	1,360	2,460	14,231	2,119,288
-	-	-	-	4,043,768
<u>320,526</u>	<u>1,360</u>	<u>2,460</u>	<u>14,231</u>	<u>6,163,056</u>
<u>\$ 320,526</u>	<u>\$ 1,360</u>	<u>\$ 15,058</u>	<u>\$ 14,231</u>	<u>\$ 6,955,687</u>

concluded

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Charlton Park	Friend of the Court	Local Corrections Officer Training
Revenues			
Taxes	\$ 431,590	\$ -	\$ -
Intergovernmental	42,883	811,434	-
Licenses and permits	-	-	-
Charges for services	128,470	20,518	9,853
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	602,943	831,952	9,853
Expenditures			
Current:			
General government	-	1,016,771	-
Public safety	-	-	3,522
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	728,541	-	-
Capital outlay	-	-	-
Total expenditures	728,541	1,016,771	3,522
Revenues over (under) expenditures	(125,598)	(184,819)	6,331
Other financing sources (uses)			
Proceeds from sale of capital assets	7,150	-	-
Transfers in	105,000	185,134	-
Transfers out	(11,461)	-	-
Total other financing sources (uses)	100,689	185,134	-
Net changes in fund balances	(24,909)	315	6,331
Fund balances, beginning of year, as restated	103,229	800,594	42,344
Fund balances, end of year	\$ 78,320	\$ 800,909	\$ 48,675

Solid Waste	C SNIP Donation	Animal Shelter Donation	Animal Shelter T.N.R. Grant 2014	Animal Shelter T.N.R. Grant 2015	Two Seven Oh Inc - T.N.R.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	6,525	39,500	27,767
-	-	-	-	-	-
76,409	-	-	-	-	-
-	-	130	-	-	-
1,514	-	19,976	-	-	-
<u>77,923</u>	<u>-</u>	<u>20,106</u>	<u>6,525</u>	<u>39,500</u>	<u>27,767</u>
-	-	-	-	-	-
-	-	-	-	-	-
42,814	-	-	-	-	-
-	-	32,838	14,406	9,773	27,767
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,814</u>	<u>-</u>	<u>32,838</u>	<u>14,406</u>	<u>9,773</u>	<u>27,767</u>
<u>35,109</u>	<u>-</u>	<u>(12,732)</u>	<u>(7,881)</u>	<u>29,727</u>	<u>-</u>
-	-	-	-	-	-
1,063	-	-	-	207	-
-	-	-	(207)	-	-
<u>1,063</u>	<u>-</u>	<u>-</u>	<u>(207)</u>	<u>207</u>	<u>-</u>
36,172	-	(12,732)	(8,088)	29,934	-
<u>168,775</u>	<u>1,921</u>	<u>120,286</u>	<u>8,088</u>	<u>-</u>	<u>-</u>
<u>\$ 204,947</u>	<u>\$ 1,921</u>	<u>\$ 107,554</u>	<u>\$ -</u>	<u>\$ 29,934</u>	<u>\$ -</u>

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Community Resource Network	Healthy Start	Remonu- mentation
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,517	-	58,050
Licenses and permits	-	-	-
Charges for services	-	-	-
Interest and rentals	11	-	-
Other revenues	-	-	-
Total revenues	2,528	-	58,050
Expenditures			
Current:			
General government	-	-	80,968
Public safety	-	-	-
Public works	-	-	-
Health and welfare	2,557	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	2,557	-	80,968
Revenues over (under) expenditures	(29)	-	(22,918)
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	23,291
Transfers out	-	(4)	-
Total other financing sources (uses)	-	(4)	23,291
Net changes in fund balances	(29)	(4)	373
Fund balances, beginning of year, as restated	12,212	4	18,134
Fund balances, end of year	\$ 12,183	\$ -	\$ 18,507

Register of Deeds Automation	Victim Services Unit	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	924	-	-	54,744	6,500
-	-	-	-	-	-
52,598	-	-	-	-	-
64	16	-	6	-	-
-	-	-	-	-	-
52,662	940	-	6	54,744	6,500
-	-	-	-	55,206	17,643
-	4,705	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
70,974	-	-	-	-	-
70,974	4,705	-	-	55,206	17,643
(18,312)	(3,765)	-	6	(462)	(11,143)
-	-	-	-	-	-
-	-	-	-	-	11,500
-	-	-	-	-	-
-	-	-	-	-	11,500
(18,312)	(3,765)	-	6	(462)	357
123,708	8,149	120	7,747	24,046	9,758
\$ 105,396	\$ 4,384	\$ 120	\$ 7,753	\$ 23,584	\$ 10,115

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	CDBG Housing	Middleville Police Services	MSHDA Home Grant
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	51,623	272,567	50,336
Licenses and permits	-	-	-
Charges for services	25	-	-
Interest and rentals	3	-	-
Other revenues	-	1,632	13,312
Total revenues	51,651	274,199	63,648
Expenditures			
Current:			
General government	-	-	-
Public safety	-	277,933	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	88,998	-	50,336
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	88,998	277,933	50,336
Revenues over (under) expenditures	(37,347)	(3,734)	13,312
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(37,347)	(3,734)	13,312
Fund balances, beginning of year, as restated	1,238,045	3,816	-
Fund balances, end of year	\$ 1,200,698	\$ 82	\$ 13,312

Community Corrections	Adult Drug Court	Juvenile Drug Court	Michigan Justice Training	56B Sobriety Court	Social Welfare
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80,112	95,251	119,824	5,785	72,036	-
-	-	-	-	-	-
-	16,787	-	-	8,620	-
-	-	-	-	-	123
-	-	-	-	-	-
80,112	112,038	119,824	5,785	80,656	123
-	126,242	89,801	-	77,223	-
83,399	-	-	3,166	-	-
-	-	-	-	-	-
-	-	-	-	-	14,631
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83,399	126,242	89,801	3,166	77,223	14,631
(3,287)	(14,204)	30,023	2,619	3,433	(14,508)
-	-	-	-	-	-
-	39,200	22,208	-	600	7,840
-	-	-	-	-	-
-	39,200	22,208	-	600	7,840
(3,287)	24,996	52,231	2,619	4,033	(6,668)
8,494	243,710	623,132	12,578	11,153	97,758
\$ 5,207	\$ 268,706	\$ 675,363	\$ 15,197	\$ 15,186	\$ 91,090

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Child Care	Veterans' Trust	Sure and Swift Program
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	374,149	-	105,746
Licenses and permits	-	-	-
Charges for services	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	<u>374,149</u>	<u>-</u>	<u>105,746</u>
Expenditures			
Current:			
General government	-	-	109,139
Public safety	-	-	-
Public works	-	-	-
Health and welfare	845,533	1,558	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>845,533</u>	<u>1,558</u>	<u>109,139</u>
Revenues over (under) expenditures	<u>(471,384)</u>	<u>(1,558)</u>	<u>(3,393)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	449,788	-	2,500
Transfers out	-	-	-
Total other financing sources (uses)	<u>449,788</u>	<u>-</u>	<u>2,500</u>
Net changes in fund balances	(21,596)	(1,558)	(893)
Fund balances, beginning of year, as restated	<u>2,096,508</u>	<u>9,223</u>	<u>3,652</u>
Fund balances, end of year	<u>\$ 2,074,912</u>	<u>\$ 7,665</u>	<u>\$ 2,759</u>



Diverted Felons	Bench Warrant	Sheriff K-9 Donation	Concealed Pistol License	Total
\$ -	\$ -	\$ -	\$ -	\$ 431,590
80,365	-	-	-	2,358,638
-	-	-	14,231	14,231
-	-	-	-	313,280
-	-	-	-	353
-	-	15,058	-	51,492
80,365	-	15,058	14,231	3,169,584
17,812	-	-	-	1,590,805
-	-	12,598	-	385,323
-	-	-	-	42,814
-	-	-	-	949,063
-	-	-	-	139,334
-	-	-	-	728,541
-	-	-	-	70,974
17,812	-	12,598	-	3,906,854
62,553	-	2,460	14,231	(737,270)
-	-	-	-	7,150
-	-	-	-	848,331
-	-	-	-	(11,672)
-	-	-	-	843,809
62,553	-	2,460	14,231	106,539
257,973	1,360	-	-	6,056,517
\$ 320,526	\$ 1,360	\$ 2,460	\$ 14,231	\$ 6,163,056

concluded

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Chalton Park		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ 432,500	\$ 431,590	\$ (910)
Intergovernmental	27,000	42,883	15,883
Licenses and permits	-	-	-
Charges for services	113,550	128,470	14,920
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	573,050	602,943	29,893
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	749,019	728,541	(20,478)
Capital outlay	-	-	-
Total expenditures	749,019	728,541	(20,478)
Revenues over (under) expenditures	(175,969)	(125,598)	50,371
Other financing sources (uses)			
Proceeds from sale of capital assets	5,000	7,150	2,150
Transfers in	105,000	105,000	-
Transfers out	(11,461)	(11,461)	-
Total other financing sources (uses)	98,539	100,689	2,150
Net changes in fund balances	(77,430)	(24,909)	52,521
Fund balances, beginning of year, as restated	103,229	103,229	-
Fund balances, end of year	\$ 25,799	\$ 78,320	\$ 52,521



Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
630,000	811,434	181,434	-	-	-
-	-	-	-	-	-
16,600	20,518	3,918	10,000	9,853	(147)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
646,600	831,952	185,352	10,000	9,853	(147)
1,043,781	1,016,771	(27,010)	-	-	-
-	-	-	14,000	3,522	(10,478)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,300	-	(2,300)	-	-	-
1,046,081	1,016,771	(29,310)	14,000	3,522	(10,478)
(399,481)	(184,819)	214,662	(4,000)	6,331	10,331
-	-	-	-	-	-
290,267	185,134	(105,133)	-	-	-
-	-	-	-	-	-
290,267	185,134	(105,133)	-	-	-
(109,214)	315	109,529	(4,000)	6,331	10,331
800,594	800,594	-	42,344	42,344	-
\$ 691,380	\$ 800,909	\$ 109,529	\$ 38,344	\$ 48,675	\$ 10,331

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Solid Waste		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	47,000	76,409	29,409
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	2,500	1,514	(986)
Total revenues	49,500	77,923	28,423
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	86,400	42,814	(43,586)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	86,400	42,814	(43,586)
Revenues over (under) expenditures	(36,900)	35,109	72,009
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	1,063	1,063	-
Transfers out	-	-	-
Total other financing sources (uses)	1,063	1,063	-
Net changes in fund balances	(35,837)	36,172	72,009
Fund balances, beginning of year, as restated	168,775	168,775	-
Fund balances, end of year	\$ 132,938	\$ 204,947	\$ 72,009



C SNIP Donation			Animal Shelter Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	500	130	(370)
-	-	-	25,000	19,976	(5,024)
-	-	-	25,500	20,106	(5,394)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	40,000	32,838	(7,162)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	40,000	32,838	(7,162)
-	-	-	(14,500)	(12,732)	1,768
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(14,500)	(12,732)	1,768
1,921	1,921	-	120,286	120,286	-
\$ 1,921	\$ 1,921	\$ -	\$ 105,786	\$ 107,554	\$ 1,768

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Animal Shelter T.N.R. Grant 2014		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	6,525	6,525	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	6,525	6,525	-
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	14,613	14,406	(207)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	14,613	14,406	(207)
Revenues over (under) expenditures	(8,088)	(7,881)	207
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	(207)	(207)
Total other financing sources (uses)	-	(207)	(207)
Net changes in fund balances	(8,088)	(8,088)	-
Fund balances, beginning of year, as restated	8,088	8,088	-
Fund balances, end of year	\$ -	\$ -	\$ -



Animal Shelter T.N.R. Grant 2015			Two Seven Oh Inc - T.N.R.		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39,500	39,500	-	29,500	27,767	(1,733)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
39,500	39,500	-	29,500	27,767	(1,733)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	9,773	(10,227)	29,500	27,767	(1,733)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	9,773	(10,227)	29,500	27,767	(1,733)
19,500	29,727	10,227	-	-	-
-	-	-	-	-	-
-	207	207	-	-	-
-	-	-	-	-	-
-	207	207	-	-	-
19,500	29,934	10,434	-	-	-
-	-	-	-	-	-
\$ 19,500	\$ 29,934	\$ 10,434	\$ -	\$ -	\$ -

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Community Resource Network		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	9,300	2,517	(6,783)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	11	11
Other revenues	-	-	-
Total revenues	9,300	2,528	(6,772)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	9,300	2,557	(6,743)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	9,300	2,557	(6,743)
Revenues over (under) expenditures	-	(29)	(29)
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(29)	(29)
Fund balances, beginning of year, as restated	12,212	12,212	-
Fund balances, end of year	\$ 12,212	\$ 12,183	\$ (29)



Healthy Start			Remonumentation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	68,512	58,050	(10,462)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	400	-	(400)
-	-	-	-	-	-
-	-	-	68,912	58,050	(10,862)
-	-	-	-	-	-
-	-	-	102,005	80,968	(21,037)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	102,005	80,968	(21,037)
-	-	-	(33,093)	(22,918)	10,175
-	-	-	-	-	-
-	-	-	23,921	23,291	(630)
-	(4)	(4)	-	-	-
-	(4)	(4)	23,921	23,291	(630)
-	(4)	(4)	(9,172)	373	9,545
4	4	-	18,134	18,134	-
\$ 4	\$ -	\$ (4)	\$ 8,962	\$ 18,507	\$ 9,545

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Register of Deeds Automation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	68,119	52,598	(15,521)
Fines and forfeitures	-	-	-
Interest and rentals	-	64	64
Other revenues	-	-	-
Total revenues	68,119	52,662	(15,457)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	80,000	70,974	(9,026)
Total expenditures	80,000	70,974	(9,026)
Revenues over (under) expenditures	(11,881)	(18,312)	(6,431)
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(11,881)	(18,312)	(6,431)
Fund balances, beginning of year, as restated	123,708	123,708	-
Fund balances, end of year	\$ 111,827	\$ 105,396	\$ (6,431)



Victim Services Unit			Drug Law Enforcement		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,100	924	(176)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20	16	(4)	-	-	-
400	-	(400)	-	-	-
<hr/>			<hr/>		
1,520	940	(580)	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
4,823	4,705	(118)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>			<hr/>		
4,823	4,705	(118)	-	-	-
<hr/>			<hr/>		
(3,303)	(3,765)	(462)	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
<hr/>			<hr/>		
(3,303)	(3,765)	(462)	-	-	-
8,149	8,149	-	120	120	-
<hr/>			<hr/>		
\$ 4,846	\$ 4,384	\$ (462)	\$ 120	\$ 120	\$ -
<hr/>			<hr/>		

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COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Special Investigation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	500	-	(500)
Interest and rentals	10	6	(4)
Other revenues	-	-	-
	<u>510</u>	<u>6</u>	<u>(504)</u>
Total revenues			
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures			
	<u>510</u>	<u>6</u>	<u>(504)</u>
Revenues over (under) expenditures			
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	510	6	(504)
Fund balances, beginning of year, as restated	<u>7,747</u>	<u>7,747</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,257</u>	<u>\$ 7,753</u>	<u>\$ (504)</u>



Crime Victims' Rights Week			Law Library		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54,189	54,744	555	6,500	6,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,189	54,744	555	6,500	6,500	-
58,692	55,206	(3,486)	18,000	17,643	(357)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58,692	55,206	(3,486)	18,000	17,643	(357)
(4,503)	(462)	4,041	(11,500)	(11,143)	357
-	-	-	-	-	-
-	-	-	11,500	11,500	-
-	-	-	-	-	-
-	-	-	11,500	11,500	-
(4,503)	(462)	4,041	-	357	357
24,046	24,046	-	9,758	9,758	-
\$ 19,543	\$ 23,584	\$ 4,041	\$ 9,758	\$ 10,115	\$ 357

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures **and Changes in Fund Balances - Budget and Actual** **Nonmajor Special Revenue Funds** **For the Year Ended December 31, 2015**

	CDBG Housing		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	69,117	51,623	(17,494)
Licenses and permits	-	-	-
Charges for services	29,914	25	(29,889)
Fines and forfeitures	-	-	-
Interest and rentals	3	3	-
Other revenues	-	-	-
Total revenues	99,034	51,651	(47,383)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	99,034	88,998	(10,036)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	99,034	88,998	(10,036)
Revenues over (under) expenditures	-	(37,347)	(37,347)
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(37,347)	(37,347)
Fund balances, beginning of year, as restated	1,238,045	1,238,045	-
Fund balances, end of year	\$ 1,238,045	\$ 1,200,698	\$ (37,347)



Middleville Police Services			MSHDA Home Grant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
289,165	272,567	(16,598)	80,000	50,336	(29,664)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,632	1,632	-	13,312	13,312
289,165	274,199	(14,966)	80,000	63,648	(16,352)
-	-	-	-	-	-
284,528	277,933	(6,595)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	80,000	50,336	(29,664)
-	-	-	-	-	-
-	-	-	-	-	-
284,528	277,933	(6,595)	80,000	50,336	(29,664)
4,637	(3,734)	(8,371)	-	13,312	13,312
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,637	(3,734)	(8,371)	-	13,312	13,312
3,816	3,816	-	-	-	-
\$ 8,453	\$ 82	\$ (8,371)	\$ -	\$ 13,312	\$ 13,312

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Community Corrections		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	92,294	80,112	(12,182)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	92,294	80,112	(12,182)
Expenditures			
Current:			
General government	-	-	-
Public safety	92,294	83,399	(8,895)
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	92,294	83,399	(8,895)
Revenues over (under) expenditures	-	(3,287)	(3,287)
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(3,287)	(3,287)
Fund balances, beginning of year, as restated	8,494	8,494	-
Fund balances, end of year	\$ 8,494	\$ 5,207	\$ (3,287)

Adult Drug Court			Juvenile Drug Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	95,251	(4,749)	109,799	119,824	10,025
-	-	-	-	-	-
12,000	16,787	4,787	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,000	112,038	38	109,799	119,824	10,025
185,925	126,242	(59,683)	157,131	89,801	(67,330)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
185,925	126,242	(59,683)	157,131	89,801	(67,330)
(73,925)	(14,204)	59,721	(47,332)	30,023	77,355
-	-	-	-	-	-
78,400	39,200	(39,200)	44,416	22,208	(22,208)
-	-	-	-	-	-
78,400	39,200	(39,200)	44,416	22,208	(22,208)
4,475	24,996	20,521	(2,916)	52,231	55,147
243,710	243,710	-	623,132	623,132	-
\$ 248,185	\$ 268,706	\$ 20,521	\$ 620,216	\$ 675,363	\$ 55,147

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COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Michigan Justice Training		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	5,776	5,785	9
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	5,776	5,785	9
Expenditures			
Current:			
General government	-	-	-
Public safety	5,776	3,166	(2,610)
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	5,776	3,166	(2,610)
Revenues over (under) expenditures	-	2,619	2,619
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	2,619	2,619
Fund balances, beginning of year, as restated	12,578	12,578	-
Fund balances, end of year	\$ 12,578	\$ 15,197	\$ 2,619

