

County of  
Barry,  
Michigan



Year Ended  
December 31,  
2016

Annual  
Financial  
Report

# COUNTY OF BARRY, MICHIGAN

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## INDEPENDENT AUDITORS' REPORT

June 27, 2017

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, 2016, 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 Barry County Medical Care Facility (Thornapple Manor), which is both a major fund and represents the indicated percentage of the total assets and deferred outflows of resources, net position, and program revenues of business-type activities. We did not audit the financial statements of the Barry County Road Commission and Barry County Community Mental Health Authority, which represent the indicated percentage of the assets and deferred outflows of resources, net position, and program revenues of discretely-presented component units. We also did not audit the financial statements of the Barry County Transit, which represents the indicated percentage of the assets and deferred outflows of resources, net position, and program revenues of nonmajor enterprise funds.

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Program Revenues
Thornapple Manor	68.2%	60.3%	89.0%
Barry County Road Commission	65.7%	78.9%	39.3%
Barry County Community Mental Health Authority	8.0%	0.0%	46.9%
Barry County Transit	62.0%	63.9%	80.2%

Those 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, 2016, and the respective changes in financial position and, where applicable, cash flows 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.

### *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 27, 2017 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 black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

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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, 2016. 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, 2016 are as follows:

Total net position	\$41,569,241
Unrestricted net position	5,007,806
Change in net position	823,596
Fund balances, governmental funds	13,254,616
Change in fund balances, governmental funds	(291,264)
Fund balance, general fund	4,086,915
(as percentage of general fund expenditures and transfers out)	26%
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, jail commissary, 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, 2015 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	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$25,130,573	\$25,321,310	\$17,965,037	\$18,639,273	\$43,095,610	\$43,960,583
Capital assets, net	13,590,764	12,899,478	23,871,769	24,867,793	37,462,533	37,767,271
<b>Total assets</b>	<b>38,721,337</b>	<b>38,220,788</b>	<b>41,836,806</b>	<b>43,507,066</b>	<b>80,558,143</b>	<b>81,727,854</b>
Deferred outflows of resources	4,116,098	3,075,433	2,542,722	1,264,924	6,658,820	4,340,357
<b>Liabilities</b>						
Long-term liabilities	13,892,276	14,934,195	5,681,519	5,875,627	19,573,795	20,809,822
Other liabilities	16,467,496	16,664,295	5,112,751	3,289,444	21,580,247	19,953,739
<b>Total liabilities</b>	<b>30,359,772</b>	<b>31,598,490</b>	<b>10,794,270</b>	<b>9,165,071</b>	<b>41,154,042</b>	<b>40,763,561</b>
Deferred inflows of resources	4,490,072	4,559,005	3,608	-	4,493,680	4,559,005
<b>Net position</b>						
Net investment						
in capital assets	13,215,764	12,474,478	18,621,769	19,417,793	31,837,533	31,892,271
Restricted	4,446,675	4,348,443	277,227	298,617	4,723,902	4,647,060
Unrestricted (deficit)	(9,674,848)	(11,684,195)	14,682,654	15,890,509	5,007,806	4,206,314
<b>Total net position</b>	<b>\$ 7,987,591</b>	<b>\$ 5,138,726</b>	<b>\$33,581,650</b>	<b>\$35,606,919</b>	<b>\$41,569,241</b>	<b>\$40,745,645</b>

## 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 \$823,596. The governmental activities increased by \$2,848,865. This increase was primarily because of a transfer in from the Delinquent Tax Fund, which proceeds were used to pay in addition to the annual required contribution toward the County's unfunded pension liability and increases in property tax revenue and decreases in expenses. The business-type activities decrease of \$2,025,269 is due primarily to an increase in transfers out of the Delinquent Tax Fund, which proceeds were used to pay in addition to the annual required contribution toward the County's unfunded pension liability.

		Change in Net Position				
		Governmental Activities		Business-type Activities		Total
		2016	2015	2016	2015	2016 2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,565,831	\$ 2,674,383	\$18,895,313	\$18,530,341	\$21,461,144	\$21,204,724
Operating grants and contributions	3,587,640	3,842,887	939,443	766,583	4,527,083	4,609,470
Capital grants and contributions	114,990	86,354	64,336	71,294	179,326	157,648
General revenues:						
Property taxes	15,321,081	14,949,219	500,034	479,740	15,821,115	15,428,959
Grants and contributions not restricted to specific programs	1,224,644	1,256,899	-	-	1,224,644	1,256,899
Unrestricted investment earnings	55,873	139,116	92,293	57,456	148,166	196,572
Gain on sale of capital assets	11,373	4,250	-	3,406	11,373	7,656
<b>Total revenues</b>	<b>22,881,432</b>	<b>22,953,108</b>	<b>20,491,419</b>	<b>19,908,820</b>	<b>43,372,851</b>	<b>42,861,928</b>
<b>Expenses</b>						
General government	8,650,042	8,498,060	-	-	8,650,042	8,498,060
Public safety	8,180,115	7,570,520	-	-	8,180,115	7,570,520
Public works	199,749	102,367	-	-	199,749	102,367
Health and welfare	3,616,272	3,801,385	-	-	3,616,272	3,801,385
Recreation and cultural	671,051	651,164	-	-	671,051	651,164
Community and economic development	605,359	758,857	-	-	605,359	758,857
Interest on long-term debt	434,594	461,693	-	-	434,594	461,693
Delinquent tax administration	-	-	39,352	45,561	39,352	45,561
Thornapple Manor	-	-	18,471,207	17,280,096	18,471,207	17,280,096
Other	-	-	1,681,514	1,619,616	1,681,514	1,619,616
<b>Total expenses</b>	<b>22,357,182</b>	<b>21,844,046</b>	<b>20,192,073</b>	<b>18,945,273</b>	<b>42,549,255</b>	<b>40,789,319</b>

## COUNTY OF BARRY, MICHIGAN

### Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Change in net position before transfers	\$ 524,250	\$ 1,109,062	\$ 299,346	\$ 963,547	\$ 823,596	\$ 2,072,609
Transfers	2,324,615	776,900	(2,324,615)	(776,900)	-	-
<b>Change in net position</b>	<b>2,848,865</b>	<b>1,885,962</b>	<b>(2,025,269)</b>	<b>186,647</b>	<b>823,596</b>	<b>2,072,609</b>
Net position, beginning of year	5,138,726	3,252,764	35,606,919	35,420,272	40,745,645	38,673,036
<b>Net position, end of year</b>	<b>\$ 7,987,591</b>	<b>\$ 5,138,726</b>	<b>\$33,581,650</b>	<b>\$35,606,919</b>	<b>\$41,569,241</b>	<b>\$40,745,645</b>

#### Governmental Activities

During the year, the County invested \$8,650,042 or 39% of governmental activities expenses to general government activities. Health and welfare expenses totaled \$3,616,272 or 16% of governmental activities. Public safety expenditures totaled \$8,180,115 or 37% of governmental activities expenses. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 8% of governmental activities expenses. In the current year expenses increased by \$513,136, which was the result of increases in expenses to general government, public safety and public works.

**Business-type activities.** Business type activities decreased the County's net position by \$2,025,269. The cause of this decrease is described above.

#### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,254,616, a decrease of \$291,264 in comparison with the prior year. The overall decrease in fund balance is described later in this analysis. 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 unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14% of total general fund expenditures and transfers out.

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

## COUNTY OF BARRY, MICHIGAN

### Management's Discussion and Analysis

The central dispatch fund ended the year with fund balance of \$1,252,174, which was an increase of \$340,607 from the prior year. This was the result of prudent financial management by the Central Dispatch Board and Administration.

The commission on aging fund's fund balance decreased by \$15,588 to \$1,125,142 as of year-end.

The building authority Thornapple Manor debt fund will vary based on taxes received in comparison to the required annual debt payments. In the current year, fund balance increased by \$51,072 to \$443,044 as tax collections were in excess of current year required debt payments.

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

Net position of the enterprise funds decreased \$2,025,269. Key elements of this change have been addressed elsewhere in this analysis.

The delinquent tax umbrella fund ended the year with net position of \$7,888,397, which was a decrease of \$1,565,037. This decrease is because of a \$2.25 million transfer out of the Delinquent Tax Fund, which proceeds were used to pay in addition to the required annual contribution toward the County's unfunded pension liability.

The 2015 delinquent tax revolving fund ended the year with net position of \$418,332 or an overall increase of \$416,894, which is the result of the delinquent tax settlement process.

The Thornapple Manor fund ended the year with net position of \$20,240,336. This is a decrease of \$768,042 from the prior year, and is the result of an increase in operating and depreciation expense.

#### General Fund Budgetary Highlights

- Overall, revenues were consistent with amounts budgeted, with less than a 1% difference between the final budget and actual revenues.
- Expenditures for the Trial Court came in under budget by approximately \$111,000. This was the result of prudent fiscal management by the Trial Court Judges, Administrator and staff.
- Probate court expenditures were under budget by approximately \$111,000. This was the result of prudent fiscal management by the Trial Court judges, Administrator and staff.
- Jail expenditures were under budget by approximately \$154,000. This was the result of prudent fiscal management by the County Sheriff and his staff.
- 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. This year-end transfer amounted to \$1,441,718 and was allocated equally to the building rehabilitation and retirement funds.

## COUNTY OF BARRY, MICHIGAN

### Management's Discussion and Analysis

#### 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, 2016, amounted to \$37,462,533 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, vehicles, 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 and the maintenance shop. The vehicle fund also purchased three vehicles for various uses.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,734,208	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208	\$ 2,734,208
Construction in progress	1,005,341	3,843	-	3,950	1,005,341	7,793
Land improvements	486,787	521,833	1,378,760	1,467,729	1,865,547	1,989,562
Buildings	7,291,242	7,585,916	20,170,932	20,806,994	27,462,174	28,392,910
Vehicles and equipment	2,073,186	2,053,678	2,322,077	2,589,120	4,395,263	4,642,798
<b>Total</b>	<b>\$13,590,764</b>	<b>\$12,899,478</b>	<b>\$23,871,769</b>	<b>\$24,867,793</b>	<b>\$37,462,533</b>	<b>\$37,767,271</b>

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 \$19,573,795. Of this amount, \$13,892,276 was debt of governmental activities and \$5,681,519 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$13,271,125	\$14,336,413	\$ -	\$ -	\$13,271,125	\$14,336,413
Capital lease payable	-	-	5,250,000	5,450,000	5,250,000	5,450,000
Compensated absences	621,151	597,782	431,519	425,627	1,052,670	1,023,409
<b>Total</b>	<b>\$13,892,276</b>	<b>\$14,934,195</b>	<b>\$ 5,681,519</b>	<b>\$ 5,875,627</b>	<b>\$19,573,795</b>	<b>\$20,809,822</b>

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 2017:

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.



## COUNTY OF BARRY, MICHIGAN

### Management's Discussion and Analysis

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.

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 2018 the MSU study is forecasting revenue growth between 1.68% 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 2015 and 2016 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, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 7,434,362	\$ 7,979,741	\$ 15,414,103	\$ 6,323,279
Restricted cash and cash equivalents	144,676	301,509	446,185	-
Investments	9,354,757	4,729,313	14,084,070	333,563
Receivables, net	6,146,309	5,382,458	11,528,767	10,171,120
Internal balances	564,297	(564,297)	-	-
Other assets	576,236	110,767	687,003	1,475,703
Net other postemployment benefits asset	909,936	25,546	935,482	-
Capital assets not being depreciated	3,739,549	-	3,739,549	19,339,749
Capital assets being depreciated, net	9,851,215	23,871,769	33,722,984	24,075,437
<b>Total assets</b>	<b>38,721,337</b>	<b>41,836,806</b>	<b>80,558,143</b>	<b>61,718,851</b>
<b>Deferred outflows of resources</b>				
Deferred charge on advance refunding	606,113	-	606,113	24,059
Deferred pension amounts	3,509,985	2,542,722	6,052,707	1,141,885
<b>Total deferred outflows of resources</b>	<b>4,116,098</b>	<b>2,542,722</b>	<b>6,658,820</b>	<b>1,165,944</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	840,173	1,428,445	2,268,618	1,638,680
Long-term liabilities:				
Due within one year	1,405,244	348,054	1,753,298	1,503,890
Due in more than one year	12,487,032	5,333,465	17,820,497	11,474,890
Net pension liability	15,627,323	3,684,306	19,311,629	1,993,905
<b>Total liabilities</b>	<b>30,359,772</b>	<b>10,794,270</b>	<b>41,154,042</b>	<b>16,611,365</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent year	4,490,072	-	4,490,072	-
Deferred pension amounts	-	3,608	3,608	172,122
<b>Total deferred inflows of resources</b>	<b>4,490,072</b>	<b>3,608</b>	<b>4,493,680</b>	<b>172,122</b>
<b>Net position</b>				
Net investment in capital assets	13,215,764	18,621,769	31,837,533	36,416,541
Restricted:				
Health and welfare programs	1,125,913	-	1,125,913	-
Public safety programs	1,366,901	-	1,366,901	-
Judicial programs	400,058	-	400,058	-
Housing rehabilitation loans	1,090,655	-	1,090,655	-
Other state-mandated programs	91,178	-	91,178	-
Debt service	331,619	-	331,619	29,167
Capital projects	8,721	-	8,721	109,399
Property tax foreclosures	-	277,227	277,227	-
Cemetery perpetual care (nonexpendable)	30,925	-	30,925	-
Cemetery perpetual care (expendable)	705	-	705	-
Unrestricted (deficit)	(9,674,848)	14,682,654	5,007,806	9,546,201
<b>Total net position</b>	<b>\$ 7,987,591</b>	<b>\$ 33,581,650</b>	<b>\$ 41,569,241</b>	<b>\$ 46,101,308</b>

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

# COUNTY OF BARRY, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2016

		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	\$ 8,650,042	\$ 1,866,424	\$ 1,975,080	\$ -	\$ (4,808,538)
Public safety	8,180,115	226,900	627,183	114,990	(7,211,042)
Public works	199,749	66,946	1,370	-	(131,433)
Health and welfare	3,616,272	221,542	803,301	-	(2,591,429)
Recreation and cultural	671,051	135,925	31,787	-	(503,339)
Community and economic development	605,359	48,094	148,919	-	(408,346)
Interest on long-term debt	434,594	-	-	-	(434,594)
Total governmental activities	22,357,182	2,565,831	3,587,640	114,990	(16,088,721)
Business-type activities:					
Delinquent tax administration	39,352	802,492	-	-	763,140
Thornapple Manor	18,471,207	17,703,165	-	-	(768,042)
Other	1,681,514	389,656	939,443	64,336	(288,079)
Total business-type activities	20,192,073	18,895,313	939,443	64,336	(292,981)
Total primary government	\$ 42,549,255	\$ 21,461,144	\$ 4,527,083	\$ 179,326	\$ (16,381,702)
Component units					
Road Commission	\$ 10,102,815	\$ 138,337	\$ 5,533,445	\$ 3,329,598	\$ (1,101,435)
Mental Health	10,722,997	9,688,849	1,229,058	-	194,910
Drainage Districts	1,423,762	-	-	1,872,451	448,689
Board of Public Works	123,500	-	120,078	-	(3,422)
Economic Development Board	107,394	-	107,394	-	-
Airport Commission	355,322	288,529	-	822,351	755,558
Total component units	\$ 22,835,790	\$ 10,115,715	\$ 6,989,975	\$ 6,024,400	\$ 294,300

continued...

# COUNTY OF BARRY, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenues	\$ (16,088,721)	\$ (292,981)	\$ (16,381,702)	\$ 294,300
General revenues:				
Property taxes	15,321,081	500,034	15,821,115	-
Grants and contributions not restricted to specific programs	1,224,644	-	1,224,644	39,247
Unrestricted investment earnings	55,873	92,293	148,166	15,915
Gain on sale of capital assets	11,373	-	11,373	168,535
Transfers	2,324,615	(2,324,615)	-	-
Total general revenues and transfers	18,937,586	(1,732,288)	17,205,298	223,697
Change in net position	2,848,865	(2,025,269)	823,596	517,997
Net position, beginning of year, as restated	5,138,726	35,606,919	40,745,645	45,583,311
Net position, end of year	\$ 7,987,591	\$ 33,581,650	\$ 41,569,241	\$ 46,101,308

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, 2016

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 42,805	\$ 664,197	\$ -
Restricted cash and cash equivalents	-	-	-	144,676
Investments	6,345,991	1,338,328	523,799	438,775
Accounts receivable	-	-	-	-
Taxes receivable	171,210	1,450,672	887,620	1,365,853
Loans receivable, net	-	-	-	-
Due from other governments	177,246	49,046	59,866	-
Due from other funds	580,187	-	-	-
Advances to other funds	105,000	-	-	-
<b>Total assets</b>	<b>\$ 7,379,634</b>	<b>\$ 2,880,851</b>	<b>\$ 2,135,482</b>	<b>\$ 1,949,304</b>
<b>Liabilities</b>				
Negative equity in pooled cash and cash equivalents	\$ 3,010,721	\$ -	\$ -	\$ -
Accounts payable	151,113	13,834	20,046	-
Accrued liabilities	130,885	30,633	20,955	-
Due to other funds	-	-	-	15,890
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>3,292,719</b>	<b>44,467</b>	<b>41,001</b>	<b>15,890</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent year	-	1,584,210	969,339	1,490,370
<b>Fund balances</b>				
Nonspendable	105,000	-	-	-
Restricted	-	1,252,174	1,000,142	443,044
Committed	1,800,493	-	125,000	-
Unassigned	2,181,422	-	-	-
<b>Total fund balances</b>	<b>4,086,915</b>	<b>1,252,174</b>	<b>1,125,142</b>	<b>443,044</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,379,634</b>	<b>\$ 2,880,851</b>	<b>\$ 2,135,482</b>	<b>\$ 1,949,304</b>

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



Nonmajor Governmental Funds	Totals
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\$ 5,073,133	\$ 5,780,135
-	144,676
88,157	8,735,050
8,437	8,437
408,554	4,283,909
1,057,874	1,057,874
433,457	719,615
-	580,187
-	105,000
<hr/>	
\$ 7,069,612	\$ 21,414,883
<hr/>	

\$ 48,670	\$ 3,059,391
86,308	271,301
36,140	218,613
-	15,890
105,000	105,000
<hr/>	
276,118	3,670,195
<hr/>	

446,153	4,490,072
<hr/>	

30,925	135,925
1,831,815	4,527,175
4,484,601	6,410,094
-	2,181,422
<hr/>	
6,347,341	13,254,616
<hr/>	

\$ 7,069,612	\$ 21,414,883
<hr/>	

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2016

Fund balances - total governmental funds \$ 13,254,616

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	3,739,549
Capital assets being depreciated, net	9,851,215
Less amounts accounted for in governmental internal service funds	(860,744)

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	909,936
Prepaid self-insured retention balance	576,236

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	6,119,098
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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.