56B Sobriety Court			Social Welfare		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105,000	72,036	(32,964)	-	-	-
-	-	-	-	-	-
8,000	8,620	620	-	-	-
-	-	-	-	-	-
-	-	-	-	123	123
-	-	-	-	-	-
113,000	80,656	(32,344)	-	123	123
105,600	77,223	(28,377)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,500	14,631	(869)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
105,600	77,223	(28,377)	15,500	14,631	(869)
7,400	3,433	(3,967)	(15,500)	(14,508)	992
-	-	-	-	-	-
600	600	-	7,840	7,840	-
-	-	-	-	-	-
600	600	-	7,840	7,840	-
8,000	4,033	(3,967)	(7,660)	(6,668)	992
11,153	11,153	-	97,758	97,758	-
\$ 19,153	\$ 15,186	\$ (3,967)	\$ 90,098	\$ 91,090	\$ 992

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Child Care		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	538,800	374,149	(164,651)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	538,800	374,149	(164,651)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	1,093,043	845,533	(247,510)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	1,093,043	845,533	(247,510)
Revenues over (under) expenditures	(554,243)	(471,384)	82,859
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	481,002	449,788	(31,214)
Transfers out	-	-	-
Total other financing sources (uses)	481,002	449,788	(31,214)
Net changes in fund balances	(73,241)	(21,596)	51,645
Fund balances, beginning of year, as restated	2,096,508	2,096,508	-
Fund balances, end of year	\$ 2,023,267	\$ 2,074,912	\$ 51,645

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COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Diverted Felons		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	80,000	80,365	365
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	80,000	80,365	365
Expenditures			
Current:			
General government	20,612	17,812	(2,800)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	14,632	-	(14,632)
Total expenditures	35,244	17,812	(17,432)
Revenues over (under) expenditures	44,756	62,553	17,797
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	44,756	62,553	17,797
Fund balances, beginning of year, as restated	257,973	257,973	-
Fund balances, end of year	\$ 302,729	\$ 320,526	\$ 17,797



Bench Warrant			Sheriff K-9 Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	15,058	15,058
-	-	-	-	15,058	15,058
-	-	-	-	-	-
-	-	-	-	12,598	12,598
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	12,598	12,598
-	-	-	-	2,460	2,460
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,460	2,460
1,360	1,360	-	-	-	-
\$ 1,360	\$ 1,360	\$ -	\$ -	\$ 2,460	\$ 2,460

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2015

	Concealed Pistol License		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	12,000	14,231	2,231
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	12,000	14,231	2,231
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	12,000	14,231	2,231
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	12,000	14,231	2,231
Fund balances, beginning of year, as restated	-	-	-
Fund balances, end of year	\$ 12,000	\$ 14,231	\$ 2,231



Total		
Final Budget	Actual	Actual Over (Under) Final Budget
\$ 432,500	\$ 431,590	\$ (910)
2,528,853	2,358,638	(170,215)
12,000	14,231	2,231
305,183	313,280	8,097
500	-	(500)
933	353	(580)
27,900	51,492	23,592
3,307,869	3,169,584	(138,285)
1,878,748	1,590,805	(287,943)
401,421	385,323	(16,098)
86,400	42,814	(43,586)
1,225,456	949,063	(276,393)
179,034	139,334	(39,700)
749,019	728,541	(20,478)
96,932	70,974	(25,958)
4,617,010	3,906,854	(710,156)
(1,309,141)	(737,270)	571,871
5,000	7,150	2,150
1,046,509	848,331	(198,178)
(11,461)	(11,672)	(211)
1,040,048	843,809	(196,239)
(269,093)	106,539	375,632
6,056,517	6,056,517	-
\$ 5,787,424	\$ 6,163,056	\$ 375,632

concluded

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2015

	Building Authority			Total
	Friend of the Court Renovation	Courts and Law	Thornapple Manor 2012 Bonds	
Assets				
Cash and cash equivalents	\$ 32,021	\$ -	\$ 3,722	\$ 35,743
Fund balances				
Committed	\$ 32,021	\$ -	\$ 3,722	\$ 35,743

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds For the Year Ended December 31, 2015

	Building Authority			
	Friend of the Court Renovation	Courts and Law	Thornapple Manor 2012 Bonds	Total
Revenues				
Interest	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt service:				
Principal	50,000	-	-	50,000
Interest expense	14,306	-	250	14,556
Total expenditures	64,306	-	250	64,556
Revenues under expenditures	(64,306)	-	(250)	(64,556)
Other financing sources (uses)				
Transfers in	77,363	-	337	77,700
Transfers out	-	(22,124)	-	(22,124)
Total other financing sources (uses)	77,363	(22,124)	337	55,576
Net changes in fund balances	13,057	(22,124)	87	(8,980)
Fund balances, beginning of year	18,964	22,124	3,635	44,723
Fund balances, end of year	\$ 32,021	\$ -	\$ 3,722	\$ 35,743

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2015

	McKeown Bridge Construction	Building Authority Thornapple Manor	Capital Replacement	Total
Assets				
Cash and cash equivalents	\$ 8,721	\$ -	\$ 372,000	\$ 380,721
Fund balances				
Restricted	\$ 8,721	\$ -	\$ -	\$ 8,721
Committed	-	-	372,000	372,000
Total fund balances	\$ 8,721	\$ -	\$ 372,000	\$ 380,721

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2015

	McKeown Bridge Construction	Building Authority Thornapple Manor	Capital Replacement	Total
Revenues				
Interest revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital outlay	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	372,000	372,000
Transfers out	-	(337)	-	(337)
Total other financing sources (uses)	-	(337)	372,000	371,663
Net changes in fund balances	-	(337)	372,000	371,663
Fund balances, beginning of year	8,721	337	-	9,058
Fund balances, end of year	<u>\$ 8,721</u>	<u>\$ -</u>	<u>\$ 372,000</u>	<u>\$ 380,721</u>

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2015

	2012 Delinquent Tax Revolving	2013 Delinquent Tax Revolving	2015 Delinquent Tax Revolving
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 162,286	\$ 24,973
Investments	-	-	-
Accounts receivable	-	-	-
Delinquent taxes receivable	-	446,476	567,247
Due from other governments	-	-	-
Other assets	-	-	-
Total current assets	-	608,762	592,220
Noncurrent assets:			
Investments	-	-	-
Net other postemployment benefits asset	-	-	-
Capital assets being depreciated, net	-	-	-
Total noncurrent assets	-	-	-
Total assets	-	608,762	592,220
Deferred outflows of resources			
Deferred pension amounts	-	-	-
Liabilities			
Current liabilities:			
Accounts payable	-	5,981	-
Accrued liabilities	-	-	-
Due to other governments	-	2,703	23,535
Due to other funds	-	-	567,247
Total current liabilities	-	8,684	590,782
Noncurrent liabilities:			
Net pension liability	-	-	-
Total liabilities	-	8,684	590,782
Net position			
Investment in capital assets	-	-	-
Restricted for property tax foreclosures	-	-	-
Unrestricted	-	600,078	1,438
Total net position	\$ -	\$ 600,078	\$ 1,438



Foreclosure	Transit	Jail Commissary	Total
\$ 939,110	\$ 2,231,522	\$ 150,081	\$ 3,507,972
-	341,218	-	341,218
-	15,732	-	15,732
-	-	-	1,013,723
-	79,522	-	79,522
-	10,067	-	10,067
<u>939,110</u>	<u>2,678,061</u>	<u>150,081</u>	<u>4,968,234</u>
-	113,121	-	113,121
-	11,604	-	11,604
-	772,113	-	772,113
-	896,838	-	896,838
<u>939,110</u>	<u>3,574,899</u>	<u>150,081</u>	<u>5,865,072</u>
-	52,058	-	52,058
-	13,829	3,983	23,793
-	22,897	-	22,897
-	-	-	26,238
-	-	-	567,247
-	36,726	3,983	640,175
-	564,760	-	564,760
-	601,486	3,983	1,204,935
-	772,113	-	772,113
298,617	-	-	298,617
640,493	2,253,358	146,098	3,641,465
<u>\$ 939,110</u>	<u>\$ 3,025,471</u>	<u>\$ 146,098</u>	<u>\$ 4,712,195</u>

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds For the Year Ended December 31, 2015

	2012 Delinquent Tax Revolving	2013 Delinquent Tax Revolving	2015 Delinquent Tax Revolving
Operating revenues			
Charges for services	\$ -	\$ 63,883	\$ 941
Interest and penalties on delinquent taxes	-	158,137	497
Total operating revenues	-	222,020	1,438
Operating expense			
Operations	11,056	33,890	-
Depreciation	-	-	-
Total operating expense	11,056	33,890	-
Operating income (loss)	(11,056)	188,130	1,438
Nonoperating revenues			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	-	-	-
Gain on sale of capital assets	-	-	-
Total nonoperating revenues	-	-	-
Income (loss) before transfers	(11,056)	188,130	1,438
Transfers			
Transfers in	-	-	-
Transfers out	(615,996)	-	-
Total transfers	(615,996)	-	-
Change in net position	(627,052)	188,130	1,438
Net position, beginning of year, as restated	627,052	411,948	-
Net position, end of year	\$ -	\$ 600,078	\$ 1,438