General obligation bonds	(12,320,000)
Compensated absences	(621,151)
Premium/discount on bonds payable, net	(951,125)
Deferred charge on advance refunding	606,113
Accrued interest on long-term liabilities	(111,425)
Liability for incurred-but-not-reported self-insurance claims	(87,389)

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	(15,627,323)
Deferred outflows related to the net pension liability	3,509,985

Net position of governmental activities	<u>\$ 7,987,591</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, 2016

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
<b>Revenues</b>				
Taxes	\$ 10,777,063	\$ 1,723,263	\$ 966,422	\$ 1,409,429
Intergovernmental	1,997,691	212,918	386,747	-
Licenses and permits	89,485	-	-	-
Charges for services	1,709,207	-	221,542	-
Fines and forfeitures	28,103	-	-	-
Interest and rentals	108,103	(10,617)	2,590	2,360
Other revenues	65,037	224	28,356	-
<b>Total revenues</b>	<b>14,774,689</b>	<b>1,925,788</b>	<b>1,605,657</b>	<b>1,411,789</b>
<b>Expenditures</b>				
Current:				
General government	5,544,052	-	-	1,517
Public safety	5,370,527	1,503,698	-	-
Public works	-	-	-	-
Health and welfare	1,143,389	-	1,572,637	-
Community and economic development	324,133	-	-	-
Recreation and cultural	18,022	-	-	-
Other	651,090	-	-	-
Debt service:				
Principal	-	-	-	900,000
Interest expense	-	-	-	459,200
Capital outlay	1,013,697	81,483	57,433	-
<b>Total expenditures</b>	<b>14,064,910</b>	<b>1,585,181</b>	<b>1,630,070</b>	<b>1,360,717</b>
Revenues over (under) expenditures	709,779	340,607	(24,413)	51,072
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	10,201	-	8,825	-
Transfers in	831,703	-	-	-
Transfers out	(1,955,338)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,113,434)</b>	<b>-</b>	<b>8,825</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(403,655)</b>	<b>340,607</b>	<b>(15,588)</b>	<b>51,072</b>
Fund balances, beginning of year	4,490,570	911,567	1,140,730	391,972
<b>Fund balances, end of year</b>	<b>\$ 4,086,915</b>	<b>\$ 1,252,174</b>	<b>\$ 1,125,142</b>	<b>\$ 443,044</b>

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



Nonmajor Governmental Funds	Totals
\$ 444,904	\$ 15,321,081
2,288,246	4,885,602
38,208	127,693
353,589	2,284,338
2,880	30,983
523	102,959
19,564	113,181
<u>3,147,914</u>	<u>22,865,837</u>
1,710,931	7,256,500
348,950	7,223,175
54,861	54,861
838,642	3,554,668
296,857	620,990
606,043	624,065
-	651,090
50,000	950,000
36,144	495,344
3,527	1,156,140
<u>3,945,955</u>	<u>22,586,833</u>
<u>(798,041)</u>	<u>279,004</u>
6,800	25,826
734,479	1,566,182
(206,938)	(2,162,276)
<u>534,341</u>	<u>(570,268)</u>
(263,700)	(291,264)
<u>6,611,041</u>	<u>13,545,880</u>
<u>\$ 6,347,341</u>	<u>\$ 13,254,616</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, 2016

Net change in fund balances - total governmental funds \$ (291,264)

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	1,682,062
Less acquisition/construction of capital assets accounted for in governmental internal service funds	(529,857)
Gain (loss) on disposal of capital assets	(33,192)
Proceeds from sale of capital assets	(25,826)
Depreciation expense	(902,678)
Less depreciation expense accounted for in governmental internal service funds	198,099

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	21,320
Change in net pension liability and related deferred amounts	1,071,921

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	950,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest on bonds payable	18,931
Amortization of deferred charge on advance refunding	(73,469)
Amortization of bond premiums and discounts	115,288
Change in the accrual of compensated absences	(23,369)
Net change in estimate for incurred-but-not-reported self-insurance claims and deposits with third party provider to fund such claims	154,613

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	(2,434,418)
Interest revenue from governmental internal service funds	18,622
Gain (loss) on sale of capital assets in governmental internal service funds	11,373
Net transfers accounted for in governmental internal service funds	2,920,709

Change in net position of governmental activities \$ 2,848,865

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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes:				
Real and personal property taxes	\$ 10,638,140	\$ 10,736,380	\$ 10,651,638	\$ (84,742)
Other taxes	9,027	11,077	125,425	114,348
Total taxes	10,647,167	10,747,457	10,777,063	29,606
Intergovernmental:				
Federal grants	140,317	238,217	184,469	(53,748)
State grants	1,838,122	1,817,672	1,813,222	(4,450)
Total intergovernmental	1,978,439	2,055,889	1,997,691	(58,198)
Licenses and permits:				
Dog licenses	80,500	43,780	46,160	2,380
Marriage license fees	7,400	8,650	9,020	370
Planning services	37,500	35,000	34,305	(695)
Total licenses and permits	125,400	87,430	89,485	2,055
Charges for services:				
Circuit court	132,030	117,680	128,572	10,892
District court	459,000	525,200	561,611	36,411
Friend of the court	44,000	66,000	66,743	743
Probate court	31,000	31,000	32,495	1,495
County treasurer	2,320	11,820	11,021	(799)
County clerk	114,510	126,010	126,695	685
Register of deeds	197,870	227,870	225,291	(2,579)
Real estate transfer tax	185,000	266,000	269,239	3,239
Mapping department	9,392	20,692	23,512	2,820
Juvenile court	10,100	8,100	7,993	(107)
Sheriff	132,050	125,150	126,620	1,470
Record copying	85,000	81,000	78,232	(2,768)
Other	57,725	47,825	51,183	3,358
Total charges for services	1,459,997	1,654,347	1,709,207	54,860
Fines and forfeitures:				
Bond forfeitures	2,500	12,500	12,594	94
Ordinance fines and costs	15,000	15,000	15,509	509
Total fines and forfeitures	17,500	27,500	28,103	603

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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues (concluded)</b>				
Interest and rentals:				
Interest revenues	\$ 75,020	\$ 109,020	\$ 36,147	\$ (72,873)
Rentals	66,220	70,936	71,956	1,020
Total interest and rentals	141,240	179,956	108,103	(71,853)
Other revenues:				
Reimbursements and refunds	58,600	77,900	65,037	(12,863)
Other	1,500	1,500	-	(1,500)
Total other revenues	60,100	79,400	65,037	(14,363)
<b>Total revenues</b>	<b>14,429,843</b>	<b>14,831,979</b>	<b>14,774,689</b>	<b>(57,290)</b>
<b>Expenditures</b>				
General government:				
Board of commissioners	178,270	178,270	167,614	(10,656)
Trial court	1,529,250	1,537,742	1,426,333	(111,409)
Jury board	13,500	13,500	4,781	(8,719)
Probate court	801,210	801,210	690,401	(110,809)
Adult probation	9,546	9,546	8,040	(1,506)
County administrator	281,308	281,308	257,966	(23,342)
Elections	94,659	94,659	59,640	(35,019)
Legal counsel	75,000	85,000	67,038	(17,962)
Clerk	494,831	506,250	487,470	(18,780)
Equalization	178,623	179,182	175,595	(3,587)
Prosecuting attorney	728,415	728,784	669,503	(59,281)
Register of deeds	236,824	238,230	236,512	(1,718)
Land information services	286,524	287,141	268,651	(18,490)
Treasurer	261,209	261,345	246,802	(14,543)
Cooperative extension	114,823	114,823	113,544	(1,279)
Courthouse and grounds	545,884	546,026	507,823	(38,203)
Drain commissioner	184,556	184,601	156,339	(28,262)
Total general government	6,014,432	6,047,617	5,544,052	(503,565)
Public safety:				
Sheriff	2,958,384	2,995,752	2,923,620	(72,132)
Secondary road patrol	115,051	115,296	113,729	(1,567)
Court security	80,932	99,205	96,631	(2,574)
Highway safety grant	896	896	186	(710)
Marine safety	131,790	131,790	127,523	(4,267)
Emergency services	109,162	218,300	164,666	(53,634)
Jail	2,038,987	2,042,913	1,889,292	(153,621)
Animal control	77,299	77,299	54,880	(22,419)
Total public safety	5,512,501	5,681,451	5,370,527	(310,924)

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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Health and welfare:				
District health department	\$ 459,653	\$ 459,653	\$ 459,653	\$ -
Health department building	130,034	130,066	123,806	(6,260)
Animal shelter	195,601	195,647	151,693	(43,954)
Soldiers' and sailors' relief	40,000	40,000	8,918	(31,082)
Medical examiner	111,896	120,359	120,400	41
Substance abuse	68,220	68,220	65,135	(3,085)
Veterans' counselor	36,700	36,700	30,784	(5,916)
Veterans' burials	37,500	37,500	28,500	(9,000)
Mental health	154,500	154,500	154,500	-
Total health and welfare	<u>1,234,104</u>	<u>1,242,645</u>	<u>1,143,389</u>	<u>(99,256)</u>
Community and economic development:				
Appropriation to Economic Development Board	107,394	107,394	107,394	-
Appropriation to Road Commission	11,334	11,334	11,334	-
Appropriation to Soil Conservation	15,500	15,500	15,500	-
Planning and zoning	210,825	211,201	189,036	(22,165)
Agriculture preservation	-	1,000	869	(131)
Total community and economic development	<u>345,053</u>	<u>346,429</u>	<u>324,133</u>	<u>(22,296)</u>
Recreation and cultural:				
Parks and recreation	<u>34,675</u>	<u>34,675</u>	<u>18,022</u>	<u>(16,653)</u>
Other:				
Insurance and bonds	401,699	410,703	404,647	(6,056)
Other	<u>327,861</u>	<u>509,941</u>	<u>246,443</u>	<u>(263,498)</u>
Total other	<u>729,560</u>	<u>920,644</u>	<u>651,090</u>	<u>(269,554)</u>
Capital outlay:				
Building rehabilitation	<u>1,243,340</u>	<u>1,243,340</u>	<u>1,013,697</u>	<u>(229,643)</u>
<b>Total expenditures</b>	<u>15,113,665</u>	<u>15,516,801</u>	<u>14,064,910</u>	<u>(1,451,891)</u>
Revenues over (under) expenditures	<u>(683,822)</u>	<u>(684,822)</u>	<u>709,779</u>	<u>1,394,601</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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 10,201	\$ 10,201
Transfers in	831,703	831,703	831,703	-
Transfers out	(1,518,692)	(1,518,692)	(1,955,338)	436,646
<b>Total other financing sources (uses)</b>	<b>(686,989)</b>	<b>(686,989)</b>	<b>(1,113,434)</b>	<b>426,445</b>
<b>Net change in fund balance</b>	<b>(1,370,811)</b>	<b>(1,371,811)</b>	<b>(403,655)</b>	<b>968,156</b>
Fund balance, beginning of year	4,490,570	4,490,570	4,490,570	-
<b>Fund balance, end of year</b>	<b>\$ 3,119,759</b>	<b>\$ 3,118,759</b>	<b>\$ 4,086,915</b>	<b>\$ 968,156</b>

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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 1,678,962	\$ 1,678,962	\$ 1,723,263	\$ 44,301
Intergovernmental	215,000	215,000	212,918	(2,082)
Interest and rentals	7,000	7,000	(10,617)	(17,617)
Other revenues	75	75	224	149
<b>Total revenues</b>	<u>1,901,037</u>	<u>1,901,037</u>	<u>1,925,788</u>	<u>24,751</u>
<b>Expenditures</b>				
Current - public safety	1,618,515	1,641,965	1,503,698	(138,267)
Capital outlay	404,000	380,550	81,483	(299,067)
<b>Total expenditures</b>	<u>2,022,515</u>	<u>2,022,515</u>	<u>1,585,181</u>	<u>(437,334)</u>
<b>Net change in fund balance</b>	(121,478)	(121,478)	340,607	462,085
Fund balance, beginning of year	<u>911,567</u>	<u>911,567</u>	<u>911,567</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 790,089</u>	<u>\$ 790,089</u>	<u>\$ 1,252,174</u>	<u>\$ 462,085</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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 911,192	\$ 980,000	\$ 966,422	\$ (13,578)
Intergovernmental	329,442	359,452	386,747	27,295
Charges for services	305,950	306,000	221,542	(84,458)
Interest and rentals	1,850	2,410	2,590	180
Other revenues	62,608	40,877	28,356	(12,521)
<b>Total revenue</b>	<u>1,611,042</u>	<u>1,688,739</u>	<u>1,605,657</u>	<u>(83,082)</u>
<b>Expenditures</b>				
Current - health and welfare	1,600,372	1,562,353	1,572,637	10,284
Capital outlay	9,720	65,000	57,433	(7,567)
<b>Total expenditures</b>	<u>1,610,092</u>	<u>1,627,353</u>	<u>1,630,070</u>	<u>2,717</u>
Revenues over (under) expenditures	950	61,386	(24,413)	(85,799)
<b>Other financing sources</b>				
Proceeds from sale of capital assets	-	-	8,825	8,825
<b>Net change in fund balance</b>	950	61,386	(15,588)	(76,974)
Fund balance, beginning of year	<u>1,140,730</u>	<u>1,140,730</u>	<u>1,140,730</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,141,680</u>	<u>\$ 1,202,116</u>	<u>\$ 1,125,142</u>	<u>\$ (76,974)</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, 2016

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2015 Delinquent Tax Revolving	Thornapple Manor
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,516,477	\$ 145,539	\$ 1,790,489
Restricted cash and cash equivalents	-	-	301,509
Investments	3,970,006	-	-
Accounts receivable, net	-	-	2,532,561
Taxes receivable, net	32,325	1,648,418	-
Due from other governments	-	-	-
Due from other funds	1,370,000	-	-
Other assets	-	-	110,767
Total current assets	<u>7,888,808</u>	<u>1,793,957</u>	<u>4,735,326</u>
Noncurrent assets:			
Net other postemployment benefits asset	-	-	-
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	23,138,875
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>23,138,875</u>
<b>Total assets</b>	<u>7,888,808</u>	<u>1,793,957</u>	<u>27,874,201</u>
<b>Deferred outflows of resources</b>			
Deferred pension amounts	<u>-</u>	<u>-</u>	<u>2,403,587</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	-	711,168
Accrued liabilities	-	-	631,216
Due to other governments	411	5,625	-
Due to other funds	-	1,370,000	-
Current portion of long-term debt	-	-	348,054
Total current liabilities	<u>411</u>	<u>1,375,625</u>	<u>1,690,438</u>
Noncurrent liabilities:			
Long-term debt, net of current portion	-	-	5,333,465
Net pension liability	-	-	3,009,941
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>8,343,406</u>
<b>Total liabilities</b>	<u>411</u>	<u>1,375,625</u>	<u>10,033,844</u>
<b>Deferred inflows of resources</b>			
Deferred pension amounts	<u>-</u>	<u>-</u>	<u>3,608</u>
<b>Net position</b>			
Net investment in capital assets	-	-	17,888,875
Restricted for property tax foreclosures	-	-	-
Unrestricted	<u>7,888,397</u>	<u>418,332</u>	<u>2,351,461</u>
<b>Total net position</b>	<u>\$ 7,888,397</u>	<u>\$ 418,332</u>	<u>\$ 20,240,336</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
\$ 3,527,236	\$ 7,979,741	\$ 4,713,618
-	301,509	-
759,307	4,729,313	619,707
21,427	2,553,988	76,474
1,068,970	2,749,713	-
78,757	78,757	-
-	1,370,000	-
-	110,767	-
<u>5,455,697</u>	<u>19,873,788</u>	<u>5,409,799</u>
25,546	25,546	-
-	-	111,450
<u>732,894</u>	<u>23,871,769</u>	<u>749,294</u>
<u>758,440</u>	<u>23,897,315</u>	<u>860,744</u>
<u>6,214,137</u>	<u>43,771,103</u>	<u>6,270,543</u>
<u>139,135</u>	<u>2,542,722</u>	<u>-</u>
27,915	739,083	151,445
30,388	661,604	-
21,722	27,758	-
564,297	1,934,297	-
-	348,054	-
<u>644,322</u>	<u>3,710,796</u>	<u>151,445</u>
-	5,333,465	-
<u>674,365</u>	<u>3,684,306</u>	<u>-</u>
<u>674,365</u>	<u>9,017,771</u>	<u>-</u>
<u>1,318,687</u>	<u>12,728,567</u>	<u>151,445</u>
<u>-</u>	<u>3,608</u>	<u>-</u>
732,894	18,621,769	860,744
277,227	277,227	-
<u>4,024,464</u>	<u>14,682,654</u>	<u>5,258,354</u>
<u>\$ 5,034,585</u>	<u>\$ 33,581,650</u>	<u>\$ 6,119,098</u>

# COUNTY OF BARRY, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2015 Delinquent Tax Revolving	Thornapple Manor
<b>Operating revenues</b>			
Charges for services	\$ 64,408	\$ 167,983	\$ 17,703,165
Interest and penalties on delinquent taxes	14,871	251,714	-
Other revenues	-	-	-
<b>Total operating revenues</b>	<b>79,279</b>	<b>419,697</b>	<b>17,703,165</b>
<b>Operating expenses</b>			
Operations	80	2,944	17,285,317
Depreciation	-	-	1,027,590
Other expenses	-	-	-
<b>Total operating expenses</b>	<b>80</b>	<b>2,944</b>	<b>18,312,907</b>
<b>Operating income (loss)</b>	<b>79,199</b>	<b>416,753</b>	<b>(609,742)</b>
<b>Nonoperating revenues (expenses)</b>			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	90,858	141	-
Interest expense	-	-	(158,300)
Gain on sale of capital assets	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>90,858</b>	<b>141</b>	<b>(158,300)</b>
<b>Income (loss) before transfers</b>	<b>170,057</b>	<b>416,894</b>	<b>(768,042)</b>
<b>Transfers</b>			
Transfers in	589,521	-	-
Transfers out	(2,324,615)	-	-
<b>Total transfers</b>	<b>(1,735,094)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(1,565,037)</b>	<b>416,894</b>	<b>(768,042)</b>
<b>Net position, beginning of year</b>	<b>9,453,434</b>	<b>1,438</b>	<b>21,008,378</b>
<b>Net position, end of year</b>	<b>\$ 7,888,397</b>	<b>\$ 418,332</b>	<b>\$ 20,240,336</b>

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
\$ 526,058	\$ 18,461,614	\$ 4,279,506
167,114	433,699	-
-	-	6,291
693,172	18,895,313	4,285,797
1,525,430	18,813,771	6,520,393
192,412	1,220,002	198,099
-	-	1,723
1,717,842	20,033,773	6,720,215
(1,024,670)	(1,138,460)	(2,434,418)
500,034	500,034	-
999,168	999,168	-
5,905	96,904	18,622
-	(158,300)	-
-	-	11,373
1,505,107	1,437,806	29,995
480,437	299,346	(2,404,423)
-	589,521	2,970,859
(589,521)	(2,914,136)	(50,150)
(589,521)	(2,324,615)	2,920,709
(109,084)	(2,025,269)	516,286
5,143,669	35,606,919	5,602,812
\$ 5,034,585	\$ 33,581,650	\$ 6,119,098

# COUNTY OF BARRY, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2015 Delinquent Tax Revolving	Thornapple Manor
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 66,176	\$ 2,837,411	\$ 17,988,159
Cash received from interfund services	-	-	-
Cash payments to suppliers for goods and services	(80)	-	(4,504,078)
Cash payments to employees for services	-	-	(12,289,464)
Cash payments to purchase delinquent taxes	-	(4,086,986)	-
<b>Net cash provided by (used in) operating activities</b>	<b>66,096</b>	<b>(1,249,575)</b>	<b>1,194,617</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	589,521	-	-
Transfers out	(2,324,615)	-	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Long-term advances (to)/from other funds	(3,030,155)	3,030,155	-
Payments on long-term advances to/(from) other funds	3,094,155	(1,660,155)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(1,671,094)</b>	<b>1,370,000</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>			
Intergovernmental capital grants	-	-	-
Principal payments on long-term debt	-	-	(200,000)
Interest payments on long-term debt	-	-	(158,300)
Purchases of capital assets	-	-	(70,785)
Proceeds from sale of capital assets	-	-	-
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(429,085)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(1,290,238)	-	-
Sale of investments	1,226,395	-	-
Interest received	90,858	141	-
<b>Net cash provided by investing activities</b>	<b>27,015</b>	<b>141</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,577,983)</b>	<b>120,566</b>	<b>765,532</b>
Cash and cash equivalents, beginning of year	4,094,460	24,973	1,326,466
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,516,477</b>	<b>\$ 145,539</b>	<b>\$ 2,091,998</b>



Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 2,392,013	\$ 23,283,759	\$ -
-	-	4,285,797
(781,858)	(5,286,016)	(156,188)
(713,306)	(13,002,770)	(6,435,996)
-	(4,086,986)	-
896,849	907,987	(2,306,387)
-	589,521	2,970,859
(589,521)	(2,914,136)	(50,150)
500,034	500,034	-
935,597	935,597	-
-	-	-
(1,434,000)	-	-
(587,890)	(888,984)	2,920,709
64,336	64,336	-
-	(200,000)	-
-	(158,300)	-
(153,193)	(223,978)	(529,857)
-	-	40,453
(88,857)	(517,942)	(489,404)
(1,930)	(1,292,168)	-
-	1,226,395	-
5,905	96,904	-
3,975	31,131	-
224,077	(467,808)	124,918
3,303,159	8,749,058	4,588,700
\$ 3,527,236	\$ 8,281,250	\$ 4,713,618

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2015 Delinquent Tax Revolving	Thornapple Manor
Statement of net position classification of cash and cash equivalents			
Cash and cash equivalents	\$ 2,516,477	\$ 145,539	\$ 1,790,489
Restricted cash and cash equivalents	-	-	301,509
	<u>\$ 2,516,477</u>	<u>\$ 145,539</u>	<u>\$ 2,091,998</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 79,199	\$ 416,753	\$ (609,742)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	1,027,590
Changes in:			
Accounts receivable	-	-	284,994
Taxes receivable	(10,064)	(1,081,171)	-
Other assets	-	-	(39,561)
Net other postemployment benefits asset	-	-	-
Accounts payable	-	-	17,918
Accrued liabilities	-	-	90,924
Due to other governments	(3,039)	(17,910)	-
Due to other funds	-	(567,247)	-
Compensated absences	-	-	5,892
Net pension liability and related deferred amounts	-	-	416,602
Net cash provided by (used in) operating activities	<u>\$ 66,096</u>	<u>\$ (1,249,575)</u>	<u>\$ 1,194,617</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
\$ 3,527,236	\$ 7,979,741	\$ 4,713,618
-	301,509	-
<u>\$ 3,527,236</u>		<u>\$ 4,713,618</u>

\$ (1,024,670)    \$ (1,138,460)    \$ (2,434,418)

192,412	1,220,002	198,099
(5,695)	279,299	(76,474)
1,129,758	38,523	-
10,067	(29,494)	-
(13,942)	(13,942)	-
4,122	22,040	6,406
7,491	98,415	-
10,481	(10,468)	-
564,297	(2,950)	-
-	5,892	-
22,528	439,130	-
<u>\$ 896,849</u>		<u>\$ (2,306,387)</u>

concluded

## COUNTY OF BARRY, MICHIGAN

### Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2016

	Agency Funds	Private Purpose Trust Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 547,273	\$ 69,666
<b>Liabilities</b>		
Accounts payable	\$ 192,586	-
Due to other governments	257,147	-
Undistributed receipts	97,540	-
<b>Total liabilities</b>	\$ 547,273	-
<b>Net position</b>		
Restricted for private purposes		\$ 69,666

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, 2016

#### Additions

Local contributions	\$	-
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#### Deductions

Services to beneficiaries		-
		<hr/>

#### Change in net position

-

Net position, beginning of year

69,666

Net position, end of year

\$ 69,666

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, 2016

	Road Commission	CMH Authority	Drainage Districts
<b>Assets</b>			
Cash and cash equivalents	\$ 4,938,203	\$ 755,719	\$ 128,839
Investments	-	-	333,563
Receivables	1,311,762	1,696,011	2,770,234
Inventories	1,325,223	-	-
Prepaid items	-	132,038	-
Capital assets not being depreciated	16,530,829	1,275,325	29,835
Capital assets being depreciated, net	17,184,166	39,956	4,022,290
<b>Total assets</b>	<b>41,290,183</b>	<b>3,899,049</b>	<b>7,284,761</b>
<b>Deferred outflows of resources</b>			
Deferred charge on advance refunding	-	-	-
Deferred pension amounts	-	1,141,885	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>1,141,885</b>	<b>-</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	89,715	1,428,735	88,333
Long-term liabilities:			
Due within one year	618,520	68,470	411,900
Due in more than one year	4,200,000	1,367,728	1,921,816
Net pension liability	-	1,993,905	-
<b>Total liabilities</b>	<b>4,908,235</b>	<b>4,858,838</b>	<b>2,422,049</b>
<b>Deferred inflows of resources</b>			
Deferred pension amounts	-	172,122	-
<b>Net position</b>			
Net investment in capital assets	29,214,995	335,552	2,533,209
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Unrestricted (deficit)	7,166,953	(325,578)	2,329,503
<b>Total net position</b>	<b>\$ 36,381,948</b>	<b>\$ 9,974</b>	<b>\$ 4,862,712</b>

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



Board of Public Works	Economic Development Board	Airport Commission	Totals
\$ 34,238	\$ -	\$ 466,280	\$ 6,323,279
-	-	-	333,563
4,393,113	-	-	10,171,120
-	-	18,442	1,343,665
-	-	-	132,038
-	-	1,503,760	19,339,749
-	-	2,829,025	24,075,437
4,427,351	-	4,817,507	61,718,851
24,059	-	-	24,059
-	-	-	1,141,885
24,059	-	-	1,165,944
31,897	-	-	1,638,680
405,000	-	-	1,503,890
3,985,346	-	-	11,474,890
-	-	-	1,993,905
4,422,243	-	-	16,611,365
-	-	-	172,122
-	-	4,332,785	36,416,541
29,167	-	-	29,167
-	-	109,399	109,399
-	-	375,323	9,546,201
\$ 29,167	\$ -	\$ 4,817,507	\$ 46,101,308

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units  
For the Year Ended December 31, 2016

	Road Commission	CMH Authority	Drainage Districts
<b>Expenses</b>			
Road Commission	\$ 10,102,815	\$ -	\$ -
Mental Health	-	10,722,997	-
Drainage Districts	-	-	1,423,762
Board of Public Works	-	-	-
Economic Development Board	-	-	-
Airport Commission	-	-	-
<b>Total expenses</b>	<b>10,102,815</b>	<b>10,722,997</b>	<b>1,423,762</b>
<b>Program revenues</b>			
Charges for services	138,337	9,688,849	-
Operating grants and contributions	5,533,445	1,229,058	-
Capital grants and contributions	3,329,598	-	1,872,451
<b>Total program revenues</b>	<b>9,001,380</b>	<b>10,917,907</b>	<b>1,872,451</b>
<b>Net revenues (expenses)</b>	<b>(1,101,435)</b>	<b>194,910</b>	<b>448,689</b>
<b>General revenues</b>			
Grants and contributions not restricted to specific programs	-	34,182	5,065
Unrestricted investment earnings	10,818	3,070	1,170
Gain on sale of capital assets	168,535	-	-
<b>Total general revenues</b>	<b>179,353</b>	<b>37,252</b>	<b>6,235</b>
<b>Change in net position</b>	<b>(922,082)</b>	<b>232,162</b>	<b>454,924</b>
<b>Net position, beginning of year, as restated</b>	<b>37,304,030</b>	<b>(222,188)</b>	<b>4,407,788</b>
<b>Net position, end of year</b>	<b>\$ 36,381,948</b>	<b>\$ 9,974</b>	<b>\$ 4,862,712</b>

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



Board of Public Works	Economic Development Board	Airport Commission	Totals
\$ -	\$ -	\$ -	\$ 10,102,815
-	-	-	10,722,997
-	-	-	1,423,762
123,500	-	-	123,500
-	107,394	-	107,394
-	-	355,322	355,322
<u>123,500</u>	<u>107,394</u>	<u>355,322</u>	<u>22,835,790</u>
-	-	288,529	10,115,715
120,078	107,394	-	6,989,975
-	-	822,351	6,024,400
<u>120,078</u>	<u>107,394</u>	<u>1,110,880</u>	<u>23,130,090</u>
<u>(3,422)</u>	<u>-</u>	<u>755,558</u>	<u>294,300</u>
-	-	-	39,247
857	-	-	15,915
-	-	-	168,535
<u>857</u>	<u>-</u>	<u>-</u>	<u>223,697</u>
(2,565)	-	755,558	517,997
<u>31,732</u>	<u>-</u>	<u>4,061,949</u>	<u>45,583,311</u>
<u>\$ 29,167</u>	<u>\$ -</u>	<u>\$ 4,817,507</u>	<u>\$ 46,101,308</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, 2016. 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, 2016. 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 161-bed, long-term medical care unit owned and operated by Barry County. It is governed by the Barry County Department of Human Services Board. This Board consists of three members, two of which are appointed by the Barry County Board of Commissioners. 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. Because the County is obligated to provide funding for the Airport and approve its budget and rates, the Airport is fiscally dependent on the County.

## 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 *2015 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2015.

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 with the exception of certain money market funds which are carried at amortized cost (which approximates fair value).

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

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

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

#### *Receivables and Payables*

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

# 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 with property tax levies, and other local taxing authorities within the County's geographical region in March or April.

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

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. At December 31, 2016, management has recorded an allowance of \$582,271 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. Since the County is not always able to recover the full amount of the loan, management has recorded an estimated allowance of \$54,977.

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

### *Inventories and Prepaids*

Inventories in the Airport Commission consist of fuel and are valued at cost, primarily determined by the first-in, first-out (FIFO) method. 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.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### *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 acquisition cost as of the date of donation.

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

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

Asset Category	Years
Buildings	7-50
Land improvements	5-25
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 acquisition cost as of 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 acquisition cost as of 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 estimated acquisition cost as of the date of 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 expected and actual experience in its pension plan.

#### *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.

### *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 2016 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2016, 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, 2016 levy is reported as deferred inflows of resources at year-end.

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

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

### *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.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### *Pensions*

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

### *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.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### *Budgetary Information*

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

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

### *Excess of Expenditures Over Budget*

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

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

During the year ended December 31, 2016 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:			
Health and welfare - medical examiner	\$ 120,359	\$ 120,400	\$ 41
Transfers out	1,518,692	1,955,338	436,646
Commission on aging fund	1,627,353	1,630,070	2,717
Nonmajor governmental funds:			
Animal shelter T.N.R. grant 2016	24,000	32,275	8,275
Victim services unit	5,360	5,941	581
Crime victim's rights week	53,417	54,342	925
CDBG housing	92,562	147,943	55,381
Concealed pistol license	-	506	506

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.

### 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, 2016:

	Primary Government	Component Units	Total
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 15,414,103	\$ 6,323,279	\$ 21,737,382
Restricted cash and cash equivalents	446,185	-	446,185
Investments	14,084,070	333,563	14,417,633
	<u>29,944,358</u>	<u>6,656,842</u>	<u>36,601,200</u>
<b>Statement of fiduciary net position</b>			
Cash and cash equivalents - agency funds	547,273	-	547,273
Cash and cash equivalents - private purpose trusts	69,666	-	69,666
	<u>616,939</u>	<u>-</u>	<u>616,939</u>
<b>Total</b>	<u>\$ 30,561,297</u>	<u>\$ 6,656,842</u>	<u>\$ 37,218,139</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

Cash on hand	\$ 3,619
Checking and savings accounts	25,830,097
Certificates of deposit:	
Due within one year	1,645,113
Due in 1-5 years	1,693,039
Due in 6-10 years	441,406
Investments	<u>7,604,865</u>
<b>Total</b>	<b><u>\$ 37,218,139</u></b>

*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, \$27,819,084 of the County's bank balance of \$32,793,132 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

*Custodial Credit Risk - Investments.* Following is a summary of the County's investments as of December 31, 2016:

U.S. government treasuries	\$ 155,193
U.S. government agencies	4,887,156
Money market funds	819,325
Municipal bonds	1,302,280
Corporate bonds	<u>440,911</u>
<b>Total</b>	<b><u>\$ 7,604,865</u></b>

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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

*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	\$ 155,193
Moody's Aaa	1,032,956
Moody's AA1	905,900
S&P AAAm	761,717
S&P AA+	3,854,200
S&P AA-	396,380
S&P A1	440,911
Morningstar 4 Stars	57,608
Total	<u>\$ 7,604,865</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	\$ 819,325
1 - 5 years	3,238,906
6 - 10 years	2,054,494
11 - 15 years	1,048,724
16 - 20 years	57,006
21 - 25 years	386,410
Total	<u>\$ 7,604,865</u>

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

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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

	Level 1	Level 2	Level 3	Total
U.S. government treasuries	\$ -	\$ 155,193	\$ -	\$ 155,193
U.S. government agencies	-	4,887,156	-	4,887,156
Money market funds	123,709	638,008	-	761,717
Municipal bonds	-	1,302,280	-	1,302,280
Corporate bonds	440,911	-	-	440,911
	<u>\$ 564,620</u>	<u>\$ 6,982,637</u>	<u>\$ -</u>	<u>7,547,257</u>
Investments carried at amortized cost - Money market funds				<u>57,608</u>
<b>Total</b>				<u><u>\$ 7,604,865</u></u>

#### 4. RECEIVABLES AND PAYABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 4,283,909	\$ -	\$ -
Taxes (delinquent)	-	2,749,713	-
Accounts	84,911	3,136,259	1,473,615
Allowance for uncollectible accounts	(54,977)	(582,271)	-
Loans	1,112,851	-	-
Due from other governments	719,615	78,757	1,577,397
Special assessments	-	-	2,728,234
Leases	-	-	4,391,874
<b>Total</b>	<u>\$ 6,146,309</u>	<u>\$ 5,382,458</u>	<u>\$ 10,171,120</u>

Of the amounts detailed above, \$2,207,301 of special assessments and \$3,954,977 of leases receivable in the component units are not expected to be collected within one year. Similarly, loans receivable of \$1,112,851 in governmental activities are not expected to be collected within one year.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### *Accounts payable and accrued liabilities*

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 422,746	\$ 739,083	\$ 839,588
Accrued liabilities	218,613	661,604	169,248
Due to other governments	-	27,758	577,612
Self-insurance claims payable	87,389	-	-
Accrued interest on long-term debt	111,425	-	52,232
<b>Total</b>	<b>\$ 840,173</b>	<b>\$ 1,428,445</b>	<b>\$ 1,638,680</b>

## 5. OTHER ASSETS

The composition of other assets of December 31, 2016, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ -	\$ -	\$ 1,343,665
Prepaid self-insured retention balance	576,236	-	-
Other prepaid items	-	110,767	132,038
<b>Total</b>	<b>\$ 576,236</b>	<b>\$ 110,767</b>	<b>\$ 1,475,703</b>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2016, was as follows:

	Due to and from Primary Government Funds	
	Due from Fund	Due to Fund
General fund	\$ 580,187	\$ -
Building authority Thornapple Manor debt fund	-	15,890
Delinquent tax umbrella fund	1,370,000	-
Delinquent tax revolving 2015 fund	-	1,370,000
Nonmajor enterprise funds	-	564,297
<b>Total</b>	<b>\$ 1,950,187</b>	<b>\$ 1,950,187</b>



## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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
<b>Total</b>	<b>\$ 105,000</b>	<b>\$ 105,000</b>

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

For the year ended December 31, 2016, interfund transfers consisted of the following:

Transfers in	Transfers out					
	General Fund	Nonmajor Governmental Funds	Delinquent Tax Umbrella	Nonmajor Enterprise Funds	Internal Service Funds	Totals
General fund	\$ -	\$ 206,938	\$ 574,615	\$ -	\$ 50,150	\$ 831,703
Nonmajor governmental funds	734,479	-	-	-	-	734,479
Delinquent tax umbrella	-	-	-	589,521	-	589,521
Internal service funds	1,220,859	-	1,750,000	-	-	2,970,859
<b>Totals</b>	<b>\$ 1,955,338</b>	<b>\$ 206,938</b>	<b>\$ 2,324,615</b>	<b>\$ 589,521</b>	<b>\$ 50,150</b>	<b>\$ 5,126,562</b>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. At year-end, the Board of Commissioners authorizes any surplus in the general fund (excluding those funds collapsed into the general fund for external reporting purposes) to be transferred. In the current year, the general fund surplus of \$1,441,718 was transferred ratably to the building rehabilitation fund (a component of the general fund) and the retirement internal service fund. The transfers to the internal service funds were to provide resource to pay down the unfunded pension liability with MERS.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 7. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,734,208	\$ -	\$ -	\$ -	\$ 2,734,208
Construction in progress	3,843	1,034,017	-	(32,519)	1,005,341
	<u>2,738,051</u>	<u>1,034,017</u>	<u>-</u>	<u>(32,519)</u>	<u>3,739,549</u>
Capital assets being depreciated:					
Land improvements	1,155,244	5,160	-	-	1,160,404
Buildings	14,432,142	74,637	(159,535)	32,519	14,379,763
Equipment	6,609,207	568,248	(283,263)	-	6,894,192
	<u>22,196,593</u>	<u>648,045</u>	<u>(442,798)</u>	<u>32,519</u>	<u>22,434,359</u>
Less accumulated depreciation for:					
Land improvements	(633,411)	(40,206)	-	-	(673,617)
Buildings	(6,846,226)	(351,019)	108,724	-	(7,088,521)
Equipment	(4,555,529)	(511,453)	245,976	-	(4,821,006)
	<u>(12,035,166)</u>	<u>(902,678)</u>	<u>354,700</u>	<u>-</u>	<u>(12,583,144)</u>
Total capital assets being depreciated, net	<u>10,161,427</u>	<u>(254,633)</u>	<u>(88,098)</u>	<u>32,519</u>	<u>9,851,215</u>
<b>Governmental activities capital assets, net</b>					
	<u>\$ 12,899,478</u>	<u>\$ 779,384</u>	<u>\$ (88,098)</u>	<u>\$ -</u>	<u>\$ 13,590,764</u>