Foreclosure	Transit	Jail Commissary	Total
\$ 185,384	\$ 267,003	\$ 118,300	\$ 635,511
-	-	-	158,634
185,384	267,003	118,300	794,145
615	1,343,696	87,770	1,477,027
-	188,150	-	188,150
615	1,531,846	87,770	1,665,177
184,769	(1,264,843)	30,530	(871,032)
-	479,740	-	479,740
-	833,324	-	833,324
1,173	4,553	-	5,726
-	3,406	-	3,406
1,173	1,321,023	-	1,322,196
185,942	56,180	30,530	451,164
-	-	-	-
-	-	-	(615,996)
-	-	-	(615,996)
185,942	56,180	30,530	(164,832)
753,168	2,969,291	115,568	4,877,027
\$ 939,110	\$ 3,025,471	\$ 146,098	\$ 4,712,195

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2015

	2012 Delinquent Tax Revolving	2013 Delinquent Tax Revolving	2015 Delinquent Tax Revolving
Cash flows from operating activities			
Cash received from customers and users	\$ 446,609	\$ 1,425,797	\$ 24,973
Cash payments to suppliers for goods and services	(11,056)	(27,909)	-
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	435,553	1,397,888	24,973
Cash flows from noncapital financing activities			
Transfers out	(615,996)	-	-
Taxes	-	-	-
Intergovernmental grants and contributions	-	-	-
Payments on long-term advances from other funds	-	(1,375,599)	-
Net cash provided by (used in) noncapital financing activities	(615,996)	(1,375,599)	-
Cash flows from capital and related financing activities			
Intergovernmental capital grants	-	-	-
Purchases of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	-
Net cash provided by capital and related financing activities	-	-	-
Cash flows from investing activities			
Purchases of investments	-	-	-
Interest received	-	-	-
Net cash provided by (used in) investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(180,443)	22,289	24,973
Cash and cash equivalents, beginning of year	180,443	139,997	-
Cash and cash equivalents, end of year	\$ -	\$ 162,286	\$ 24,973



Foreclosure	Transit	Jail Commissary	Total
\$ 185,384	\$ 260,194	\$ 118,300	\$ 2,461,257
(615)	(685,642)	(88,012)	(813,234)
-	(640,116)	-	(640,116)
184,769	(1,065,564)	30,288	1,007,907
-	-	-	(615,996)
-	479,740	-	479,740
-	747,291	-	747,291
-	-	-	(1,375,599)
-	1,227,031	-	(764,564)
-	71,294	-	71,294
-	(64,997)	-	(64,997)
-	3,406	-	3,406
-	9,703	-	9,703
-	(454,339)	-	(454,339)
1,173	4,553	-	5,726
1,173	(449,786)	-	(448,613)
185,942	(278,616)	30,288	(195,567)
753,168	2,510,138	119,793	3,703,539
\$ 939,110	\$ 2,231,522	\$ 150,081	\$ 3,507,972

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2015

	2012 Delinquent Tax Revolving	2013 Delinquent Tax Revolving	2015 Delinquent Tax Revolving
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (11,056)	\$ 188,130	\$ 1,438
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Changes in:			
Accounts receivable	-	-	-
Taxes receivable	456,390	1,203,084	(567,247)
Other assets	-	-	-
Net other postemployment benefits asset	-	-	-
Accounts payable	-	5,981	-
Accrued liabilities	-	-	-
Due to other governments	(9,781)	693	23,535
Due to other funds	-	-	567,247
Net pension liability and related deferred amounts	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 435,553</u>	<u>\$ 1,397,888</u>	<u>\$ 24,973</u>



Foreclosure	Transit	Jail Commissary	Total
\$ 184,769	\$ (1,264,843)	\$ 30,530	\$ (871,032)
-	188,150	-	188,150
-	(6,809)	-	(6,809)
-	-	-	1,092,227
-	15,100	-	15,100
-	(8,367)	-	(8,367)
-	(2,622)	(242)	3,117
-	3,870	-	3,870
-	-	-	14,447
-	-	-	567,247
-	9,957	-	9,957
<u>\$ 184,769</u>	<u>\$ (1,065,564)</u>	<u>\$ 30,288</u>	<u>\$ 1,007,907</u>

concluded

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2015

	Data Processing	Telephone	Vehicle
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,642,799	\$ 46,826	\$ 1,322,188
Investments	-	-	-
Total current assets	<u>1,642,799</u>	<u>46,826</u>	<u>1,322,188</u>
Noncurrent assets:			
Capital assets being depreciated, net	<u>145,389</u>	<u>-</u>	<u>412,677</u>
Total assets	<u>1,788,188</u>	<u>46,826</u>	<u>1,734,865</u>
Liabilities (all current)			
Accounts payable	<u>177</u>	<u>-</u>	<u>-</u>
Net position			
Investment in capital assets	145,389	-	412,677
Unrestricted	<u>1,642,622</u>	<u>46,826</u>	<u>1,322,188</u>
Total net position	<u>\$ 1,788,011</u>	<u>\$ 46,826</u>	<u>\$ 1,734,865</u>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 36,706	\$ 347,523	\$ 184,946	\$ 515,761	\$ 752	\$ 226,827
-	-	-	601,085	-	-
36,706	347,523	184,946	1,116,846	752	226,827
-	-	-	-	-	-
36,706	347,523	184,946	1,116,846	752	226,827
-	-	-	-	-	135,418
-	-	-	-	-	-
36,706	347,523	184,946	1,116,846	752	91,409
\$ 36,706	\$ 347,523	\$ 184,946	\$ 1,116,846	\$ 752	\$ 91,409

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2015

	Dental and Optical	Unemployment	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 114,136	\$ 150,236	\$ 4,588,700
Investments	-	-	601,085
Total current assets	114,136	150,236	5,189,785
Noncurrent assets:			
Capital assets being depreciated, net	-	-	558,066
Total assets	114,136	150,236	5,747,851
Liabilities (all current)			
Accounts payable	-	9,444	145,039
Net position			
Investment in capital assets	-	-	558,066
Unrestricted	114,136	140,792	5,044,746
Total net position	\$ 114,136	\$ 140,792	\$ 5,602,812

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses

and Changes in Fund Net Position

Internal Service Funds

For the Year Ended December 31, 2015

	Data Processing	Telephone	Vehicle
Operating revenues			
Charges for services	\$ -	\$ 36,152	\$ -
Other revenues	-	-	5,559
Total operating revenues	-	36,152	5,559
Operating expenses			
Operations	82,528	36,720	9,084
Depreciation	54,769	-	130,470
Other expenses	787	-	-
Total operating expenses	138,084	36,720	139,554
Operating income (loss)	(138,084)	(568)	(133,995)
Nonoperating revenues			
Interest revenue	-	-	-
Gain on sale of capital assets	-	-	4,250
Total nonoperating revenues	-	-	4,250
Income (loss) before transfers	(138,084)	(568)	(129,745)
Transfers in	372,001	-	372,001
Change in net position	233,917	(568)	242,256
Net position, beginning of year	1,554,094	47,394	1,492,609
Net position, end of year	\$ 1,788,011	\$ 46,826	\$ 1,734,865



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 217,335 682	\$ 2,110,627 -	\$ 108,479 -	\$ 149,765 -	\$ 23,081 -	\$ 1,386,105 -
218,017	2,110,627	108,479	149,765	23,081	1,386,105
225,769	1,938,549	45,732	54,874	23,142	1,974,032
-	-	-	-	-	-
-	-	-	-	-	-
225,769	1,938,549	45,732	54,874	23,142	1,974,032
(7,752)	172,078	62,747	94,891	(61)	(587,927)
-	-	-	14,230	-	-
-	-	-	-	-	-
-	-	-	14,230	-	-
(7,752)	172,078	62,747	109,121	(61)	(587,927)
-	-	-	-	-	500,000
(7,752)	172,078	62,747	109,121	(61)	(87,927)
44,458	175,445	122,199	1,007,725	813	179,336
\$ 36,706	\$ 347,523	\$ 184,946	\$ 1,116,846	\$ 752	\$ 91,409

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses

and Changes in Fund Net Position

Internal Service Funds

For the Year Ended December 31, 2015

	Dental and Optical	Unemployment	Total
Operating revenues			
Charges for services	\$ 58,234	\$ 53,227	\$ 4,143,005
Other revenues	-	-	6,241
Total operating revenues	58,234	53,227	4,149,246
Operating expenses			
Operations	62,495	9,443	4,462,368
Depreciation	-	-	185,239
Other expenses	-	-	787
Total operating expenses	62,495	9,443	4,648,394
Operating income (loss)	(4,261)	43,784	(499,148)
Nonoperating revenues			
Interest revenue	-	-	14,230
Gain on sale of capital assets	-	-	4,250
Total nonoperating revenues	-	-	18,480
Income (loss) before transfers	(4,261)	43,784	(480,668)
Transfers in	-	-	1,244,002
Change in net position	(4,261)	43,784	763,334
Net position, beginning of year	118,397	97,008	4,839,478
Net position, end of year	\$ 114,136	\$ 140,792	\$ 5,602,812

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2015

	Data Processing	Telephone	Vehicle
Cash flows from operating activities			
Cash received from interfund services	\$ -	\$ 36,152	\$ 5,559
Cash payments to suppliers for goods and services	(85,343)	(36,720)	(9,084)
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	(85,343)	(568)	(3,525)
Cash flows from non-capital financing activities			
Transfers in	372,001	-	372,001
Cash flows from capital and related financing activities			
Purchase of capital assets	-	-	(59,356)
Proceeds from sale of capital assets	-	-	4,250
Net cash used in capital and related financing activities	-	-	(55,106)
Net increase (decrease) in cash and cash equivalents	286,658	(568)	313,370
Cash and cash equivalents, beginning of year	1,356,141	47,394	1,008,818
Cash and cash equivalents, end of year	\$ 1,642,799	\$ 46,826	\$ 1,322,188
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (138,084)	\$ (568)	\$ (133,995)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	54,769	-	130,470
Changes in:			
Accounts receivable	-	-	-
Accounts payable	(2,028)	-	-
Accrued liabilities	-	-	-
Net cash provided by (used in) operating activities	\$ (85,343)	\$ (568)	\$ (3,525)



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 218,017	\$ 2,110,627	\$ 108,479	\$ 149,765	\$ 23,081	\$ 1,386,105
-	-	-	(976)	-	-
(392,893)	(1,938,549)	(48,171)	(54,874)	(23,142)	(1,955,237)
(174,876)	172,078	60,308	93,915	(61)	(569,132)
-	-	-	-	-	500,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(174,876)	172,078	60,308	93,915	(61)	(69,132)
211,582	175,445	124,638	421,846	813	295,959
\$ 36,706	\$ 347,523	\$ 184,946	\$ 515,761	\$ 752	\$ 226,827

\$ (7,752)	\$ 172,078	\$ 62,747	\$ 94,891	\$ (61)	\$ (587,927)
-	-	-	-	-	-
72,876	-	-	-	-	-
-	-	-	(976)	-	18,795
(240,000)	-	(2,439)	-	-	-
\$ (174,876)	\$ 172,078	\$ 60,308	\$ 93,915	\$ (61)	\$ (569,132)

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2015

	Dental and Optical	Unemployment	Total
Cash flows from operating activities			
Cash received from interfund services	\$ 58,234	\$ 53,227	\$ 4,149,246
Cash payments to suppliers for goods and services	-	-	(132,123)
Cash payments to employees for services	(62,495)	(15,034)	(4,490,395)
Net cash provided by (used in) operating activities	(4,261)	38,193	(473,272)
Cash flows from non-capital financing activities			
Transfers in	-	-	1,244,002
Cash flows from capital and related financing activities			
Purchase of capital assets	-	-	(59,356)
Proceeds from sale of capital assets	-	-	4,250
Net cash used in capital and related financing activities	-	-	(55,106)
Net increase (decrease) in cash and cash equivalents	(4,261)	38,193	715,624
Cash and cash equivalents, beginning of year	118,397	112,043	3,873,076
Cash and cash equivalents, end of year	\$ 114,136	\$ 150,236	\$ 4,588,700
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (4,261)	\$ 43,784	\$ (499,148)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	-	-	185,239
Changes in:			
Accounts receivable	-	-	72,876
Accounts payable	-	(5,591)	10,200
Accrued liabilities	-	-	(242,439)
Net cash provided by (used in) operating activities	\$ (4,261)	\$ 38,193	\$ (473,272)

concluded

COUNTY OF BARRY, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2015

	Trust and Agency	Library	Inmate Trust	Total
Assets				
Cash and cash equivalents	\$ 475,179	\$ 34,772	\$ 4,485	\$ 514,436
Liabilities				
Accounts payable	\$ 178,420	\$ -	\$ 4,485	\$ 182,905
Due to other governments	239,577	-	-	239,577
Undistributed receipts	57,182	34,772	-	91,954
Total liabilities	\$ 475,179	\$ 34,772	\$ 4,485	\$ 514,436

COUNTY OF BARRY, MICHIGAN

Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds

December 31, 2015

	Cooperative Extension 4H	Norris Road Trees	Total
Assets			
Cash and cash equivalents	<u>\$ 40,982</u>	<u>\$ 28,684</u>	<u>\$ 69,666</u>
Net position			
Restricted for private purposes	<u>\$ 40,982</u>	<u>\$ 28,684</u>	<u>\$ 69,666</u>

COUNTY OF BARRY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Year Ended December 31, 2015

	Cooperative Extension 4H	Norris Road Trees	Total
Additions			
Local contributions	\$ -	\$ -	\$ -
Deductions			
Services to beneficiaries	300	-	300
Change in net position	(300)	-	(300)
Net position, beginning of year	41,282	28,684	69,966
Net position, end of year	<u>\$ 40,982</u>	<u>\$ 28,684</u>	<u>\$ 69,666</u>

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Drainage Districts Component Unit

December 31, 2015

		Debt Service	Capital Projects
	Regular Drain	Algonquin Lake Dam Project	Gun Lake Weed Assessment
Assets			
Cash and cash equivalents	\$ 118,118	\$ 8,335	\$ 1,874
Investments	142,575	-	217,023
Special assessments receivable	1,374,509	192,115	268,672
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 1,635,202</u></u>	<u><u>\$ 200,450</u></u>	<u><u>\$ 487,569</u></u>
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	111,139	-	19,558
Due to other governments	71,500	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	182,639	-	19,558
Deferred inflows of resources			
Resources not currently available	1,019,950	158,936	194,018
Fund balances			
Unassigned	<u>432,613</u>	<u>41,514</u>	<u>273,993</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,635,202</u></u>	<u><u>\$ 200,450</u></u>	<u><u>\$ 487,569</u></u>



Capital Projects		
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Total
\$ -	\$ 19,260	\$ 147,587
16,891	-	376,489
-	-	1,835,296
<hr/>		
\$ 16,891	\$ 19,260	\$ 2,359,372
<hr/>		

\$ 2,747	\$ -	\$ 2,747
-	150	130,847
-	-	71,500
<hr/>		

2,747	150	205,094
-------	-----	---------

-	-	1,372,904
---	---	-----------

14,144	19,110	781,374
<hr/>		

\$ 16,891	\$ 19,260	\$ 2,359,372
<hr/>		

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Drainage Districts Component Unit
December 31, 2015

Fund balances - total governmental funds	\$	781,374
--	----	---------

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

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

Capital assets not being depreciated	111,924
Capital assets being depreciated, net	3,705,556

Certain assets, such as special assessments receivable, are not due and payable in the current period and therefore are not reported in the funds.

Deferred special assessments receivable	1,372,904
---	-----------

Certain liabilities, such as notes payable, are not due and payable in the current period, and therefore are not reported in the funds.

Notes payable	(1,540,997)
Accrued interest on long-term liabilities	(22,973)

Net position	\$	<u>4,407,788</u>
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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Drainage Districts Component Unit

For the Year Ended December 31, 2015

		Debt Service	Capital Projects
	Regular Drain	Algonquin Lake Dam Project	Gun Lake Weed Assessment
Revenues			
Special assessments	\$ 628,291	\$ 44,791	\$ 96,815
Interest	244	-	737
Other revenues	1,140	-	-
	<u>629,675</u>	<u>44,791</u>	<u>97,552</u>
Total revenues			
Expenditures			
Current:			
Public works	631,597	2,389	124,312
Debt service:			
Principal	149,286	40,000	-
Interest	35,410	4,223	-
	<u>816,293</u>	<u>46,612</u>	<u>124,312</u>
Total expenditures			
Revenues under expenditures	<u>(186,618)</u>	<u>(1,821)</u>	<u>(26,760)</u>
Other financing sources (uses)			
Issuance of long-term debt	262,000	-	-
Transfers in	100,449	-	-
Transfers out	(14,668)	(99,286)	-
	<u>347,781</u>	<u>(99,286)</u>	<u>-</u>
Total other financing sources (uses)			
Net changes in fund balances	161,163	(101,107)	(26,760)
Fund balances, beginning of year	<u>271,450</u>	<u>142,621</u>	<u>300,753</u>
Fund balances, end of year	<u>\$ 432,613</u>	<u>\$ 41,514</u>	<u>\$ 273,993</u>

--

Capital Projects		
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Total
\$ -	\$ 37	\$ 769,934
33	-	1,014
150	-	1,290
<u>183</u>	<u>37</u>	<u>772,238</u>
7,524	686	766,508
-	-	189,286
-	-	39,633
<u>7,524</u>	<u>686</u>	<u>995,427</u>
<u>(7,341)</u>	<u>(649)</u>	<u>(223,189)</u>
-	-	262,000
14,673	-	115,122
<u>(1,163)</u>	<u>(5)</u>	<u>(115,122)</u>
<u>13,510</u>	<u>(5)</u>	<u>262,000</u>
6,169	(654)	38,811
<u>7,975</u>	<u>19,764</u>	<u>742,563</u>
<u>\$ 14,144</u>	<u>\$ 19,110</u>	<u>\$ 781,374</u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Drainage District Component Unit
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$	38,811
--	----	--------

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

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

Acquisition/construction of capital assets	254,491
Depreciation expense	(89,825)

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

Principal payments on long-term liabilities	189,286
Issuance of long-term debt	(262,000)

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

Change in deferred special assessments receivable	(137,729)
---	-----------

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

Change in accrued interest on notes payable	(2,138)
---	---------

Change in net position	\$	<u>(9,104)</u>
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COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Board of Public Works Component Unit

December 31, 2015

	Debt Service			
	Fawn Lake Sewer Debt	1999 Middleville Sewer	2003 Middleville Sewer	Yankee Springs Debt
Assets				
Cash and cash equivalents	\$ 389	\$ 417	\$ -	\$ 597
Leases receivable	277,902	227,700	-	330,333
Due from other governments	-	-	-	-
Total assets	\$ 278,291	\$ 228,117	\$ -	\$ 330,930
Liabilities				
Negative equity in pooled cash cash equivalents	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources				
Resources not currently available	277,902	227,700	-	330,333
Fund balances				
Restricted for debt service	389	417	-	597
Total liabilities, deferred inflows of resources and fund balances	\$ 278,291	\$ 228,117	\$ -	\$ 330,930



Debt Service					
Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Total
\$ 3,475	\$ 20	\$ 17	\$ -	\$ 30,619	\$ 35,534
291,541	678,586	115,611	2,074,953	797,844	4,794,470
-	-	-	489	-	489
<hr/>					
\$ 295,016	\$ 678,606	\$ 115,628	\$ 2,075,442	\$ 828,463	\$ 4,830,493
<hr/>					
\$ -	\$ -	\$ -	\$ 380	\$ -	\$ 380
291,541	678,586	115,611	2,074,953	797,844	4,794,470
3,475	20	17	109	30,619	35,643
<hr/>					
\$ 295,016	\$ 678,606	\$ 115,628	\$ 2,075,442	\$ 828,463	\$ 4,830,493
<hr/>					

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Board of Public Works Component Unit
December 31, 2015

Fund balances - total governmental funds	\$	35,643
--	----	--------

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

Long-term receivables are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the fund statements.