At December 31, 2016, the County had outstanding commitments for governmental activities totaling approximately \$468,000.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 3,950	\$ 1,793	\$ (5,743)	\$ -	\$ -
Capital assets being depreciated:					
Land improvements	2,037,754	-	-	-	2,037,754
Buildings	26,271,237	30,475	-	-	26,301,712
Vehicles	1,312,017	117,993	-	-	1,430,010
Equipment	4,596,875	79,460	-	-	4,676,335
	<u>34,217,883</u>	<u>227,928</u>	<u>-</u>	<u>-</u>	<u>34,445,811</u>
Less accumulated depreciation for:					
Land improvements	(570,025)	(88,969)	-	-	(658,994)
Buildings	(5,464,243)	(666,537)	-	-	(6,130,780)
Vehicles	(835,064)	(136,960)	-	-	(972,024)
Equipment	(2,484,708)	(327,536)	-	-	(2,812,244)
	<u>(9,354,040)</u>	<u>(1,220,002)</u>	<u>-</u>	<u>-</u>	<u>(10,574,042)</u>
Total capital assets being depreciated, net	<u>24,863,843</u>	<u>(992,074)</u>	<u>-</u>	<u>-</u>	<u>23,871,769</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 24,867,793</u>	<u>\$ (990,281)</u>	<u>\$ (5,743)</u>	<u>\$ -</u>	<u>\$ 23,871,769</u>

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

### Depreciation of governmental activities by function

General government	\$ 279,508
Culture and recreation	81,808
Public safety	271,544
Health and welfare	71,719
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets	<u>198,099</u>

**Total governmental activities** \$ 902,678

### Depreciation of business-type activities by function

Thornapple Manor	\$ 1,027,590
Transit	<u>192,412</u>

**Total business-type activities** \$ 1,220,002

# 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, 2016, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Road Commission</b>					
Capital assets not being depreciated:					
Land	\$ 85,433	\$ -	\$ -	\$ -	\$ 85,433
Land improvements	16,037,068	-	-	-	16,037,068
Right-of-ways	408,328	-	-	-	408,328
	<u>16,530,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,530,829</u>
Capital assets being depreciated:					
Land improvements	214,808	-	-	-	214,808
Buildings	902,737	-	-	-	902,737
Equipment	9,055,420	717,632	(657,570)	-	9,115,482
Pit depletion	757,313	821	-	-	758,134
Infrastructure	19,920,243	3,932,457	(443,442)	-	23,409,258
	<u>30,850,521</u>	<u>4,650,910</u>	<u>(1,101,012)</u>	<u>-</u>	<u>34,400,419</u>
Less accumulated depreciation for:					
Land improvements	(159,263)	(10,740)	-	-	(170,003)
Buildings	(642,952)	(18,844)	-	-	(661,796)
Equipment	(7,063,269)	(756,791)	495,300	-	(7,324,760)
Pit depletion	(175,115)	(9)	-	-	(175,124)
Infrastructure	(8,456,334)	(871,678)	443,442	-	(8,884,570)
	<u>(16,496,933)</u>	<u>(1,658,062)</u>	<u>938,742</u>	<u>-</u>	<u>(17,216,253)</u>
Total capital assets being depreciated, net	<u>14,353,588</u>	<u>2,992,848</u>	<u>(162,270)</u>	<u>-</u>	<u>17,184,166</u>
<b>Road Commission</b>					
capital assets, net	<u>\$ 30,884,417</u>	<u>\$ 2,992,848</u>	<u>\$ (162,270)</u>	<u>\$ -</u>	<u>\$ 33,714,995</u>

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>CMH Authority</b>					
Capital assets not being depreciated:					
Land	\$ -	\$ 120,715	\$ -	\$ -	\$ 120,715
Construction in progress	-	1,154,610	-	-	1,154,610
	<u>-</u>	<u>1,275,325</u>	<u>-</u>	<u>-</u>	<u>1,275,325</u>
Capital assets being depreciated:					
Furniture and fixtures	96,879	-	-	-	96,879
Equipment	68,223	-	-	-	68,223
Buildings	28,648	-	-	-	28,648
Vehicles	110,095	-	-	-	110,095
	<u>303,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,845</u>
Less accumulated depreciation for:					
Furniture and fixtures	(81,237)	(3,459)	-	-	(84,696)
Equipment	(68,222)	-	-	-	(68,222)
Buildings	(5,098)	(1,301)	-	-	(6,399)
Vehicles	(101,973)	(2,599)	-	-	(104,572)
	<u>(256,530)</u>	<u>(7,359)</u>	<u>-</u>	<u>-</u>	<u>(263,889)</u>
Total capital assets being depreciated, net	<u>47,315</u>	<u>(7,359)</u>	<u>-</u>	<u>-</u>	<u>39,956</u>
<b>CMH Authority capital assets, net</b>	<u>\$ 47,315</u>	<u>\$ 1,267,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315,281</u>
<b>Drainage Districts</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 111,924	\$ 330,553	\$ -	\$ (412,642)	\$ 29,835
Capital assets being depreciated:					
Drain infrastructure	4,913,134	-	-	412,642	5,325,776
Vehicles	9,350	-	-	-	9,350
	<u>4,922,484</u>	<u>-</u>	<u>-</u>	<u>412,642</u>	<u>5,335,126</u>
Less accumulated depreciation for:					
Drain infrastructure	(1,214,851)	(95,285)	-	-	(1,310,136)
Vehicles	(2,077)	(623)	-	-	(2,700)
	<u>(1,216,928)</u>	<u>(95,908)</u>	<u>-</u>	<u>-</u>	<u>(1,312,836)</u>
Total capital assets being depreciated, net	<u>3,705,556</u>	<u>(95,908)</u>	<u>-</u>	<u>412,642</u>	<u>4,022,290</u>
<b>Drainage Districts capital assets, net</b>	<u>\$ 3,817,480</u>	<u>\$ 234,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,052,125</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Airport Commission</b>					
Capital assets not being depreciated:					
Land	\$ 285,000	\$ -	\$ -	\$ -	\$ 285,000
Construction in progress	505,808	712,952	-	-	1,218,760
	<u>790,808</u>	<u>712,952</u>	<u>-</u>	<u>-</u>	<u>1,503,760</u>
Capital assets being depreciated:					
Land improvements	4,554,029	-	-	-	4,554,029
Buildings	1,215,704	158,933	-	-	1,374,637
Equipment	92,779	-	-	-	92,779
	<u>5,862,512</u>	<u>158,933</u>	<u>-</u>	<u>-</u>	<u>6,021,445</u>
Less accumulated depreciation for:					
Land improvements	(2,830,524)	(113,546)	-	-	(2,944,070)
Buildings	(175,777)	(24,689)	-	-	(200,466)
Equipment	(43,865)	(4,019)	-	-	(47,884)
	<u>(3,050,166)</u>	<u>(142,254)</u>	<u>-</u>	<u>-</u>	<u>(3,192,420)</u>
Total capital assets being depreciated, net	<u>2,812,346</u>	<u>16,679</u>	<u>-</u>	<u>-</u>	<u>2,829,025</u>
<b>Airport Commission</b>					
capital assets, net	<u>\$ 3,603,154</u>	<u>\$ 729,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,332,785</u>

At December 31, 2016, the Airport Commission had outstanding commitments totaling approximately \$101,000.

### 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.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

Long-term debt activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Primary Government</i>					
<b>Governmental activities</b>					
General obligation bonds	\$ 13,270,000	\$ -	\$ (950,000)	\$ 12,320,000	\$ 1,060,000
Compensated absences	597,782	246,627	(223,258)	621,151	229,956
Bond premiums and discounts, net	1,066,413	-	(115,288)	951,125	115,288
<b>Total governmental activities</b>	<b>\$ 14,934,195</b>	<b>\$ 246,627</b>	<b>\$ (1,288,546)</b>	<b>\$ 13,892,276</b>	<b>\$ 1,405,244</b>
<b>Business-type activities</b>					
Capital leases payable	\$ 5,450,000	\$ -	\$ (200,000)	\$ 5,250,000	\$ 200,000
Compensated absences	425,627	483,058	(477,166)	431,519	148,054
<b>Total business-type activities</b>	<b>\$ 5,875,627</b>	<b>\$ 483,058</b>	<b>\$ (677,166)</b>	<b>\$ 5,681,519</b>	<b>\$ 348,054</b>
<i>Component Units</i>					
<b>Road Commission</b>					
Notes payable	\$ -	\$ 4,500,000	\$ -	\$ 4,500,000	\$ 300,000
Compensated absences	308,227	10,293	-	318,520	318,520
	308,227	4,510,293	-	4,818,520	618,520
<b>CMH Authority</b>					
Building loan	-	979,729	-	979,729	-
Compensated absences	375,949	136,912	(56,392)	456,469	68,470
	375,949	1,116,641	(56,392)	1,436,198	68,470
<b>Drainage Districts</b>					
General obligation bonds	-	814,800	-	814,800	54,320
Drain notes and other debt	1,540,997	293,562	(315,643)	1,518,916	357,580
	1,540,997	1,108,362	(315,643)	2,333,716	411,900
<b>Board of Public Works</b>					
General obligation bonds	4,790,346	-	(400,000)	4,390,346	405,000
<b>Total component units</b>	<b>\$ 7,015,519</b>	<b>\$ 6,735,296</b>	<b>\$ (772,035)</b>	<b>\$ 12,978,780</b>	<b>\$ 1,503,890</b>

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

Bonds and loans payable at December 31, 2016 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.	\$ 375,000
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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.	11,945,000
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<b>Total general obligation debt - governmental activities</b>	<b><u>\$ 12,320,000</u></b>
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For the governmental activities, compensated absences are generally liquidated by the general fund.

Capital leases payable at December 31, 2016 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>\$ 5,250,000</u>
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### *Component Units*

#### **Road Commission Notes**

\$4,500,000 Michigan Transportation Fund Notes, Series 2016, due in annual installments ranging from \$300,000 to \$550,000 through 2026, with interest at 2.00%, payable semi-annually.	<u>\$ 4,500,000</u>
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#### **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, 2016 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

#### General Obligation Bonds

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

\$ 814,800

#### 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.

\$ 46,400

\$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.

190,000

\$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.

195,428

\$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.

160,883

\$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.

210,000

\$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.

152,000

\$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.

67,500

\$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.

30,000

\$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.

173,143

\$293,562 Duncan Lake #2 drain assessment district note dated July 1, 2016, due in annual installments of \$41,937 through June 1, 2022, with interest at 1.78%, payable annually.

293,562

**Total notes payable - Drainage Districts**

\$ 1,518,916

## 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, 2016 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.	\$ 150,000
\$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.	293,281
\$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.	625,000
\$205,000 Water Supply System Bonds Series B dated August 23, 2006, due in annual installments ranging from \$10,000 to \$15,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	105,000
\$465,000 Fawn Lake Extension note, dated July 25, 2006, due in annual installments ranging from \$20,000 to \$25,000 through April 1, 2026, with interest ranging from 4.125 to 4.0%, payable semi-annually.	250,000
\$450,000 Yankee Springs arsenic removal bonds, dated March 29, 2007, payable in annual installments ranging from \$20,000 to \$25,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	270,000
\$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.	1,937,065
\$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.	<u>760,000</u>
<b>Total bonds payable - Board of Public Works</b>	<b><u>\$ 4,390,346</u></b>

## 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
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	1,405,000	277,588	275,000	134,738
2022-2026	6,165,000	507,900	1,575,000	545,325
2027-2031	-	-	2,000,000	264,668
2032	-	-	475,000	8,432
<b>Total</b>	<b>\$ 12,320,000</b>	<b>\$ 2,368,513</b>	<b>\$ 5,250,000</b>	<b>\$ 1,546,801</b>

Year Ended December 31,	Component Units	
	Principal	Interest
2017	\$ 1,116,900	\$ 265,964
2018	1,099,400	235,124
2019	1,056,200	206,980
2020	1,057,083	182,510
2021	1,076,198	157,567
2022-2026	4,949,615	425,627
2027-2030	868,666	41,517
<b>Total</b>	<b>\$ 11,224,062</b>	<b>\$ 1,515,289</b>

The loan payable in the CMH Authority component unit is related to an ongoing project financed by the USDA. The final repayment schedule will be determined once the loan proceeds have been drawn in full. Accordingly, this loan has been excluded from the table above.

# 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 Governmental Funds	Totals
<b>Nonspendable</b>						
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>
<b>Restricted</b>						
Central dispatch/E-911	-	1,252,174	-	-	-	1,252,174
Senior services	-	-	1,000,142	-	-	1,000,142
Cemetery perpetual care	-	-	-	-	705	705
Thornapple Manor debt	-	-	-	443,044	-	443,044
County parks	-	-	-	-	8,721	8,721
Animal services/shelter	-	-	-	-	104,912	104,912
Community outreach	-	-	-	-	13,194	13,194
Register of deeds systems	-	-	-	-	91,178	91,178
Judicial programs	-	-	-	-	85,593	85,593
Law enforcement	-	-	-	-	62,794	62,794
Housing rehabilitation	-	-	-	-	1,090,655	1,090,655
Criminal diversion	-	-	-	-	314,465	314,465
Other purposes	-	-	-	-	59,598	59,598
	<u>-</u>	<u>1,252,174</u>	<u>1,000,142</u>	<u>443,044</u>	<u>1,831,815</u>	<u>4,527,175</u>
<b>Committed</b>						
Senior services	-	-	125,000	-	-	125,000
Hazardous waste disposal	-	-	-	-	218,132	218,132
Remonumentation plan	-	-	-	-	17,989	17,989
County parks	-	-	-	-	80,232	80,232
Child and family services	-	-	-	-	2,968,391	2,968,391
Public safety programs	-	-	-	-	17,462	17,462
Judicial programs	-	-	-	-	779,533	779,533
Debt service	-	-	-	-	24,214	24,214
Building improvements	1,753,262	-	-	-	368,473	2,121,735
Other purposes	47,231	-	-	-	10,175	57,406
	<u>1,800,493</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>4,484,601</u>	<u>6,410,094</u>
<b>Unassigned</b>	<u>2,181,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,181,422</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 4,086,915</u>	<u>\$ 1,252,174</u>	<u>\$ 1,125,142</u>	<u>\$ 443,044</u>	<u>\$ 6,347,341</u>	<u>\$13,254,616</u>

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 10. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of December 31, 2016 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 3,739,549	\$ -	\$ 19,339,749
Capital assets being depreciated, net	9,851,215	23,871,769	24,075,437
	<u>13,590,764</u>	<u>23,871,769</u>	<u>43,415,186</u>
Related debt:			
Total installment debt	12,320,000	5,250,000	12,203,791
Bond premiums and discounts, net	951,125	-	-
Deferred charge on advance refunding	606,113	-	24,059
Less: Medical care facility refunding bonds and related deferred amounts*	(13,502,238)	-	-
Less: noncapital drain debt***	-	-	(814,800)
Less: amounts under leases receivable**	-	-	(4,414,405)
	<u>375,000</u>	<u>5,250,000</u>	<u>6,998,645</u>
Net investment in capital assets	<u>\$ 13,215,764</u>	<u>\$ 18,621,769</u>	<u>\$ 36,416,541</u>

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

\*\* The bonds payable related to leases receivable within component units relates to debt issued by the County on behalf of another governmental entity who is responsible for all principal and interest on the bonds. Title to the related assets does not transfer to the local unit until the bonds are repaid in full; however, the County considers the assets to be held by the local unit as a capital lease and, accordingly, the capital asset is not reported by the County itself.

\*\*\* The general obligation bonds in the drain commission component unit relate to an intercounty project being administered by another County. The project was entirely for repair and maintenance of existing infrastructure and is not expected to increase the useful life of the asset. Accordingly, no capital assets have been recorded and this debt has been excluded from the calculation above.

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

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

In addition, MMRMA has accumulated resources to create and fund an internal stop loss fund. The stop loss fund was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of \$200,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of \$200,000 net of reinsurance recoveries are paid entirely from the internal stop loss fund. If at any time the stop loss fund is insufficient to fund the County's losses, the remaining liability shall become the responsibility of MMRMA as a whole.

## 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, 2015	\$ 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
Claims and changes in estimates	877	56,129	138,632	195,638
Claim payments	(877)	(56,129)	(164,367)	(221,373)
Liability, December 31, 2016	\$ -	\$ -	\$ 87,389	\$ 87,389

#### *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 (MMRMA) 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, 2016.

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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

#### *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.

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, 2016, 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.



# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### 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.

#### *Tax Abatements*

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the County in 2016 amounted to \$39,102.

### 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](http://www.mersofmich.com).

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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, 2015, plan membership for governmental activities consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	137
Inactive employees entitles to but not yet receiving benefits	37
Active employees	179
	<hr/>
<b>Total membership</b>	<b>353</b>
	<hr/> <hr/>

*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	3.38%	2.00%
911 Central Dispatch Supervisors	Defined Benefit	Open	18.50%	0.57%
911 Central Dispatch (after 5/11)	Defined Benefit	Open	8.29%	0.00%
MCF Non Union	Defined Benefit	Open	9.26%	0.00%
MCF Administrator	Defined Benefit	Open	65.31%	0.00%
Hybrid	Hybrid	Open	7.76%	0.00%
BCCEA-CourtHouse	Defined Benefit	Closed	\$ 16,003	5.99%
Elected Officials	Defined Benefit	Closed	11,784	3.70%
Sheriff-Corrections	Defined Benefit	Closed	10,100	9.03%
Sheriff-Deputies	Defined Benefit	Closed	16,088	6.06%
General	Defined Benefit	Closed	8,948	0.00%
911 Central Dispatch	Defined Benefit	Closed	1,281	3.00%
Department Heads	Defined Benefit	Closed	27,315	3.70%
Sheriff-Command	Defined Benefit	Closed	9,831	6.06%
Jail Administrator	Defined Benefit	Closed	74	0.00%

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015.