Deferred leases receivable	4,794,470
----------------------------	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds payable	(4,790,346)
---------------	-------------

Deferred charge on advance refunding	26,708
--------------------------------------	--------

Accrued interest on long-term liabilities	(34,743)
---	----------

Net position	\$	<u>31,732</u>
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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Board of Public Works Component Unit

For the Year Ended December 31, 2015

	Debt Service			
	Fawn Lake Sewer Debt	1999 Middleville Sewer	2003 Middleville Sewer	Yankee Springs Debt
Revenues				
Intergovernmental	\$ 37,122	\$ 90,113	\$ -	\$ 44,082
Interest	804	21	-	12
Total revenues	37,926	90,134	-	44,094
Expenditures				
Current:				
Public works	803	-	3,748	-
Debt service:				
Principal	25,000	75,000	-	35,000
Interest	12,122	15,113	-	9,082
Total expenditures	37,925	90,113	3,748	44,082
Net changes in fund balances	1	21	(3,748)	12
Fund balances, beginning of year	388	396	3,748	585
Fund balances, end of year	\$ 389	\$ 417	\$ -	\$ 597



Debt Service					
Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Total
\$ 26,588 8	\$ 64,269 2	\$ 12,656 3	\$ 173,052 -	\$ 85,570 -	\$ 533,452 850
26,596	64,271	12,659	173,052	85,570	534,302
-	-	-	-	-	4,551
20,000 6,588	50,000 14,269	10,000 2,656	120,000 53,052	65,000 20,820	400,000 133,702
26,588	64,269	12,656	173,052	85,820	538,253
8	2	3	-	(250)	(3,951)
3,467	18	14	109	30,869	39,594
\$ 3,475	\$ 20	\$ 17	\$ 109	\$ 30,619	\$ 35,643

COUNTY OF BARRY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Board of Public Works Component Unit
For the Year Ended December 31, 2015

Net changes in fund balances - total governmental funds	\$	(3,951)
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Principal payments on long-term liabilities	400,000
---	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are reported as deferred inflows of resources until they are collected or available to finance current obligations.

Change in deferred leases receivable	(402,508)
--------------------------------------	-----------

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

Change in accrued interest on bonds payable	2,758
Amortization of deferred charge on advance refunding	(2,649)

Change in net position	\$	<u>(6,350)</u>
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COUNTY OF BARRY, MICHIGAN

Balance Sheet

Economic Development Board Component Unit

December 31, 2015

Assets

Cash and cash equivalents	\$ -
---------------------------	------

Liabilities

Accounts payable	\$ -
------------------	------

Fund balance

Restricted	-
------------	---

Total liabilities and fund balance

\$ -

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Economic Development Board Component Unit For the Year Ended December 31, 2015

Revenues	
Intergovernmental	\$ 92,394
Expenditures	
Current - community and economic development	<u>92,394</u>
Net changes in fund balance	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>

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COUNTY OF BARRY, MICHIGAN

Balance Sheet

Airport Commission Component Unit
December 31, 2015

Assets

Cash and cash equivalents	\$ 399,260
Accounts receivable	45,194
Inventories	<u>14,776</u>

Total assets	<u><u>\$ 459,230</u></u>
--------------	--------------------------

Liabilities

Accounts payable	<u>\$ 435</u>
------------------	---------------

Fund balance

Nonspendable	14,776
Unassigned	<u>444,019</u>

Total fund balance	<u>458,795</u>
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Total liabilities and fund balance	<u><u>\$ 459,230</u></u>
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COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balance for Governmental Fund
to Net Position of Governmental Activities
Airport Commission Component Unit
December 31, 2015

Fund balance - total governmental fund	\$	458,795
--	----	---------

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

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

Capital assets not being depreciated	790,808
--------------------------------------	---------

Capital assets being depreciated, net	<u>2,812,346</u>
---------------------------------------	------------------

Net position	\$	<u><u>4,061,949</u></u>
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COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures

and Change in Fund Balance

Airport Commission Component Unit

For the Year Ended December 31, 2015

Revenues	
Intergovernmental	\$ 90,388
Charges for services	<u>268,599</u>
Total revenues	<u>358,987</u>
Expenditures	
Current - public works	229,854
Capital outlay	<u>33,508</u>
Total expenditures	<u>263,362</u>
Net change in fund balance	95,625
Fund balance, beginning of year	<u>363,170</u>
Fund balance, end of year	<u><u>\$ 458,795</u></u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
Airport Commission Component Unit
For the Year Ended December 31, 2015

Net change in fund balance - total governmental fund	\$	95,625
--	----	--------

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

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

Acquisition/construction of capital assets	35,285
Donated capital assets	337,454
Depreciation expense	<u>(141,292)</u>

Change in net position	\$	<u><u>327,072</u></u>
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County of Barry,
Michigan



Year Ended
December 31,
2015

Single Audit Act
Compliance

COUNTY OF BARRY, MICHIGAN

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

June 13, 2016

Board of Commissioners
County of Barry, Michigan
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 the *County of Barry, Michigan* (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 13, 2016, 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 basic financial statements and certain other 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Rehmann Robson LLC".

COUNTY OF BARRY, MICHIGAN

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2015

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
Food Donation Program:				
FY 2015	10.565	R3B	15BCCOA1	\$ 37,927
FY 2016	10.565	R3B	16BCCOA1	15,371
Total U.S. Department of Agriculture				53,298
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.228	MSHDA	MSC-2012-0769-HOA	51,623
HOME Program	14.239	MSHDA	M-2012-0769	50,336
Total U.S. Department of Housing and Urban Development				101,959
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Program Cluster:				
FY 2015 Adult Felony Drug Court	16.738	MSCAO	2014-H3675-MI-DJ	67,471
FY 2015 Southwest Enforcement Team	16.738	MSP	70888-7-15	10,551
FY 2016 Southwest Enforcement Team	16.738	MSP	70888-16	11,000
Total U.S. Department of Justice				89,022
U.S. Department of Transportation				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant:				
FY 2015	20.601	MSP	AL-14-05	61,498
FY 2016	20.601	MSP	05053	7,940
				69,438
Hazardous Materials Emergency Preparedness Grant:				
FY 2015 HMEP Grant	20.703	MSP	HM-HMP-0439-14-01-00	1,530
Total U.S. Department of Transportation				70,968
U.S. Department of Health and Human Services				
Aging Cluster:				
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:				
FY 2015	93.044	R3B	15BCCOA1	15,885
FY 2016	93.044	R3B	16BCCOA1	4,000
Title III-C Special Programs for the Aging, Nutrition Services:				
FY 2015 Nutrition Congregate	93.045	R3B	15BCCOA1	52,057
FY 2016 Nutrition Congregate	93.045	R3B	16BCCOA1	18,429
FY 2015 Nutrition Home Delivered Meals	93.045	R3B	15BCCOA1	30,967
FY 2016 Nutrition Home Delivered Meals	93.045	R3B	16BCCOA1	7,719
				129,057

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (concluded)				
Title III-E/National Family Caregiver Support:				
FY 2015	93.052	R3B	SFSC-04-11001-5	\$ 10,610
FY 2016	93.052	R3B	SFSC-04-11001-5	3,253
				<u>13,863</u>
Child Support Enforcement:				
Title IV-D Program	93.563	MDHHS	CS/COM-14-08003	618,357
Incentive Payments	93.563	MDHHS	-n/a-	98,039
				<u>716,396</u>
Access and Visitation Grant	93.597	MSCAO	-n/a-	550
Total U.S. Department of Health and Human Services				<u>859,866</u>
U.S. Department of Homeland Security				
Emergency Management Performance Grant:				
FY 2015	97.042	MSP	EMW-2015-EP-00029-S01	23,996
FY 2016	97.042	MSP	EMW-2015-EP-00029-S01	8,279
				<u>32,275</u>
Homeland Security Grant Program:				
State Homeland Security Program - Equipment FY 2014	97.067	COVB	EMW-2014-SS-00059	10,230
State Homeland Security Program - Training FY 2014	97.067	COVB	EMW-2014-SS-00059	7,691
Non-cash Assistance:				
FY 2013 - SHSP	97.067	COVB	EMW-2013-SS-00049	5,165
FY 2013 - LETPP	97.067	COVB	EMW-2013-SS-00049	8,839
				<u>31,925</u>
Total U.S. Department of Homeland Security				<u>64,200</u>
Total Expenditures of Federal Awards				<u>\$ 1,239,313</u>
				concluded

See notes to schedule of expenditures of federal awards.

COUNTY OF BARRY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Barry, Michigan (the "County") under programs of the federal government for the year ended December 31, 2015. 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 Annual Financial Report. The County's financial statements include the operations of the Barry County Road Commission, the Barry Community Mental Health Authority, and the Barry County Transit, which received federal awards that are not included in the Schedule for the year ended December 31, 2015, as these entities were separately audited.