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013. The main assumption and method changes in the most recent actuarial valuation included an adjustment to the mortality table to reflect longer lifetimes, the assumed annual rate of return, net of all expenses, was lowered from 8.0% to 7.75%, and the asset smoothing was changed from 10 to 5 years.

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			3.25%
Administrative expenses netted above			<u>0.50%</u>
Investment rate of return			<u>8.25%</u>

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

*Discount Rate.* The discount rate used to measure the total pension liability is 8.25% for 2016. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *Changes in Net Pension Liability*

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 45,727,119	\$ 30,142,009	\$ 15,585,110
Changes for the year:			
Service cost	914,049	-	914,049
Interest	3,708,855	-	3,708,855
Differences between expected and actual experience	931,469	-	931,469
Changes of assumptions	2,006,349	-	2,006,349
Employer contributions	-	3,676,953	(3,676,953)
Employee contributions	-	293,939	(293,939)
Net investment income	-	3,465,203	(3,465,203)
Benefit payments, including refunds of employee contributions	(2,456,647)	(2,456,647)	-
Administrative expense	-	(68,602)	68,602
Other changes	(151,016)	-	(151,016)
Net changes	4,953,059	4,910,846	42,213
Balances at December 31, 2016	\$ 50,680,178	\$ 35,052,855	15,627,323
Amount reported in Transit enterprise fund			674,365
Amount reported in Thornapple Manor enterprise fund			3,009,941
Total primary government			\$ 19,311,629

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

*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	\$ 21,798,337	\$ 15,627,323	\$ 10,452,419

#### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended December 31, 2016, the County's governmental activities recognized pension expense of \$2,605,032. The County reported pension-related deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,061,804
Differences between expected and actual experience	776,224
Changes of assumptions	1,671,957
	<u>3,509,985</u>
Amount reported in Transit enterprise fund	139,135
Amount reported in Thornapple Manor enterprise fund	<u>2,403,587</u>
Total	<u>\$ 6,052,707</u>

Other amounts reported as pension-related deferred outflows of resources for governmental activities will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2017	\$ 904,829
2018	904,829
2019	904,827
2020	305,866
2021	<u>489,634</u>
Total	<u>\$ 3,509,985</u>

*Payable to the Pension Plan.* At December 31, 2016, the County (governmental activities) reported a payable of \$137,611 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

# COUNTY OF BARRY, MICHIGAN

## Notes to Financial Statements

### *Deferred Compensation Plan*

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

### **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.

### **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 and required supplementary information, 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, 2016, the County contributed \$66,029 (\$30,440 for current retiree benefits net of a distribution from the assets held in trust with MERS and an additional \$35,589 in advance funding). Retirees receiving benefits contributed \$22,182, or approximately 34% of the total premiums, through their required contribution based on the level of coverage selected. At December 31, 2015, there were 25 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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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	\$ 48,779
Interest on net OPEB obligation	(63,015)
Adjustment to annual required contribution	<u>45,003</u>
Net OPEB cost (expense)	30,767
Contributions made	<u>66,029</u>
Change in net OPEB asset	(35,262)
Net OPEB asset, beginning of year	<u>900,220</u>
Net OPEB asset, end of year	<u><u>\$ 935,482</u></u>
This amount is classified on the statement of net position as follows:	
Governmental activities	\$ 909,936
Business-type activities	<u>25,546</u>
	<u><u>\$ 935,482</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2016 and the two previous years was as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage Contributed	Net OPEB (Obligation) Asset
2014	\$ 109,016	93%	\$ 818,766
2015	59,887	236%	900,220
2016	30,767	215%	935,482

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the plan was 92% funded. The actuarial accrued liability for benefits was \$1,433,971, and the actuarial value of assets was \$1,321,483, resulting in an unfunded actuarial accrued liability (UAAL) of \$112,488. The covered payroll (annual payroll for active employees covered by the plan) was \$7,832,499 and the ratio for the unfunded actuarial accrued liability to the covered payroll was 1.4%.

*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.

## COUNTY OF BARRY, MICHIGAN

### Notes to Financial Statements

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, 2015 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions include: (a) a rate of return on investments of 7.0%; (b) projected salary increases of 3.75%; and (c) projected healthcare benefit increases of 4.5% to 9.0%, with a maximum increase in employee contributions under Public Act 152 of \$3.5%. The unfunded actuarial accrued liability is being amortized as a level percent of payroll over 30 years on a closed basis.

#### Road Commission Discretely Presented Component Unit

The Road Commission provides healthcare benefits to certain employees upon retirement, in accordance with the Road Commission policy. Detailed information on this plan is available in the Road Commission's separately issued financial statements.

### 16. RESTATEMENT

The CMH Authority recorded a restatement of \$21,612 in the current year as a result of revisions to the 2015 cost settlement.

### 17. SUBSEQUENT EVENTS

In January 2017, the Board of Commissioners approved a contract for improvements to the Circuit Court building at a cost of \$322,404. The project is being financed with accumulated resources within the building rehabilitation fund (a component of the general fund).

■ ■ ■ ■ ■



## 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	2016
<b>Total pension liability</b>		
Service cost	\$ 840,881	\$ 914,049
Interest	3,545,367	3,708,855
Differences between expected and actual experience	-	931,469
Changes of assumptions	-	2,006,349
Benefit payments, including refunds of employee contributions	(2,292,924)	(2,456,647)
Other	(66,372)	(151,016)
<b>Net change in total pension liability</b>	<u>2,026,952</u>	<u>4,953,059</u>
Total pension liability, beginning of year	<u>43,700,167</u>	<u>45,727,119</u>
<b>Total pension liability, end of year</b>	<u>45,727,119</u>	<u>50,680,178</u>
<b>Plan fiduciary net position</b>		
Employer contributions	1,873,216	3,676,953
Employee contributions	315,846	293,939
Net investment income (loss)	(462,833)	3,465,203
Benefit payments, including refunds of employee contributions	(2,292,924)	(2,456,647)
Administrative expense	(67,801)	(68,602)
<b>Net change in plan fiduciary net position</b>	<u>(634,496)</u>	<u>4,910,846</u>
Plan fiduciary net position, beginning of year	<u>30,776,505</u>	<u>30,142,009</u>
<b>Plan fiduciary net position, end of year</b>	<u>30,142,009</u>	<u>35,052,855</u>
<b>County's net pension liability</b>	<u>\$ 15,585,110</u>	<u>\$ 15,627,323</u>
Plan fiduciary net position as a percentage of total pension liability	65.9%	69.2%
Covered payroll	<u>\$ 7,492,355</u>	<u>\$ 8,309,065</u>
County's net pension liability as a percentage of covered payroll	208.0%	188.1%

#### 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 Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 45,727,119	\$ 30,142,009	\$ 15,585,110	65.9%	\$ 7,492,355	208.0%
2016	50,680,178	35,052,855	15,627,323	69.2%	8,309,065	188.1%

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 Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 1,373,216	\$ 1,873,216	\$ (500,000)	\$ 8,309,065	22.5%
2016	1,426,953	3,676,953	(2,250,000)	8,309,065 <sup>(1)</sup>	44.3%

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

<sup>(1)</sup> Covered payroll is estimated based on actual data for the previous year ended December 31

#### 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. The actuarial assumptions noted below relate to the most recent valuation, dated December 31, 2015. Changes in assumptions have been identified where applicable.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	4 to 23 years, based on division
Asset valuation method	Open; 10-year smooth market
Inflation	2.5%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation (8.0% in the 2014 and prior valuations)
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend with rates multiplied by 105% (1994 Group Annuity Mortality Table in the 2014 and prior valuations).

## 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)
12/31/2010	\$ -	\$ 1,018,853	\$ 1,018,853	0.0%	\$ 7,831,041	13.0%
12/31/2012	1,180,809	1,046,037	(134,772)	112.9%	7,870,505	-1.7%
12/31/2015	1,321,483	1,433,971	112,488	92.2%	7,832,499	1.4%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2014	\$ 49,011	207%
2015	13,463	1050%
2016	48,779	135%

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

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

General Fund - By Activity

December 31, 2016

	General Fund	Building Rehab	Parks and Recreation
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 1,764,746	\$ 44,975
Investments	6,345,991	-	-
Taxes receivable	171,210	-	-
Due from other governments	177,246	-	-
Due from other funds	580,187	-	-
Advances to other funds	105,000	-	-
<b>Total assets</b>	<b>\$ 7,379,634</b>	<b>\$ 1,764,746</b>	<b>\$ 44,975</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ 4,822,698	\$ -	\$ -
Accounts payable	139,629	11,484	-
Accrued liabilities	130,885	-	-
<b>Total liabilities</b>	<b>5,093,212</b>	<b>11,484</b>	<b>-</b>
<b>Fund balances</b>			
Nonspendable	105,000	-	-
Committed	-	1,753,262	44,975
Unassigned	2,181,422	-	-
<b>Total fund balances</b>	<b>2,286,422</b>	<b>1,753,262</b>	<b>44,975</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,379,634</b>	<b>\$ 1,764,746</b>	<b>\$ 44,975</b>





Agriculture Preservation	Adjustments	Total
\$ 2,256	\$ (1,811,977)	\$ -
-	-	6,345,991
-	-	171,210
-	-	177,246
-	-	580,187
-	-	105,000
<u>\$ 2,256</u>	<u>\$ (1,811,977)</u>	<u>\$ 7,379,634</u>
\$ -	\$ (1,811,977)	\$ 3,010,721
-	-	151,113
-	-	130,885
<u>-</u>	<u>(1,811,977)</u>	<u>3,292,719</u>
-	-	105,000
2,256	-	1,800,493
-	-	2,181,422
<u>2,256</u>	<u>-</u>	<u>4,086,915</u>
<u>\$ 2,256</u>	<u>\$ (1,811,977)</u>	<u>\$ 7,379,634</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, 2016

	General Fund	Building Rehab	Parks and Recreation
<b>Revenues</b>			
Taxes	\$ 10,777,063	\$ -	\$ -
Intergovernmental	1,997,691	-	-
Licenses and permits	89,485	-	-
Charges for services	1,709,207	-	-
Fines and forfeitures	28,103	-	-
Interest and rentals	106,733	1,370	-
Other revenues	65,037	-	-
<b>Total revenues</b>	<b>14,773,319</b>	<b>1,370</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
General government	5,544,052	-	-
Public safety	5,370,527	-	-
Health and welfare	1,143,389	-	-
Community and economic development	323,264	-	-
Recreation and cultural	-	-	18,022
Other	651,090	-	-
Capital outlay	-	1,013,697	-
<b>Total expenditures</b>	<b>13,032,322</b>	<b>1,013,697</b>	<b>18,022</b>
<b>Revenues over (under) expenditures</b>	<b>1,740,997</b>	<b>(1,012,327)</b>	<b>(18,022)</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	10,201	-	-
Transfers in	959,174	732,320	34,175
Transfers out	(2,710,372)	(138,932)	-
<b>Total other financing sources (uses)</b>	<b>(1,740,997)</b>	<b>593,388</b>	<b>34,175</b>
<b>Net changes in fund balances</b>	<b>-</b>	<b>(418,939)</b>	<b>16,153</b>
<b>Fund balances, beginning of year</b>	<b>2,286,422</b>	<b>2,172,201</b>	<b>28,822</b>
<b>Fund balances, end of year</b>	<b>\$ 2,286,422</b>	<b>\$ 1,753,262</b>	<b>\$ 44,975</b>



Agriculture Preservation	Eliminations	Total
\$ -	\$ -	\$ 10,777,063
-	-	1,997,691
-	-	89,485
-	-	1,709,207
-	-	28,103
-	-	108,103
-	-	65,037
-	-	14,774,689
-	-	5,544,052
-	-	5,370,527
-	-	1,143,389
869	-	324,133
-	-	18,022
-	-	651,090
-	-	1,013,697
869	-	14,064,910
(869)	-	709,779
-	-	10,201
-	(893,966)	831,703
-	893,966	(1,955,338)
-	-	(1,113,434)
(869)	-	(403,655)
3,125	-	4,490,570
\$ 2,256	\$ -	\$ 4,086,915

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
General fund:				
Taxes:				
Real and personal property taxes	\$ 10,638,140	\$ 10,736,380	\$ 10,651,638	\$ (84,742)
Other taxes	9,027	11,077	125,425	114,348
Total taxes	<u>10,647,167</u>	<u>10,747,457</u>	<u>10,777,063</u>	<u>29,606</u>
Intergovernmental:				
Federal grants	140,317	238,217	184,469	(53,748)
State grants	1,838,122	1,817,672	1,813,222	(4,450)
Total intergovernmental	<u>1,978,439</u>	<u>2,055,889</u>	<u>1,997,691</u>	<u>(58,198)</u>
Licenses and permits:				
Dog licenses	80,500	43,780	46,160	2,380
Marriage license fees	7,400	8,650	9,020	370
Planning services	37,500	35,000	34,305	(695)
Total licenses and permits	<u>125,400</u>	<u>87,430</u>	<u>89,485</u>	<u>2,055</u>
Charges for services:				
Circuit court	132,030	117,680	128,572	10,892
District court	459,000	525,200	561,611	36,411
Friend of the court	44,000	66,000	66,743	743
Probate court	31,000	31,000	32,495	1,495
County treasurer	2,320	11,820	11,021	(799)
County clerk	114,510	126,010	126,695	685
Register of deeds	197,870	227,870	225,291	(2,579)
Real estate transfer tax	185,000	266,000	269,239	3,239
Mapping department	9,392	20,692	23,512	2,820
Juvenile court	10,100	8,100	7,993	(107)
Sheriff	132,050	125,150	126,620	1,470
Record copying	85,000	81,000	78,232	(2,768)
Other	57,725	47,825	51,183	3,358
Total charges for services	<u>1,459,997</u>	<u>1,654,347</u>	<u>1,709,207</u>	<u>54,860</u>
Fines and forfeitures:				
Bond forfeitures	2,500	12,500	12,594	94
Ordinance fines and costs	15,000	15,000	15,509	509
Total fines and forfeitures	<u>17,500</u>	<u>27,500</u>	<u>28,103</u>	<u>603</u>

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues (concluded)</b>				
General fund (concluded):				
Interest and rentals:				
Interest revenue	\$ 75,020	\$ 109,020	\$ 34,777	\$ (74,243)
Rentals	66,220	70,936	71,956	1,020
Total interest and rentals	141,240	179,956	106,733	(73,223)
Other revenues:				
Reimbursements and refunds	58,600	77,900	65,037	(12,863)
Other	1,000	1,000	-	(1,000)
Total other revenues	59,600	78,900	65,037	(13,863)
Total general fund	14,429,343	14,831,479	14,773,319	(58,160)
Parks and recreation fund:				
Other revenues	500	500	-	(500)
Building rehab fund:				
Interest and rentals:				
Interest revenue	-	-	1,370	1,370
<b>Total revenues</b>	<b>14,429,843</b>	<b>14,831,979</b>	<b>14,774,689</b>	<b>(57,290)</b>
<b>Expenditures</b>				
General fund:				
General government:				
Board of commissioners	178,270	178,270	167,614	(10,656)
Trial court	1,529,250	1,537,742	1,426,333	(111,409)
Jury board	13,500	13,500	4,781	(8,719)
Probate court	801,210	801,210	690,401	(110,809)
Adult probation	9,546	9,546	8,040	(1,506)
County administrator	281,308	281,308	257,966	(23,342)
Elections	94,659	94,659	59,640	(35,019)
Legal counsel	75,000	85,000	67,038	(17,962)
Clerk	494,831	506,250	487,470	(18,780)
Equalization	178,623	179,182	175,595	(3,587)
Prosecuting attorney	728,415	728,784	669,503	(59,281)
Register of deeds	236,824	238,230	236,512	(1,718)
Land information services	286,524	287,141	268,651	(18,490)
Treasurer	261,209	261,345	246,802	(14,543)
Cooperative extension	114,823	114,823	113,544	(1,279)
Courthouse and grounds	545,884	546,026	507,823	(38,203)
Drain commissioner	184,556	184,601	156,339	(28,262)
Total general government	6,014,432	6,047,617	5,544,052	(503,565)

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
General fund (continued):				
Public safety:				
Sheriff	\$ 2,958,384	\$ 2,995,752	\$ 2,923,620	\$ (72,132)
Secondary road patrol	115,051	115,296	113,729	(1,567)
Court security	80,932	99,205	96,631	(2,574)
Highway safety grant	896	896	186	(710)
Marine safety	131,790	131,790	127,523	(4,267)
Emergency services	109,162	218,300	164,666	(53,634)
Jail	2,038,987	2,042,913	1,889,292	(153,621)
Animal control	77,299	77,299	54,880	(22,419)
Total public safety	<u>5,512,501</u>	<u>5,681,451</u>	<u>5,370,527</u>	<u>(310,924)</u>
Health and welfare:				
District health department	459,653	459,653	459,653	-
Health department building	130,034	130,066	123,806	(6,260)
Animal shelter	195,601	195,647	151,693	(43,954)
Soldiers' and sailors' relief	40,000	40,000	8,918	(31,082)
Medical examiner	111,896	120,359	120,400	41
Substance abuse	68,220	68,220	65,135	(3,085)
Veterans' counselor	36,700	36,700	30,784	(5,916)
Veterans' burials	37,500	37,500	28,500	(9,000)
Mental health	154,500	154,500	154,500	-
Total health and welfare	<u>1,234,104</u>	<u>1,242,645</u>	<u>1,143,389</u>	<u>(99,256)</u>
Community and economic development:				
Appropriation to Economic Development Board	107,394	107,394	107,394	-
Appropriation to Road Commission	11,334	11,334	11,334	-
Appropriation to Soil Conservation	15,500	15,500	15,500	-
Planning and zoning	210,825	211,201	189,036	(22,165)
Total community and economic development	<u>345,053</u>	<u>345,429</u>	<u>323,264</u>	<u>(22,165)</u>
Other:				
Insurance and bonds	401,699	410,703	404,647	(6,056)
Other	327,861	509,941	246,443	(263,498)
Total other	<u>729,560</u>	<u>920,644</u>	<u>651,090</u>	<u>(269,554)</u>

continued...

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Total general fund	\$ 13,835,650	\$ 14,237,786	\$ 13,032,322	\$ (1,205,464)
Building rehab fund:				
Capital outlay	1,243,340	1,243,340	1,013,697	(229,643)
Parks and recreation fund:				
Recreation and cultural	34,675	34,675	18,022	(16,653)
Agriculture preservation fund:				
Community and economic development	-	1,000	869	(131)
<b>Total expenditures</b>	<u>15,113,665</u>	<u>15,516,801</u>	<u>14,064,910</u>	<u>(1,451,891)</u>
Revenues over (under) expenditures	<u>(683,822)</u>	<u>(684,822)</u>	<u>709,779</u>	<u>1,394,601</u>
<b>Other financing sources (uses)</b>				
General fund:				
Proceeds from sale of capital assets	-	-	10,201	10,201
Transfers in:				
General fund	959,174	959,174	959,174	-
Building rehab fund	11,461	11,461	732,320	720,859
Parks and recreation fund	34,175	34,175	34,175	-
Eliminations	(173,107)	(173,107)	(893,966)	(720,859)
Total transfers in	<u>831,703</u>	<u>831,703</u>	<u>831,703</u>	<u>-</u>
Transfers out:				
General fund	(1,552,867)	(1,552,867)	(2,710,372)	(1,157,505)
Building rehab fund	(138,932)	(138,932)	(138,932)	-
Eliminations	173,107	173,107	893,966	720,859
Total transfers out	<u>(1,518,692)</u>	<u>(1,518,692)</u>	<u>(1,955,338)</u>	<u>(436,646)</u>
<b>Total other financing sources (uses)</b>	<u>(686,989)</u>	<u>(686,989)</u>	<u>(1,113,434)</u>	<u>(426,445)</u>
<b>Net change in fund balance</b>	<u>(1,370,811)</u>	<u>(1,371,811)</u>	<u>(403,655)</u>	<u>968,156</u>
Fund balance, beginning of year	<u>4,490,570</u>	<u>4,490,570</u>	<u>4,490,570</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 3,119,759</u>	<u>\$ 3,118,759</u>	<u>\$ 4,086,915</u>	<u>\$ 968,156</u>

concluded

# COUNTY OF BARRY, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

	Special Revenue	Debt Service	Capital Projects
<b>Assets</b>			
Cash and cash equivalents	\$ 4,649,024	\$ 46,835	\$ 377,194
Investments	56,463	144	-
Accounts receivable	8,437	-	-
Taxes receivable	408,554	-	-
Loans receivable	1,057,874	-	-
Due from other governments	433,457	-	-
<b>Total assets</b>	<b>\$ 6,613,809</b>	<b>\$ 46,979</b>	<b>\$ 377,194</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ 48,670	\$ -	\$ -
Accounts payable	63,543	22,765	-
Accrued liabilities	36,140	-	-
Advances from other funds	105,000	-	-
<b>Total liabilities</b>	<b>253,353</b>	<b>22,765</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	446,153	-	-
<b>Fund balances</b>			
Nonspendable	-	-	-
Restricted	1,822,389	-	8,721
Committed	4,091,914	24,214	368,473
<b>Total fund balances</b>	<b>5,914,303</b>	<b>24,214</b>	<b>377,194</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,613,809</b>	<b>\$ 46,979</b>	<b>\$ 377,194</b>





Permanent	
Cemetery Perpetual Care	Totals
\$ 80	\$ 5,073,133
31,550	88,157
-	8,437
-	408,554
-	1,057,874
-	433,457
<hr/>	
\$ 31,630	\$ 7,069,612
<hr/>	
\$ -	\$ 48,670
-	86,308
-	36,140
-	105,000
<hr/>	
-	276,118
<hr/>	
-	446,153
<hr/>	
30,925	30,925
705	1,831,815
-	4,484,601
<hr/>	
31,630	6,347,341
<hr/>	
\$ 31,630	\$ 7,069,612
<hr/>	

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2016

	Special Revenue	Debt Service	Capital Projects
<b>Revenues</b>			
Taxes	\$ 444,904	\$ -	\$ -
Intergovernmental	2,288,246	-	-
Licenses and permits	38,208	-	-
Charges for services	353,589	-	-
Fines and forfeitures	2,880	-	-
Interest and rentals	414	-	-
Other revenues	19,564	-	-
<b>Total revenues</b>	<b>3,147,805</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
General government	1,710,931	-	-
Public safety	348,950	-	-
Public works	54,861	-	-
Health and welfare	838,642	-	-
Community and economic development	296,857	-	-
Recreation and cultural	606,043	-	-
Debt service:			
Principal	-	50,000	-
Interest expense	-	36,144	-
Capital outlay	-	-	3,527
<b>Total expenditures</b>	<b>3,856,284</b>	<b>86,144</b>	<b>3,527</b>
Revenues over (under) expenditures	(708,479)	(86,144)	(3,527)
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	6,800	-	-
Transfers in	659,864	74,615	-
Transfers out	(206,938)	-	-
<b>Total other financing sources (uses)</b>	<b>459,726</b>	<b>74,615</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(248,753)</b>	<b>(11,529)</b>	<b>(3,527)</b>
Fund balances, beginning of year	6,163,056	35,743	380,721
<b>Fund balances, end of year</b>	<b>\$ 5,914,303</b>	<b>\$ 24,214</b>	<b>\$ 377,194</b>



Permanent	
Cemetery Perpetual Care	Totals
\$ -	\$ 444,904
-	2,288,246
-	38,208
-	353,589
-	2,880
109	523
-	19,564
<hr/>	
109	3,147,914
<hr/>	
-	1,710,931
-	348,950
-	54,861
-	838,642
-	296,857
-	606,043
-	50,000
-	36,144
-	3,527
<hr/>	
-	3,945,955
<hr/>	
109	(798,041)
<hr/>	
-	6,800
-	734,479
-	(206,938)
<hr/>	
-	534,341
<hr/>	
109	(263,700)
<hr/>	
31,521	6,611,041
<hr/>	
\$ 31,630	\$ 6,347,341
<hr/>	

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

	Charlton Park	Friend of the Court	Local Corrections Officer Training
<b>Assets</b>			
Cash and cash equivalents	\$ 228,831	\$ 621,515	\$ 57,654
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	408,554	-	-
Loans receivable	-	-	-
Due from other governments	-	198,205	-
<b>Total assets</b>	<b>\$ 637,385</b>	<b>\$ 819,720</b>	<b>\$ 57,654</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	-	3,989	-
Accrued liabilities	6,000	14,822	-
Advance from other funds	105,000	-	-
<b>Total liabilities</b>	<b>111,000</b>	<b>18,811</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	446,153	-	-
<b>Fund balances</b>			
Restricted	-	-	57,654
Committed	80,232	800,909	-
<b>Total fund balances</b>	<b>80,232</b>	<b>800,909</b>	<b>57,654</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 637,385</b>	<b>\$ 819,720</b>	<b>\$ 57,654</b>



Solid Waste	C SNIP Donation	Animal Shelter Donation	Animal Shelter T.N.R. Grant 2016	Community Resource Network	Remonumentation
\$ 209,865	\$ 1,921	\$ 101,082	\$ 13,324	\$ 13,194	\$ 8,622
-	-	-	-	-	-
8,437	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	26,213
<u>\$ 218,302</u>	<u>\$ 1,921</u>	<u>\$ 101,082</u>	<u>\$ 13,324</u>	<u>\$ 13,194</u>	<u>\$ 34,835</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
170	-	1,550	9,865	-	16,846
-	-	-	-	-	-
-	-	-	-	-	-
<u>170</u>	<u>-</u>	<u>1,550</u>	<u>9,865</u>	<u>-</u>	<u>16,846</u>
-	-	-	-	-	-
-	1,921	99,532	3,459	13,194	-
<u>218,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,989</u>
<u>218,132</u>	<u>1,921</u>	<u>99,532</u>	<u>3,459</u>	<u>13,194</u>	<u>17,989</u>
<u>\$ 218,302</u>	<u>\$ 1,921</u>	<u>\$ 101,082</u>	<u>\$ 13,324</u>	<u>\$ 13,194</u>	<u>\$ 34,835</u>

continued...

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

	Register of Deeds Automation	Victim Services Unit	Drug Law Enforcement
<b>Assets</b>			
Cash and cash equivalents	\$ 91,331	\$ 5,139	\$ 1,960
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Loans receivable	-	-	-
Due from other governments	-	-	-
<b>Total assets</b>	<b>\$ 91,331</b>	<b>\$ 5,139</b>	<b>\$ 1,960</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	-	1,106	-
Accrued liabilities	153	-	-
Advance from other funds	-	-	-
<b>Total liabilities</b>	<b>153</b>	<b>1,106</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	-	-	-
<b>Fund balances</b>			
Restricted	91,178	4,033	1,960
Committed	-	-	-
<b>Total fund balances</b>	<b>91,178</b>	<b>4,033</b>	<b>1,960</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 91,331</b>	<b>\$ 5,139</b>	<b>\$ 1,960</b>



Special Investigation	Crime Victims' Rights Week	Law Library	CDBG Housing	Middleville Police Services	MSHDA Home Grant
\$ 8,799	\$ 10,779	\$ 10,175	\$ 32,781	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,044,562	-	13,312
-	11,693	-	-	33,631	-
<u>\$ 8,799</u>	<u>\$ 22,472</u>	<u>\$ 10,175</u>	<u>\$ 1,077,343</u>	<u>\$ 33,631</u>	<u>\$ 13,312</u>
\$ -	\$ -	\$ -	\$ -	\$ 28,604	\$ -
-	-	-	-	-	-
-	869	-	-	4,945	-
-	-	-	-	-	-
-	869	-	-	33,549	-
-	-	-	-	-	-
-	21,603	-	1,077,343	-	13,312
8,799	-	10,175	-	82	-
8,799	21,603	10,175	1,077,343	82	13,312
<u>\$ 8,799</u>	<u>\$ 22,472</u>	<u>\$ 10,175</u>	<u>\$ 1,077,343</u>	<u>\$ 33,631</u>	<u>\$ 13,312</u>

continued...

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

	Community Corrections	Adult Drug Court	Juvenile Drug Court
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 250,176	\$ 511,844
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Loans receivable	-	-	-
Due from other governments	17,183	20,906	14,929
<b>Total assets</b>	<u>\$ 17,183</u>	<u>\$ 271,082</u>	<u>\$ 526,773</u>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ 6,328	\$ -	\$ -
Accounts payable	1,699	640	-
Accrued liabilities	575	1,736	-
Advance from other funds	-	-	-
<b>Total liabilities</b>	<u>8,602</u>	<u>2,376</u>	<u>-</u>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	-	-	-
<b>Fund balances</b>			
Restricted	-	-	24,104
Committed	8,581	268,706	502,669
<b>Total fund balances</b>	<u>8,581</u>	<u>268,706</u>	<u>526,773</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 17,183</u>	<u>\$ 271,082</u>	<u>\$ 526,773</u>





Michigan Justice Training	56B Sobriety Court	Social Welfare	Child Care	Veterans' Trust	Sure and Swift Program
\$ 14,382	\$ 2,910	\$ 36,107	\$ 2,037,524	\$ 7,665	\$ -
-	-	56,463	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	18,352	-	69,298	-	23,047
<u>\$ 14,382</u>	<u>\$ 21,262</u>	<u>\$ 92,570</u>	<u>\$ 2,106,822</u>	<u>\$ 7,665</u>	<u>\$ 23,047</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,738
-	-	-	27,172	-	-
-	1,151	-	4,738	-	1,151
-	-	-	-	-	-
-	1,151	-	31,910	-	14,889
-	-	-	-	-	-
14,382	20,111	-	-	7,665	-
-	-	92,570	2,074,912	-	8,158
<u>14,382</u>	<u>20,111</u>	<u>92,570</u>	<u>2,074,912</u>	<u>7,665</u>	<u>8,158</u>
<u>\$ 14,382</u>	<u>\$ 21,262</u>	<u>\$ 92,570</u>	<u>\$ 2,106,822</u>	<u>\$ 7,665</u>	<u>\$ 23,047</u>

continued...

# COUNTY OF BARRY, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

	Diverted Felons	Bench Warrant	Sheriff K-9 Donation
<b>Assets</b>			
Cash and cash equivalents	\$ 314,465	\$ 1,360	\$ 3,180
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Loans receivable	-	-	-
Due from other governments	-	-	-
<b>Total assets</b>	<b>\$ 314,465</b>	<b>\$ 1,360</b>	<b>\$ 3,180</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Advance from other funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	-	-	-
<b>Fund balances</b>			
Restricted	314,465	1,360	3,180
Committed	-	-	-
<b>Total fund balances</b>	<b>314,465</b>	<b>1,360</b>	<b>3,180</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 314,465</b>	<b>\$ 1,360</b>	<b>\$ 3,180</b>



Concealed Pistol License	Total
\$ 52,439	\$ 4,649,024
-	56,463
-	8,437
-	408,554
-	1,057,874
-	433,457
<u>\$ 52,439</u>	<u>\$ 6,613,809</u>
\$ -	\$ 48,670
506	63,543
-	36,140
-	105,000
<u>506</u>	<u>253,353</u>
-	446,153
51,933	1,822,389
-	4,091,914
<u>51,933</u>	<u>5,914,303</u>
<u>\$ 52,439</u>	<u>\$ 6,613,809</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, 2016

	Charlton Park	Friend of the Court	Local Corrections Officer Training
<b>Revenues</b>			
Taxes	\$ 444,904	\$ -	\$ -
Intergovernmental	31,787	834,857	-
Licenses and permits	-	-	-
Charges for services	135,925	29,393	12,009
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>612,616</b>	<b>864,250</b>	<b>12,009</b>
<b>Expenditures</b>			
Current:			
General government	-	1,012,953	-
Public safety	-	-	3,030
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	606,043	-	-
<b>Total expenditures</b>	<b>606,043</b>	<b>1,012,953</b>	<b>3,030</b>
Revenues over (under) expenditures	6,573	(148,703)	8,979
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	6,800	-	-
Transfers in	-	148,703	-
Transfers out	(11,461)	-	-
<b>Total other financing sources (uses)</b>	<b>(4,661)</b>	<b>148,703</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>1,912</b>	<b>-</b>	<b>8,979</b>
Fund balances, beginning of year	78,320	800,909	48,675
<b>Fund balances, end of year</b>	<b>\$ 80,232</b>	<b>\$ 800,909</b>	<b>\$ 57,654</b>



Solid Waste	C SNIP Donation	Animal Shelter Donation	Animal Shelter T.N.R. Grant 2016	Community Resource Network	Remonumentation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	5,000	3,950	45,787
-	-	-	-	-	-
66,946	-	-	-	-	-
-	-	-	-	-	-
-	-	122	-	11	-
-	-	13,408	800	-	-
66,946	-	13,530	5,800	3,961	45,787
-	-	-	-	-	66,757
-	-	-	-	-	-
54,861	-	-	-	-	-
-	-	21,552	32,275	2,950	-
-	-	-	-	-	-
-	-	-	-	-	-
54,861	-	21,552	32,275	2,950	66,757
12,085	-	(8,022)	(26,475)	1,011	(20,970)
-	-	-	-	-	-
1,100	-	-	-	-	20,452
-	-	-	-	-	-
1,100	-	-	-	-	20,452
13,185	-	(8,022)	(26,475)	1,011	(518)
204,947	1,921	107,554	29,934	12,183	18,507
\$ 218,132	\$ 1,921	\$ 99,532	\$ 3,459	\$ 13,194	\$ 17,989

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, 2016

	Register of Deeds Automation	Victim Services Unit	Drug Law Enforcement
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	946	-
Licenses and permits	-	-	-
Charges for services	63,495	-	-
Fines and forfeitures	-	-	1,840
Interest and rentals	62	8	-
Other revenues	-	4,636	-
<b>Total revenues</b>	<b>63,557</b>	<b>5,590</b>	<b>1,840</b>
<b>Expenditures</b>			
Current:			
General government	77,775	-	-
Public safety	-	5,941	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>77,775</b>	<b>5,941</b>	<b>-</b>
Revenues over (under) expenditures	(14,218)	(351)	1,840
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(14,218)</b>	<b>(351)</b>	<b>1,840</b>
Fund balances, beginning of year	105,396	4,384	120
<b>Fund balances, end of year</b>	<b>\$ 91,178</b>	<b>\$ 4,033</b>	<b>\$ 1,960</b>



Special Investigation	Crime Victims' Rights Week	Law Library	CDBG Housing	Middleville Police Services	MSHDA Home Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	52,361	6,500	-	264,873	148,914
-	-	-	-	-	-
-	-	-	24,582	-	-
1,040	-	-	-	-	-
6	-	-	6	-	-
-	-	-	-	-	-
1,046	52,361	6,500	24,588	264,873	148,914
-	54,342	17,940	-	-	-
-	-	-	-	264,873	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	147,943	-	148,914
-	-	-	-	-	-
-	54,342	17,940	147,943	264,873	148,914
1,046	(1,981)	(11,440)	(123,355)	-	-
-	-	-	-	-	-
-	-	11,500	-	-	-
-	-	-	-	-	-
-	-	11,500	-	-	-
1,046	(1,981)	60	(123,355)	-	-
7,753	23,584	10,115	1,200,698	82	13,312
\$ 8,799	\$ 21,603	\$ 10,175	\$ 1,077,343	\$ 82	\$ 13,312

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, 2016

	Community Corrections	Adult Drug Court	Juvenile Drug Court
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	71,478	89,129	91,864
Licenses and permits	-	-	-
Charges for services	-	13,229	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>71,478</b>	<b>102,358</b>	<b>91,864</b>
<b>Expenditures</b>			
Current:			
General government	-	149,871	67,185
Public safety	68,104	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>68,104</b>	<b>149,871</b>	<b>67,185</b>
<b>Revenues over (under) expenditures</b>	<b>3,374</b>	<b>(47,513)</b>	<b>24,679</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	47,513	22,208
Transfers out	-	-	(195,477)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>47,513</b>	<b>(173,269)</b>
<b>Net changes in fund balances</b>	<b>3,374</b>	<b>-</b>	<b>(148,590)</b>
<b>Fund balances, beginning of year</b>	<b>5,207</b>	<b>268,706</b>	<b>675,363</b>
<b>Fund balances, end of year</b>	<b>\$ 8,581</b>	<b>\$ 268,706</b>	<b>\$ 526,773</b>



Michigan Justice Training	56B Sobriety Court	Social Welfare	Child Care	Veterans' Trust	Sure and Swift Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,681	69,892	-	377,358	-	112,314
-	-	-	-	-	-
-	8,010	-	-	-	-
-	-	-	-	-	-
-	-	199	-	-	-
-	-	-	-	-	-
5,681	77,902	199	377,358	-	112,314
-	73,577	-	-	-	108,915
6,496	-	-	-	-	-
-	-	-	-	-	-
-	-	6,559	775,306	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,496	73,577	6,559	775,306	-	108,915
(815)	4,325	(6,360)	(397,948)	-	3,399
-	-	-	-	-	-
-	600	7,840	397,948	-	2,000
-	-	-	-	-	-
-	600	7,840	397,948	-	2,000
(815)	4,925	1,480	-	-	5,399
15,197	15,186	91,090	2,074,912	7,665	2,759
\$ 14,382	\$ 20,111	\$ 92,570	\$ 2,074,912	\$ 7,665	\$ 8,158