2. 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% de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. OTHER FEDERAL REVENUE

The County is an indirect beneficiary of federal funds that are expended directly by the Michigan Department of Transportation. These expenditures, which will be included in the State of Michigan's single audit, are as follows:

Project Name	CFDA Number	Contract Number	Amount Expended
Rehab Taxiway B Construction	20.106	B-26-0043-2111	\$ 1,538
Rehab Taxiway B Construction	20.106	B-26-0043-2211	25,789
Rehab Taxiway A & C Design	20.106	B-26-0043-2314	25,956
Rehab Taxiway A & C Design	20.106	B-26-0043-2415	270,119
			<u>\$ 323,402</u>

COUNTY OF BARRY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
COVB	County of Van Buren, Michigan
MDHHS	Michigan Department of Health and Human Services
MSCAO	Michigan State Court Administrative Office
MSHDA	Michigan State Housing Development Authority
MSP	Michigan State Police
R3B	Region 3B Area Agency on Aging

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

June 13, 2016

Board of Commissioners
County of Barry, Michigan
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 the *County of Barry, Michigan* (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 13, 2016. Our report includes a reference to other auditors who audited the financial statements of the Barry County Road Commission, the Barry Community Mental Health Authority, the Barry County Medical Care Facility (Thornapple Manor), and the Barry County Transit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The audits of the Barry County Road Commission and the Barry County Medical Care Facility (Thornapple Manor) were 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2015-002 to be a significant deficiency.

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*.

County of Barry, Michigan's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 County'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.

Rehmann Loborn LLC

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

June 13, 2016

Board of Commissioners
County of Barry, Michigan
Hastings, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of the *County of Barry, Michigan* (the "County") 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, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Barry County Road Commission, the Barry Community Mental Health Authority, and the Barry County Transit, which received \$283,924, \$191,957, and \$310,554 in federal awards, respectively, and which are not included in the schedule for the year ended December 31, 2015. Our audit, described below, did not include the operations of the Barry County Road Commission, the Barry Community Mental Health Authority, or the Barry County Transit, because these entities arranged for separate financial statement audits 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Independent Auditors' 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 requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Each 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 each of its major federal programs for the year ended December 31, 2015.

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.

Rehmann Lohman LLC

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' 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)? yes X no

Identification of major programs:

CFDA Number

93.563

Name of Federal Program or Cluster

Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

2015-001 - Prior Period Adjustment and Community Development Block Grant Loan Administration

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. The County had not previously identified the need to record outstanding balances of Community Development Block Grant (CDBG) loans receivable in the financial statements. The balance of these loans, which amounts to over \$1.2 million at December 31, 2014, was recorded as a restatement to beginning fund balance of nonmajor governmental funds and beginning net position of governmental activities. In our opinion, this amount was quantitatively material to these opinion units. In addition, a number of errors and omissions were identified such as: excluding loans which were still outstanding, including loans which were no longer outstanding, and various typographical errors.

Cause. This condition was caused by an oversight in identifying the outstanding loans, for which records are maintained by a third-party contractor. Due to the nature of these loans (typically with deferred payment terms until the property is sold or foreclosed on), the balances are often outstanding for many years with limited, if any, activity. The process of compiling this level of detail for the first time involved reviewing many years of historical data.

Effect. As a result of this condition, the County's financial statements were misstated by an amount that we deemed to be quantitatively material to the applicable opinion units.

Recommendation. We recommend that the County and its independent contractor responsible for maintaining the loan detail develop a process for identifying changes in loans receivable and updating the accounting records for these changes. This process should include regular communication with the Register of Deeds office, which will have current property ownership records. In addition, given the nature of this loan program which is offered to low-income homeowners, we encourage the County to use historical records to develop an estimated allowance for amounts that may ultimately prove to be uncollectible. This allowance should be adjusted at least annually.

View of Responsible Officials. The County has implemented an internal process for tracking activity regarding these loans. The County's records will be compared to the third party contractor to identify and resolve any discrepancies.

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

2015-002 - Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards
(Originally reported as 2014-002)

Finding Type. Significant Deficiency in Internal Control over Financial Reporting.

Criteria. The Uniform Guidance, §200.510, requires that a recipient of federal awards subject to a single audit “prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502.” In addition, the County is required to prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards in accordance with these guidelines.

Condition. Management was able to provide us with an initial Schedule of Expenditures of Federal Awards in a timely manner. However, we identified a variety of errors such as the omission of a certain federal award, incorrect identification of expenditures, inclusion of prior year award activity, incorrect CFDA and award numbers, exclusion of certain pass-through agencies, and errors in year-end accruals. These errors in the aggregate were deemed to have a significant impact on the Schedule as a whole.

Cause. This condition was primarily caused by the decentralized nature of County operations in regards to accounting for federal awards.

Effect. As a result of this condition, the County’s Schedule of Expenditures of Federal Awards was initially misstated by an amount that was significant to the financial statements.

Recommendation. We recommend that the County develop a centralized process for tracking federal grants awarded, identifying applicable compliance requirements, and ensuring that applicable information is provided to the County’s accountants at year-end.

View of Responsible Officials. The County has just finalized a written policy for tracking the schedule of federal awards. This policy will be implemented by 6-3-16 to assist in preparation of the SEFA.

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

COUNTY OF BARRY, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2015

2014-001 - Prior Period Adjustment

In the prior year, a certain receivable had been excluded from the 2013 financial statements, and as a result a prior period adjustment was required in 2014. Although this matter was resolved, a prior period adjustment was required in the current year to record Community Development Block Grant loans. Refer to finding 2015-001.

2014-002 - Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards

In the prior year, a number of adjustments were required to the original Schedule of Expenditures of Federal Awards provided by the County in order to agree to the underlying accounting records. Similar adjustments were necessary in the current year. This matter has been repeated as finding 2015-002.

2014-003 - Internal Controls over Subrecipient Monitoring

CFDA # 97.067 - Homeland Security Grant Program

In the prior year, the County did not fully comply with subrecipient monitoring requirements. No current year grant funds were passed through to any subrecipients; therefore, this matter has not been repeated.

2014-004 - Internal Controls over Reporting and Cash Management

CFDA # 93.563 - Child Support Enforcement Program

In the prior year, the audit identified errors in submitted financial reports. A review process was established and no errors were identified in current year reports; therefore, this matter is considered resolved.

2014-005 - Internal Controls over Reporting and Cash Management

CFDA # 97.067 - Homeland Security Grant Program

In the prior year, reports under the Homeland Security Grant Program were not prepared based on the general ledger, nor were they subject to review and approval prior to submission. A review process was implemented to ensure these reports agree to the underlying general ledger. Accordingly, this matter is considered resolved.

2014-006 - Physical Inventory of Equipment

CFDA # 97.067 - Homeland Security Grant Program

In the prior year, an up-to-date listing of federally purchased equipment had not been maintained. Additionally there had not been a recent physical inventory of this equipment performed. An inventory listing was prepared and a full inventory of this equipment was taken during 2015. This matter is considered resolved.

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INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 13, 2016

Board of Commissioners
County of Barry
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 the *County of Barry, Michigan* (the "County") as of and for the year ended December 31, 2015, and have issued our report thereon dated June 13, 2016. We did not audit the financial statements of Barry County Road Commission, Barry County Medical Care Facility, Barry County Transit, or the Barry County Community Mental Health Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements and this report, insofar as they relate the aforementioned entities, are based solely on the reports of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 7, 2016, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated June 13, 2016. In addition, we noted certain other matters which are included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on March 8, 2016.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the County's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 1 to the financial statements.

As described in Note 17 to the financial statements, the County changed accounting policies related to accounting for pension plans by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions*. The cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities.

Beginning fund balance of the CDBG Housing fund and beginning net position of governmental activities were restated to record the outstanding balance of housing rehabilitation loans receivable, not previously reported in the County's financial statements. The amount of this restatement was approximately \$1,225,000. In addition, the County determined that the Barry Community Mental Health Authority, a legally separate entity, met the criteria to be reported as a discretely presented component unit which resulted in a restatement of beginning net position of the aggregate discretely presented component units. Note 17 to the financial statements contains a more complete description of these transactions. No matters have come to our attention that would require us, under professional standards, to inform you about the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the other postemployment benefits plan are based on historical trends and industry standards.

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. In addition, the financial statements include a net pension asset and liability and other pension-related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards, but are not within the control of management.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements detected as a result of audit procedures and corrected by management are described in the Schedule of Findings and Questioned Costs issued in connection with the Single Audit.

The schedule of adjustments passed is included with management's written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. 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.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the County of Barry, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rehmann Lohman LLC

COUNTY OF BARRY, MICHIGAN

Attachment A - Comments and Recommendations For the December 31, 2015 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the County's internal control over financial reporting is described in our report, dated June 13, 2016, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 13, 2016, on the financial statements of the County of Barry, Michigan.

Legally Adopted Budgets

In accordance with Michigan Public Act 621, as amended, local units of government are required to adopt an annual operating budget prior to the commencement of the fiscal year. The Michigan Uniform Budget Manual states that "The appropriations act is the final product of the budget cycle and is the key to controlling the finances of a local unit." The County created a new special revenue fund near the end of 2015 that did not have a legally adopted budget. Management expects to continue using this fund in future years. Accordingly, we recommend that the Board adopt a budget for 2016 as soon as practical.

Stale Reconciling Items

During our review of bank reconciliations, we noted that there are several stale reconciling items in court-related accounts dating as far back as 2011. We recommend that the County make reasonable efforts to locate the rightful recipients of such funds and then escheat any remaining amounts to the State under applicable statutes.

Internal Controls over Pension and Other Postemployment Benefits Accounting

The County implemented GASB Statement No. 68 in the current year, which resulted in additional audit procedures over pension contributions. At the end of each month, the County submits covered payroll information by employee to the plan administrator who then generates an invoice with the calculated employer and employee contributions. In testing reported wages for a sample of three months, we noted that the submitted data did not agree to the County's payroll records, though the differences were not material. For open divisions of the pension plan, covered wages serve as the basis for determining the employer and employee contribution. Accordingly, it is important that the submitted data be complete and accurate. We recommend that the monthly report to the plan administrator be compared to the corresponding payroll registers prior to submission. An individual independent of the report preparation should review and approve the information and sign/date as evidence of this process.

COUNTY OF BARRY, MICHIGAN

Attachment A - Comments and Recommendations For the December 31, 2015 Audit

The County is also required to estimate a liability for its commitment to providing healthcare benefits to eligible retirees. An actuarial valuation is performed to quantify this liability and calculate an annual required contribution (ARC). The County is not actually required to contribute the full amount of the ARC in any given year, but must report any excess/deficiency on the statement of net position. The County's calculation of actual contributions made toward the ARC contained a variety of errors and omissions. In addition, we noted that retirees are being invoiced for their portion of monthly premiums at an estimated rate. In several cases, this estimated amount exceeded the actual cost to the County. No process is currently in place to reconcile any excess payments and refund the retiree. Finally, we noted certain employees received individualized healthcare plans upon retirement. These individuals receive benefits under different terms than the traditional plan. Accordingly, they are not included in the actuarial valuation used to estimate the liability. Any termination or severance agreements with an other postemployment benefits component represent a potential long-term liability that should be appropriately communicated to the actuaries and included in GASB 45 calculations.

Policies and Procedures over Federal Award Administration under the Uniform Guidance

Applicable for grants awarded on or after December 26, 2014, the revised federal cost principles included in the Uniform Guidance require a grantee to have written procedures in place over certain transactions. While the County currently has informal operating practices in place, this is no longer sufficient to meet federal regulations. We recommend that the County prepare a comprehensive policies and procedures manual. At a minimum, written policies should be prepared over the key areas explicitly required by the Uniform Guidance.

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COUNTY OF BARRY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2015 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the County in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the County. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 72 ■ Fair Value Measurement and Application

Effective 06/15/2016 (your FY 2016)

This standard defines "fair value" as the price that would be received to sell an asset in an orderly transaction between market participants (an "exit price"). Fair value measurement is currently applied principally to investments, which GASB 72 does not change. However, it does introduce specific methods for measuring fair value when a market price is not readily available, and establishes a 3-level hierarchy of fair value that is disclosed in the footnotes, based on the presence or absence of observable market inputs.

GASB 73 ■ Pensions and Related Assets Not Within the Scope of GASB 68

Effective 06/15/2016 (your FY 2016)

This standard addresses accounting and financial reporting for pensions that were not covered by GASB Statement No. 68, because the plan assets are not held in trust. Essentially, it applies the same treatment as GASB 68, but reflects the total pension liability and plan assets separately, rather than a net pension liability. We do not expect this standard to have any significant effect on the County.

GASB 74 ■ Postemployment Benefit Plans Other than Pension Plans

Effective 06/15/2017 (your FY 2017)

This standard requires the calculation of a net other postemployment benefit (OPEB) liability based on an actuarial valuation of retiree healthcare and similar benefits administered by an OPEB trust. It mirrors the new accounting and financial reporting requirements of GASB 67 for pension plans.

GASB 75 ■ Postemployment Benefits Other than Pensions

Effective 06/15/2018 (your FY 2018)

This standard builds on the requirements of GASB 74 by requiring employers that provide other postemployment benefits (OPEB) to recognize a net OPEB liability on their statements of net position. It mirrors the new accounting and financial reporting requirements of GASB 68 for pension benefits.

GASB 76 ■ The Hierarchy of GAAP for State and Local Governments

Effective 06/15/2016 (your FY 2016)

This standard clarifies the source of "generally accepted accounting principles" (GAAP) for governments. Authoritative sources of GAAP now include (1) GASB pronouncements, (2) GASB implementation guides, and (3) AICPA literature specifically cleared by the GASB. This standard does not change existing GAAP.

COUNTY OF BARRY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2015 Audit

GASB 77 ■ Tax Abatement Disclosures

Effective 12/15/2016 (your FY 2016)

This standard requires governments to disclose certain information about tax abatement agreements made to foster economic development or otherwise benefit the government or its citizens. Required disclosures include a brief description of the arrangement, the gross dollar amount of taxes abated in the current period, and any additional commitments made by the government as part of the agreement.

GASB 78 ■ Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans

Effective 12/15/2016 (your FY 2016)

This standard is an amendment to GASB 68, and provides guidance to governments that participate in non-governmental cost-sharing pension plans. We do not expect this standard to have any significant effect on the County.

GASB 79 ■ Certain External Investment Pools and Pool Participants

Effective 06/15/2016 (your FY 2016)

This standard essentially extends the guidance previously available to governments investing in 2a7-like external investment pools to carry investments at amortized cost, as an approximation of fair value. The SEC amended Rule 2a7 in 2014, so the GASB replicated its prior provisions in this statement. We do not expect this standard to have any significant effect on the County.

GASB 80 ■ Blending Requirements for Certain Component Units

Effective 06/15/2017 (your FY 2017)

This standard is an amendment to GASB 14, *The Financial Reporting Entity*, and requires blending component units incorporated as not-for-profit corporations in which the government is the sole corporate member. We do not expect this standard to have any significant effect on the County.

GASB 81 ■ Irrevocable Split-Interest Agreements

Effective 12/15/2017 (your FY 2017)

This standard addresses the accounting for split-interest agreements for which the government serves as the intermediary and/or the beneficiary. It requires governments to record assets, liabilities, and deferred inflows of resources at the inception of the agreement when serving as intermediary, or when the government controls the present service capacity of a beneficial interest. We do not expect this standard to have any significant effect on the County.

COUNTY OF BARRY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2015 Audit

GASB 82 ■ Pension Issues

Effective 06/15/2017 (your FY 2017)

This standard is an amendment to GASB 67/68 to clarify several issues related to pensions. We do not expect this standard to have any significant effect on the County.

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COUNTY OF BARRY, MICHIGAN

Attachment C - Management Representations

For the December 31, 2015 Audit

The following pages contain the written representations that we requested from management.

BARRY COUNTY

Michael C. Brown
County Administrator

220 W. State St., Hastings, MI 49058
Ph. (269) 945-1284 Fax (269) 948-4884



June 13, 2016

Rehmann Robson
2330 East Paris Ave SE
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit of 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 *County of Barry, Michigan*, as of and for the year ended December 31, 2015, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 13, 2016:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 7, 2016, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. All components of net position and fund balance classifications have been properly reported.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Special items and extraordinary items have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure the other postemployment benefit liability and cost for financial accounting purposes are appropriate in the circumstances.
23. We are responsible for the fair presentation of the County's net pension liability as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the County's participation in the plan, and have reviewed the information provided by MERS for inclusion in the County's financial statements.
24. In connection with the correction of an error in accounting for CDBG loans receivable, the County has determined that the restatements of beginning fund balance of nonmajor governmental funds and net position of governmental activities is sufficient to inform financial statement users, and accordingly, no revised and reissued financial statements for fiscal year 2014 or any previous fiscal years are necessary. Also, the County has evaluated the underlying cause of this error and determined that it does not affect any other areas of the financial statements.

Information Provided

25. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
26. All transactions have been recorded in the accounting records and are reflected in the financial statements.
27. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
28. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
29. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
30. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
31. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
32. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
33. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
34. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
35. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
36. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
37. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
38. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
39. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year.

Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

40. With respect to the supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

41. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Single Audit

42. With respect to federal awards, we represent the following to you:
- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. The methods of measurement or presentation have not changed from those used in the prior period.
 - e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.

- g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- h. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- i. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- j. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- k. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- l. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- o. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching.
- p. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

- t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- u. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- w. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- x. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

A handwritten signature in blue ink, appearing to read "Michael Brown", written over a horizontal line.

Michael Brown, County Administrator

A handwritten signature in blue ink, appearing to read "Sue VandeCar", written over a horizontal line.

Sue VandeCar, County Treasurer

COUNTY OF BARRY, MICHIGAN

Schedule of Adjustments Passed (SOAP)

For the December 31, 2015 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental activities / nonmajor governmental funds					
Effect of not recording HOME loan receivable (corrected in the current year)	\$ -	\$ -	\$ (13,312)	\$ 13,312	\$ -
Misstatement as a percentage of total assets and deferred outflows	0.00%	0.00%	-0.03%	0.03%	0.00%
Business-type activities / enterprise funds					
Effect of accounting for property tax chargebacks and principal residence exemption audit activity in an agency fund	\$ (13,696)	\$ -	\$ (28,742)	\$ (262,189)	\$ (277,235)
Misstatement as a percentage of total assets and deferred outflows	-0.03%	0.00%	-0.06%	-0.59%	-0.62%
Fiduciary funds					
Effect of accounting for property tax chargebacks and principal residence exemption audit activity in an agency fund	\$ 13,696	\$ 13,696	\$ -	\$ -	\$ -
Misstatement as a percentage of total assets	2.34%	2.34%	0.00%	0.00%	0.00%