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, 2016

	Diverted Felons	Bench Warrant	Sheriff K-9 Donation
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	75,555	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	720
<b>Total revenues</b>	<b>75,555</b>	<b>-</b>	<b>720</b>
<b>Expenditures</b>			
Current:			
General government	81,616	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>81,616</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>(6,061)</b>	<b>-</b>	<b>720</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(6,061)</b>	<b>-</b>	<b>720</b>
<b>Fund balances, beginning of year</b>	<b>320,526</b>	<b>1,360</b>	<b>2,460</b>
<b>Fund balances, end of year</b>	<b>\$ 314,465</b>	<b>\$ 1,360</b>	<b>\$ 3,180</b>



Concealed Pistol License	Total
\$ -	\$ 444,904
-	2,288,246
38,208	38,208
-	353,589
-	2,880
-	414
-	19,564
<u>38,208</u>	<u>3,147,805</u>
-	1,710,931
506	348,950
-	54,861
-	838,642
-	296,857
-	606,043
<u>506</u>	<u>3,856,284</u>
<u>37,702</u>	<u>(708,479)</u>
-	6,800
-	659,864
-	(206,938)
<u>-</u>	<u>459,726</u>
37,702	(248,753)
<u>14,231</u>	<u>6,163,056</u>
<u>\$ 51,933</u>	<u>\$ 5,914,303</u>

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, 2016

	Charlton Park		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ 415,505	\$ 444,904	\$ 29,399
Intergovernmental	27,200	31,787	4,587
Licenses and permits	-	-	-
Charges for services	126,200	135,925	9,725
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>568,905</b>	<b>612,616</b>	<b>43,711</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	630,044	606,043	(24,001)
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>630,044</b>	<b>606,043</b>	<b>(24,001)</b>
<b>Revenues over (under) expenditures</b>	<b>(61,139)</b>	<b>6,573</b>	<b>67,712</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	6,800	6,800
Transfers in	-	-	-
Transfers out	(11,461)	(11,461)	-
<b>Total other financing sources (uses)</b>	<b>(11,461)</b>	<b>(4,661)</b>	<b>6,800</b>
<b>Net changes in fund balances</b>	<b>(72,600)</b>	<b>1,912</b>	<b>74,512</b>
<b>Fund balances, beginning of year</b>	<b>78,320</b>	<b>78,320</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 5,720</b>	<b>\$ 80,232</b>	<b>\$ 74,512</b>



Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
827,120	834,857	7,737	-	-	-
-	-	-	-	-	-
18,500	29,393	10,893	11,500	12,009	509
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
845,620	864,250	18,630	11,500	12,009	509
1,089,337	1,012,953	(76,384)	-	-	-
-	-	-	14,000	3,030	(10,970)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
300	-	(300)	-	-	-
1,089,637	1,012,953	(76,684)	14,000	3,030	(10,970)
(244,017)	(148,703)	95,314	(2,500)	8,979	11,479
-	-	-	-	-	-
290,267	148,703	(141,564)	-	-	-
-	-	-	-	-	-
290,267	148,703	(141,564)	-	-	-
46,250	-	(46,250)	(2,500)	8,979	11,479
800,909	800,909	-	48,675	48,675	-
\$ 847,159	\$ 800,909	\$ (46,250)	\$ 46,175	\$ 57,654	\$ 11,479

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, 2016

	Solid Waste		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	53,000	66,946	13,946
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	2,500	-	(2,500)
<b>Total revenues</b>	<b>55,500</b>	<b>66,946</b>	<b>11,446</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	110,000	54,861	(55,139)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>110,000</b>	<b>54,861</b>	<b>(55,139)</b>
<b>Revenues over (under) expenditures</b>	<b>(54,500)</b>	<b>12,085</b>	<b>66,585</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	1,100	1,100	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,100</b>	<b>1,100</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(53,400)</b>	<b>13,185</b>	<b>66,585</b>
<b>Fund balances, beginning of year</b>	<b>204,947</b>	<b>204,947</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 151,547</b>	<b>\$ 218,132</b>	<b>\$ 66,585</b>



C SNIP Donation			Animal Shelter Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	122	122
-	-	-	25,000	13,408	(11,592)
-	-	-	25,000	13,530	(11,470)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	31,000	21,552	(9,448)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	31,000	21,552	(9,448)
-	-	-	(6,000)	(8,022)	(2,022)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(6,000)	(8,022)	(2,022)
1,921	1,921	-	107,554	107,554	-
\$ 1,921	\$ 1,921	\$ -	\$ 101,554	\$ 99,532	\$ (2,022)

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, 2016

	Animal Shelter T.N.R. Grant 2016		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	5,000	5,000	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	800	800	-
<b>Total revenues</b>	<u>5,800</u>	<u>5,800</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	24,000	32,275	8,275
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>24,000</u>	<u>32,275</u>	<u>8,275</u>
Revenues over (under) expenditures	<u>(18,200)</u>	<u>(26,475)</u>	<u>(8,275)</u>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(18,200)</u>	<u>(26,475)</u>	<u>(8,275)</u>
Fund balances, beginning of year	<u>29,934</u>	<u>29,934</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 11,734</u>	<u>\$ 3,459</u>	<u>\$ (8,275)</u>





Community Resource Network			Remonumentation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,000	3,950	(3,050)	48,935	45,787	(3,148)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11	11	400	-	(400)
-	-	-	-	-	-
7,000	3,961	(3,039)	49,335	45,787	(3,548)
-	-	-	69,437	66,757	(2,680)
-	-	-	-	-	-
-	-	-	-	-	-
7,000	2,950	(4,050)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,000	2,950	(4,050)	69,437	66,757	(2,680)
-	1,011	1,011	(20,102)	(20,970)	(868)
-	-	-	-	-	-
-	-	-	20,452	20,452	-
-	-	-	-	-	-
-	-	-	20,452	20,452	-
-	1,011	1,011	350	(518)	(868)
12,183	12,183	-	18,507	18,507	-
\$ 12,183	\$ 13,194	\$ 1,011	\$ 18,857	\$ 17,989	\$ (868)

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, 2016

	Register of Deeds Automation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	62,900	63,495	595
Fines and forfeitures	-	-	-
Interest and rentals	-	62	62
Other revenues	-	-	-
<b>Total revenues</b>	<b>62,900</b>	<b>63,557</b>	<b>657</b>
<b>Expenditures</b>			
Current:			
General government	85,000	77,775	(7,225)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>85,000</b>	<b>77,775</b>	<b>(7,225)</b>
<b>Revenues over (under) expenditures</b>	<b>(22,100)</b>	<b>(14,218)</b>	<b>7,882</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(22,100)</b>	<b>(14,218)</b>	<b>7,882</b>
<b>Fund balances, beginning of year</b>	<b>105,396</b>	<b>105,396</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 83,296</b>	<b>\$ 91,178</b>	<b>\$ 7,882</b>



Victim Services Unit			Drug Law Enforcement		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,000	946	(1,054)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,840	1,840
20	8	(12)	-	-	-
200	4,636	4,436	-	-	-
<hr/>			<hr/>		
2,220	5,590	3,370	-	1,840	1,840
<hr/>			<hr/>		
-	-	-	-	-	-
5,360	5,941	581	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>			<hr/>		
5,360	5,941	581	-	-	-
<hr/>			<hr/>		
(3,140)	(351)	2,789	-	1,840	1,840
<hr/>			<hr/>		
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
<hr/>			<hr/>		
(3,140)	(351)	2,789	-	1,840	1,840
<hr/>			<hr/>		
4,384	4,384	-	120	120	-
<hr/>			<hr/>		
\$ 1,244	\$ 4,033	\$ 2,789	\$ 120	\$ 1,960	\$ 1,840
<hr/>			<hr/>		

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, 2016

	Special Investigation		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	100	1,040	940
Interest and rentals	4	6	2
Other revenues	-	-	-
<b>Total revenues</b>	<b>104</b>	<b>1,046</b>	<b>942</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>104</b>	<b>1,046</b>	<b>942</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>104</b>	<b>1,046</b>	<b>942</b>
<b>Fund balances, beginning of year</b>	<b>7,753</b>	<b>7,753</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 7,857</b>	<b>\$ 8,799</b>	<b>\$ 942</b>



Crime Victims' Rights Week			Law Library		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54,189	52,361	(1,828)	6,500	6,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,189	52,361	(1,828)	6,500	6,500	-
53,417	54,342	925	21,203	17,940	(3,263)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,417	54,342	925	21,203	17,940	(3,263)
772	(1,981)	(2,753)	(14,703)	(11,440)	3,263
-	-	-	-	-	-
-	-	-	11,500	11,500	-
-	-	-	-	-	-
-	-	-	11,500	11,500	-
772	(1,981)	(2,753)	(3,203)	60	3,263
23,584	23,584	-	10,115	10,115	-
\$ 24,356	\$ 21,603	\$ (2,753)	\$ 6,912	\$ 10,175	\$ 3,263

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, 2016

	CDBG Housing		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	63,500	24,582	(38,918)
Fines and forfeitures	-	-	-
Interest and rentals	-	6	6
Other revenues	-	-	-
<b>Total revenues</b>	<b>63,500</b>	<b>24,588</b>	<b>(38,912)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	92,562	147,943	55,381
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>92,562</b>	<b>147,943</b>	<b>55,381</b>
<b>Revenues over (under) expenditures</b>	<b>(29,062)</b>	<b>(123,355)</b>	<b>(94,293)</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(29,062)</b>	<b>(123,355)</b>	<b>(94,293)</b>
<b>Fund balances, beginning of year</b>	<b>1,200,698</b>	<b>1,200,698</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 1,171,636</b>	<b>\$ 1,077,343</b>	<b>\$ (94,293)</b>



Middleville Police Services			MSHDA Home Grant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
292,945	264,873	(28,072)	148,914	148,914	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
292,945	264,873	(28,072)	148,914	148,914	-
-	-	-	-	-	-
292,945	264,873	(28,072)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	148,914	148,914	-
-	-	-	-	-	-
-	-	-	-	-	-
292,945	264,873	(28,072)	148,914	148,914	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
82	82	-	13,312	13,312	-
\$ 82	\$ 82	\$ -	\$ 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, 2016

	Community Corrections		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	92,294	71,478	(20,816)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>92,294</b>	<b>71,478</b>	<b>(20,816)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	92,115	68,104	(24,011)
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>92,115</b>	<b>68,104</b>	<b>(24,011)</b>
<b>Revenues over (under) expenditures</b>	<b>179</b>	<b>3,374</b>	<b>3,195</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>179</b>	<b>3,374</b>	<b>3,195</b>
<b>Fund balances, beginning of year</b>	<b>5,207</b>	<b>5,207</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 5,386</b>	<b>\$ 8,581</b>	<b>\$ 3,195</b>





Adult Drug Court			Juvenile Drug Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	89,129	(10,871)	119,410	91,864	(27,546)
-	-	-	-	-	-
12,000	13,229	1,229	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,000	102,358	(9,642)	119,410	91,864	(27,546)
178,400	149,871	(28,529)	179,095	67,185	(111,910)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
178,400	149,871	(28,529)	179,095	67,185	(111,910)
(66,400)	(47,513)	18,887	(59,685)	24,679	84,364
-	-	-	-	-	-
78,400	47,513	(30,887)	44,416	22,208	(22,208)
-	-	-	(195,477)	(195,477)	-
78,400	47,513	(30,887)	(151,061)	(173,269)	(22,208)
12,000	-	(12,000)	(210,746)	(148,590)	62,156
268,706	268,706	-	675,363	675,363	-
\$ 280,706	\$ 268,706	\$ (12,000)	\$ 464,617	\$ 526,773	\$ 62,156

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, 2016

	Michigan Justice Training		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	5,545	5,681	136
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>5,545</b>	<b>5,681</b>	<b>136</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	6,500	6,496	(4)
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>6,500</b>	<b>6,496</b>	<b>(4)</b>
Revenues over (under) expenditures	(955)	(815)	140
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(955)</b>	<b>(815)</b>	<b>140</b>
Fund balances, beginning of year	15,197	15,197	-
<b>Fund balances, end of year</b>	<b>\$ 14,242</b>	<b>\$ 14,382</b>	<b>\$ 140</b>



56B Sobriety Court			Social Welfare		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77,500	69,892	(7,608)	-	-	-
-	-	-	-	-	-
8,000	8,010	10	-	-	-
-	-	-	-	-	-
-	-	-	-	199	199
-	-	-	-	-	-
85,500	77,902	(7,598)	-	199	199
86,100	73,577	(12,523)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,840	6,559	(1,281)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
86,100	73,577	(12,523)	7,840	6,559	(1,281)
(600)	4,325	4,925	(7,840)	(6,360)	1,480
-	-	-	-	-	-
600	600	-	7,840	7,840	-
-	-	-	-	-	-
600	600	-	7,840	7,840	-
-	4,925	4,925	-	1,480	1,480
15,186	15,186	-	91,090	91,090	-
\$ 15,186	\$ 20,111	\$ 4,925	\$ 91,090	\$ 92,570	\$ 1,480

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, 2016

	Child Care		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	545,450	377,358	(168,092)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<u>545,450</u>	<u>377,358</u>	<u>(168,092)</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	1,127,894	775,306	(352,588)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>1,127,894</u>	<u>775,306</u>	<u>(352,588)</u>
Revenues over (under) expenditures	<u>(582,444)</u>	<u>(397,948)</u>	<u>184,496</u>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	487,502	397,948	(89,554)
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>487,502</u>	<u>397,948</u>	<u>(89,554)</u>
<b>Net changes in fund balances</b>	<u>(94,942)</u>	<u>-</u>	<u>94,942</u>
Fund balances, beginning of year	<u>2,074,912</u>	<u>2,074,912</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,979,970</u>	<u>\$ 2,074,912</u>	<u>\$ 94,942</u>



Veterans' Trust			Sure and Swift Program		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,500	-	(7,500)	132,000	112,314	(19,686)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,500	-	(7,500)	132,000	112,314	(19,686)
-	-	-	132,000	108,915	(23,085)
-	-	-	-	-	-
-	-	-	-	-	-
7,500	-	(7,500)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,500	-	(7,500)	132,000	108,915	(23,085)
-	-	-	-	3,399	3,399
-	-	-	-	-	-
-	-	-	2,000	2,000	-
-	-	-	-	-	-
-	-	-	2,000	2,000	-
-	-	-	2,000	5,399	3,399
7,665	7,665	-	2,759	2,759	-
\$ 7,665	\$ 7,665	\$ -	\$ 4,759	\$ 8,158	\$ 3,399

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, 2016

	Diverted Felons		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	105,200	75,555	(29,645)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<u>105,200</u>	<u>75,555</u>	<u>(29,645)</u>
<b>Expenditures</b>			
Current:			
General government	40,000	81,616	41,616
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	90,000	-	(90,000)
<b>Total expenditures</b>	<u>130,000</u>	<u>81,616</u>	<u>(48,384)</u>
<b>Revenues over (under) expenditures</b>	<u>(24,800)</u>	<u>(6,061)</u>	<u>18,739</u>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net changes in fund balances</b>	<u>(24,800)</u>	<u>(6,061)</u>	<u>18,739</u>
<b>Fund balances, beginning of year</b>	<u>320,526</u>	<u>320,526</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 295,726</u>	<u>\$ 314,465</u>	<u>\$ 18,739</u>

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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, 2016

	Concealed Pistol License		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	39,000	38,208	(792)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>39,000</b>	<b>38,208</b>	<b>(792)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	506	506
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>506</b>	<b>506</b>
<b>Revenues over (under) expenditures</b>	<b>39,000</b>	<b>37,702</b>	<b>(1,298)</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>39,000</b>	<b>37,702</b>	<b>(1,298)</b>
<b>Fund balances, beginning of year</b>	<b>14,231</b>	<b>14,231</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 53,231</b>	<b>\$ 51,933</b>	<b>\$ (1,298)</b>





Total		
Final Budget	Actual	Actual Over (Under) Final Budget
\$ 415,505	\$ 444,904	\$ 29,399
2,604,702	2,288,246	(316,456)
39,000	38,208	(792)
355,600	353,589	(2,011)
100	2,880	2,780
424	414	(10)
28,500	19,564	(8,936)
3,443,831	3,147,805	(296,026)
1,933,989	1,710,931	(223,058)
410,920	348,950	(61,970)
110,000	54,861	(55,139)
1,205,234	838,642	(366,592)
241,476	296,857	55,381
630,044	606,043	(24,001)
90,300	-	(90,300)
4,621,963	3,856,284	(765,679)
(1,178,132)	(708,479)	469,653
-	6,800	6,800
944,077	659,864	(284,213)
(206,938)	(206,938)	-
737,139	459,726	(277,413)
(440,993)	(248,753)	192,240
6,163,056	6,163,056	-
\$ 5,722,063	\$ 5,914,303	\$ 192,240

concluded

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2016

	Building Authority			
	Friend of the Court Renovation	Thornapple Manor 2012 Bonds	2016 Road Commission	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 20,742	\$ 3,328	\$ 22,765	\$ 46,835
Investments	-	144	-	144
<b>Total assets</b>	<u>\$ 20,742</u>	<u>\$ 3,472</u>	<u>\$ 22,765</u>	<u>\$ 46,979</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 22,765	\$ 22,765
<b>Fund balances</b>				
Committed	<u>20,742</u>	<u>3,472</u>	<u>-</u>	<u>24,214</u>
<b>Total liabilities and fund balances</b>	<u>\$ 20,742</u>	<u>\$ 3,472</u>	<u>\$ 22,765</u>	<u>\$ 46,979</u>

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds For the Year Ended December 31, 2016

	Building Authority		2016 Road Commission	Total
	Friend of the Court Renovation	Thornapple Manor 2012 Bonds		
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Debt service:				
Principal	50,000	-	-	50,000
Interest expense	35,894	250	-	36,144
<b>Total expenditures</b>	<b>85,894</b>	<b>250</b>	<b>-</b>	<b>86,144</b>
Revenues under expenditures	(85,894)	(250)	-	(86,144)
<b>Other financing sources</b>				
Transfers in	74,615	-	-	74,615
<b>Net changes in fund balances</b>	<b>(11,279)</b>	<b>(250)</b>	<b>-</b>	<b>(11,529)</b>
Fund balances, beginning of year	32,021	3,722	-	35,743
<b>Fund balances, end of year</b>	<b>\$ 20,742</b>	<b>\$ 3,472</b>	<b>\$ -</b>	<b>\$ 24,214</b>

## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2016

	McKeown Bridge Construction	Capital Replacement	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 8,721	\$ 368,473	\$ 377,194
<b>Fund balances</b>			
Restricted	\$ 8,721	\$ -	\$ 8,721
Committed	-	368,473	368,473
<b>Total fund balances</b>	\$ 8,721	\$ 368,473	\$ 377,194

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2016

	McKeown Bridge Construction	Capital Replacement	Total
<b>Revenues</b>			
Interest revenue	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Capital outlay	-	3,527	3,527
<b>Net changes in fund balances</b>	-	(3,527)	(3,527)
Fund balances, beginning of year	8,721	372,000	380,721
<b>Fund balances, end of year</b>	<u>\$ 8,721</u>	<u>\$ 368,473</u>	<u>\$ 377,194</u>

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2016

	2013 Delinquent Tax Revolving	2014 Delinquent Tax Revolving	2016 Delinquent Tax Revolving
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 118,226	\$ 22,737
Investments	-	-	-
Accounts receivable	-	-	-
Delinquent taxes receivable	-	504,673	564,297
Due from other governments	-	-	-
Total current assets	-	622,899	587,034
Noncurrent assets:			
Net other postemployment benefits asset	-	-	-
Capital assets being depreciated, net	-	-	-
Total noncurrent assets	-	-	-
<b>Total assets</b>	-	622,899	587,034
<b>Deferred outflows of resources</b>			
Deferred pension amounts	-	-	-
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	5,567	-
Accrued liabilities	-	-	-
Due to other governments	-	210	21,512
Due to other funds	-	-	564,297
Total current liabilities	-	5,777	585,809
Noncurrent liabilities:			
Net pension liability	-	-	-
<b>Total liabilities</b>	-	5,777	585,809
<b>Net position</b>			
Investment in capital assets	-	-	-
Restricted for property tax foreclosures	-	-	-
Unrestricted	-	617,122	1,225
<b>Total net position</b>	\$ -	\$ 617,122	\$ 1,225



Foreclosure	Transit	Jail Commissary	Total
\$ 728,616	\$ 2,487,061	\$ 170,596	\$ 3,527,236
304,098	455,209	-	759,307
-	21,427	-	21,427
-	-	-	1,068,970
-	78,757	-	78,757
<u>1,032,714</u>	<u>3,042,454</u>	<u>170,596</u>	<u>5,455,697</u>
-	25,546	-	25,546
-	732,894	-	732,894
-	758,440	-	758,440
<u>1,032,714</u>	<u>3,800,894</u>	<u>170,596</u>	<u>6,214,137</u>
-	139,135	-	139,135
-	19,825	2,523	27,915
-	30,388	-	30,388
-	-	-	21,722
-	-	-	564,297
-	50,213	2,523	644,322
-	674,365	-	674,365
-	724,578	2,523	1,318,687
-	732,894	-	732,894
277,227	-	-	277,227
755,487	2,482,557	168,073	4,024,464
<u>\$ 1,032,714</u>	<u>\$ 3,215,451</u>	<u>\$ 168,073</u>	<u>\$ 5,034,585</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, 2016

	2013 Delinquent Tax Revolving	2014 Delinquent Tax Revolving	2016 Delinquent Tax Revolving
<b>Operating revenues</b>			
Charges for services	\$ -	\$ 42,689	\$ 862
Interest and penalties on delinquent taxes	-	166,753	361
<b>Total operating revenues</b>	<u>-</u>	<u>209,442</u>	<u>1,223</u>
<b>Operating expense</b>			
Operations	10,557	25,321	-
Depreciation	-	-	-
<b>Total operating expense</b>	<u>10,557</u>	<u>25,321</u>	<u>-</u>
<b>Operating income (loss)</b>	<u>(10,557)</u>	<u>184,121</u>	<u>1,223</u>
<b>Nonoperating revenues</b>			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	-	89	2
<b>Total nonoperating revenues</b>	<u>-</u>	<u>89</u>	<u>2</u>
<b>Income (loss) before transfers</b>	<u>(10,557)</u>	<u>184,210</u>	<u>1,225</u>
<b>Transfers</b>			
Transfers out	(589,521)	-	-
<b>Change in net position</b>	<u>(600,078)</u>	<u>184,210</u>	<u>1,225</u>
<b>Net position, beginning of year</b>	<u>600,078</u>	<u>432,912</u>	<u>-</u>
<b>Net position, end of year</b>	<u>\$ -</u>	<u>\$ 617,122</u>	<u>\$ 1,225</u>





Foreclosure	Transit	Jail Commissary	Total
\$ 92,851	\$ 258,309	\$ 131,347	\$ 526,058
-	-	-	167,114
92,851	258,309	131,347	693,172
450	1,379,730	109,372	1,525,430
-	192,412	-	192,412
450	1,572,142	109,372	1,717,842
92,401	(1,313,833)	21,975	(1,024,670)
-	500,034	-	500,034
-	999,168	-	999,168
1,203	4,611	-	5,905
1,203	1,503,813	-	1,505,107
93,604	189,980	21,975	480,437
-	-	-	(589,521)
93,604	189,980	21,975	(109,084)
939,110	3,025,471	146,098	5,143,669
\$ 1,032,714	\$ 3,215,451	\$ 168,073	\$ 5,034,585

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2016

	2013 Delinquent Tax Revolving	2014 Delinquent Tax Revolving	2016 Delinquent Tax Revolving
<b>Cash flows from operating activities</b>			
Cash received from customers and users	\$ 443,773	\$ 1,448,693	\$ 22,735
Cash payments to suppliers for goods and services	(16,538)	(19,754)	-
Cash payments to employees for services	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>427,235</b>	<b>1,428,939</b>	<b>22,735</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers out	(589,521)	-	-
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Payments on long-term advances from other funds	-	(1,434,000)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(589,521)</b>	<b>(1,434,000)</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>			
Intergovernmental capital grants	-	-	-
Purchases of capital assets	-	-	-
<b>Net cash provided by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Purchases of investments	-	-	-
Interest received	-	89	2
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>89</b>	<b>2</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(162,286)</b>	<b>(4,972)</b>	<b>22,737</b>
Cash and cash equivalents, beginning of year	162,286	123,198	-
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ 118,226</b>	<b>\$ 22,737</b>



Foreclosure	Transit	Jail Commissary	Total
\$ 92,851	\$ 252,614	\$ 131,347	\$ 2,392,013
(450)	(634,284)	(110,832)	(781,858)
-	(713,306)	-	(713,306)
92,401	(1,094,976)	20,515	896,849
-	-	-	(589,521)
-	500,034	-	500,034
-	935,597	-	935,597
-	-	-	(1,434,000)
-	1,435,631	-	(587,890)
-	64,336	-	64,336
-	(153,193)	-	(153,193)
-	(88,857)	-	(88,857)
(1,060)	(870)	-	(1,930)
1,203	4,611	-	5,905
143	3,741	-	3,975
92,544	255,539	20,515	224,077
636,072	2,231,522	150,081	3,303,159
\$ 728,616	\$ 2,487,061	\$ 170,596	\$ 3,527,236

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## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2016

	2013 Delinquent Tax Revolving	2014 Delinquent Tax Revolving	2016 Delinquent Tax Revolving
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (10,557)	\$ 184,121	\$ 1,223
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Changes in:			
Accounts receivable	-	-	-
Taxes receivable	446,476	1,247,579	(564,297)
Other assets	-	-	-
Net other postemployment benefits asset	-	-	-
Accounts payable	(5,981)	5,567	-
Accrued liabilities	-	-	-
Due to other governments	(2,703)	(8,328)	21,512
Due to other funds	-	-	564,297
Net pension liability and related deferred amounts	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 427,235</u>	<u>\$ 1,428,939</u>	<u>\$ 22,735</u>



Foreclosure	Transit	Jail Commissary	Total
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\$	92,401	\$	(1,313,833)	\$	21,975	\$	(1,024,670)
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-	192,412	-	192,412
-	(5,695)	-	(5,695)
-	-	-	1,129,758
-	10,067	-	10,067
-	(13,942)	-	(13,942)
-	5,996	(1,460)	4,122
-	7,491	-	7,491
-	-	-	10,481
-	-	-	564,297
-	22,528	-	22,528

\$	92,401	\$	(1,094,976)	\$	20,515	\$	896,849
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## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Net Position

Internal Service Funds

December 31, 2016

	Data Processing	Telephone	Vehicle
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,296,842	\$ 52,452	\$ 1,004,239
Investments	-	-	-
Accounts receivable	-	-	-
Total current assets	<u>1,296,842</u>	<u>52,452</u>	<u>1,004,239</u>
Noncurrent assets:			
Capital assets not being depreciated	111,450	-	-
Capital assets being depreciated, net	238,047	-	511,247
Total noncurrent assets	<u>349,497</u>	<u>-</u>	<u>511,247</u>
<b>Total assets</b>	<u>1,646,339</u>	<u>52,452</u>	<u>1,515,486</u>
<b>Liabilities (all current)</b>			
Accounts payable	<u>8,526</u>	<u>-</u>	<u>-</u>
<b>Net position</b>			
Investment in capital assets	349,497	-	511,247
Unrestricted	<u>1,288,316</u>	<u>52,452</u>	<u>1,004,239</u>
<b>Total net position</b>	<u>\$ 1,637,813</u>	<u>\$ 52,452</u>	<u>\$ 1,515,486</u>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 46,847	\$ 336,273	\$ 197,788	\$ 600,633	\$ 3,387	\$ 882,122
-	-	-	619,707	-	-
-	-	-	-	-	76,474
46,847	336,273	197,788	1,220,340	3,387	958,596
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
46,847	336,273	197,788	1,220,340	3,387	958,596
-	-	-	-	-	137,611
-	-	-	-	-	-
46,847	336,273	197,788	1,220,340	3,387	820,985
\$ 46,847	\$ 336,273	\$ 197,788	\$ 1,220,340	\$ 3,387	\$ 820,985

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## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Net Position

Internal Service Funds

December 31, 2016

	Dental and Optical	Unemployment	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 104,642	\$ 188,393	\$ 4,713,618
Investments	-	-	619,707
Accounts receivable	-	-	76,474
Total current assets	104,642	188,393	5,409,799
Noncurrent assets:			
Capital assets not being depreciated	-	-	111,450
Capital assets being depreciated, net	-	-	749,294
Total noncurrent assets	-	-	860,744
<b>Total assets</b>	104,642	188,393	6,270,543
<b>Liabilities (all current)</b>			
Accounts payable	-	5,308	151,445
<b>Net position</b>			
Investment in capital assets	-	-	860,744
Unrestricted	104,642	183,085	5,258,354
<b>Total net position</b>	\$ 104,642	\$ 183,085	\$ 6,119,098

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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, 2016

	Data Processing	Telephone	Vehicle
<b>Operating revenues</b>			
Charges for services	\$ -	\$ 35,485	\$ -
Other revenues	-	-	1,977
<b>Total operating revenues</b>	-	35,485	1,977
<b>Operating expenses</b>			
Operations	91,754	29,859	41,201
Depreciation	49,676	-	148,423
Other expenses	1,723	-	-
<b>Total operating expenses</b>	143,153	29,859	189,624
<b>Operating income (loss)</b>	(143,153)	5,626	(187,647)
<b>Nonoperating revenues</b>			
Interest revenue	-	-	-
Gain (loss) on sale of capital assets	(7,045)	-	18,418
<b>Total nonoperating revenues</b>	(7,045)	-	18,418
<b>Income (loss) before transfers</b>	(150,198)	5,626	(169,229)
<b>Transfers</b>			
Transfers in	-	-	-
Transfers out	-	-	(50,150)
<b>Total transfers</b>	-	-	(50,150)
<b>Change in net position</b>	(150,198)	5,626	(219,379)
<b>Net position, beginning of year</b>	1,788,011	46,826	1,734,865
<b>Net position, end of year</b>	\$ 1,637,813	\$ 52,452	\$ 1,515,486



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 182,401 4,314	\$ 2,115,510 -	\$ 89,591 -	\$ 147,909 -	\$ 50,902 -	\$ 1,554,106 -
186,715	2,115,510	89,591	147,909	50,902	1,554,106
176,574	2,126,760	76,749	63,037	48,267	3,795,389
-	-	-	-	-	-
-	-	-	-	-	-
176,574	2,126,760	76,749	63,037	48,267	3,795,389
10,141	(11,250)	12,842	84,872	2,635	(2,241,283)
-	-	-	18,622	-	-
-	-	-	-	-	-
-	-	-	18,622	-	-
10,141	(11,250)	12,842	103,494	2,635	(2,241,283)
-	-	-	-	-	2,970,859
-	-	-	-	-	-
-	-	-	-	-	2,970,859
10,141	(11,250)	12,842	103,494	2,635	729,576
36,706	347,523	184,946	1,116,846	752	91,409
\$ 46,847	\$ 336,273	\$ 197,788	\$ 1,220,340	\$ 3,387	\$ 820,985

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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, 2016

	Dental and Optical	Unemployment	Total
<b>Operating revenues</b>			
Charges for services	\$ 56,001	\$ 47,601	\$ 4,279,506
Other revenues	-	-	6,291
<b>Total operating revenues</b>	<u>56,001</u>	<u>47,601</u>	<u>4,285,797</u>
<b>Operating expenses</b>			
Operations	65,495	5,308	6,520,393
Depreciation	-	-	198,099
Other expenses	-	-	1,723
<b>Total operating expenses</b>	<u>65,495</u>	<u>5,308</u>	<u>6,720,215</u>
<b>Operating income (loss)</b>	<u>(9,494)</u>	<u>42,293</u>	<u>(2,434,418)</u>
<b>Nonoperating revenues</b>			
Interest revenue	-	-	18,622
Gain (loss) on sale of capital assets	-	-	11,373
<b>Total nonoperating revenues</b>	<u>-</u>	<u>-</u>	<u>29,995</u>
<b>Income (loss) before transfers</b>	<u>(9,494)</u>	<u>42,293</u>	<u>(2,404,423)</u>
<b>Transfers</b>			
Transfers in	-	-	2,970,859
Transfers out	-	-	(50,150)
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>2,920,709</u>
<b>Change in net position</b>	<u>(9,494)</u>	<u>42,293</u>	<u>516,286</u>
<b>Net position, beginning of year</b>	<u>114,136</u>	<u>140,792</u>	<u>5,602,812</u>
<b>Net position, end of year</b>	<u>\$ 104,642</u>	<u>\$ 183,085</u>	<u>\$ 6,119,098</u>

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## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2016

	Data Processing	Telephone	Vehicle
<b>Cash flows from operating activities</b>			
Cash received from interfund services	\$ -	\$ 35,485	\$ 1,977
Cash payments to suppliers for goods and services	(85,128)	(29,859)	(41,201)
Cash payments to employees for services	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(85,128)</b>	<b>5,626</b>	<b>(39,224)</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	-	-	-
Transfers out	-	-	(50,150)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>(50,150)</b>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(282,864)	-	(246,993)
Proceeds from sale of capital assets	22,035	-	18,418
<b>Net cash used in capital and related financing activities</b>	<b>(260,829)</b>	<b>-</b>	<b>(228,575)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(345,957)</b>	<b>5,626</b>	<b>(317,949)</b>
Cash and cash equivalents, beginning of year	1,642,799	46,826	1,322,188
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,296,842</b>	<b>\$ 52,452</b>	<b>\$ 1,004,239</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ (143,153)	\$ 5,626	\$ (187,647)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	49,676	-	148,423
Changes in:			
Accounts receivable	-	-	-
Accounts payable	8,349	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (85,128)</b>	<b>\$ 5,626</b>	<b>\$ (39,224)</b>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 186,715	\$ 2,115,510	\$ 89,591	\$ 147,909	\$ 50,902	\$ 1,554,106
-	-	-	-	-	-
(176,574)	(2,126,760)	(76,749)	(63,037)	(48,267)	(3,869,670)
10,141	(11,250)	12,842	84,872	2,635	(2,315,564)
-	-	-	-	-	2,970,859
-	-	-	-	-	-
-	-	-	-	-	2,970,859
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,141	(11,250)	12,842	84,872	2,635	655,295
36,706	347,523	184,946	515,761	752	226,827
\$ 46,847	\$ 336,273	\$ 197,788	\$ 600,633	\$ 3,387	\$ 882,122
\$ 10,141	\$ (11,250)	\$ 12,842	\$ 84,872	\$ 2,635	\$ (2,241,283)
-	-	-	-	-	-
-	-	-	-	-	(76,474)
-	-	-	-	-	2,193
\$ 10,141	\$ (11,250)	\$ 12,842	\$ 84,872	\$ 2,635	\$ (2,315,564)

continued...

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2016

	Dental and Optical	Unemployment	Total
<b>Cash flows from operating activities</b>			
Cash received from interfund services	\$ 56,001	\$ 47,601	\$ 4,285,797
Cash payments to suppliers for goods and services	-	-	(156,188)
Cash payments to employees for services	(65,495)	(9,444)	(6,435,996)
<b>Net cash provided by (used in) operating activities</b>	<b>(9,494)</b>	<b>38,157</b>	<b>(2,306,387)</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	-	-	2,970,859
Transfers out	-	-	(50,150)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>2,920,709</b>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	-	-	(529,857)
Proceeds from sale of capital assets	-	-	40,453
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(489,404)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,494)</b>	<b>38,157</b>	<b>124,918</b>
Cash and cash equivalents, beginning of year	114,136	150,236	4,588,700
<b>Cash and cash equivalents, end of year</b>	<b>\$ 104,642</b>	<b>\$ 188,393</b>	<b>\$ 4,713,618</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ (9,494)	\$ 42,293	\$ (2,434,418)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	-	-	198,099
Changes in:			
Accounts receivable	-	-	(76,474)
Accounts payable	-	(4,136)	6,406
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (9,494)</b>	<b>\$ 38,157</b>	<b>\$ (2,306,387)</b>

concluded



## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2016

	Trust and Agency	Library	Inmate Trust	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 521,304	\$ 24,471	\$ 1,498	\$ 547,273
<b>Liabilities</b>				
Accounts payable	\$ 191,088	\$ -	\$ 1,498	\$ 192,586
Due to other governments	257,147	-	-	257,147
Undistributed receipts	73,069	24,471	-	97,540
<b>Total liabilities</b>	\$ 521,304	\$ 24,471	\$ 1,498	\$ 547,273

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds

December 31, 2016

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

## COUNTY OF BARRY, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Year Ended December 31, 2016

	Cooperative Extension 4H	Norris Road Trees	Total
<b>Additions</b>			
Local contributions	\$ -	\$ -	\$ -
<b>Deductions</b>			
Services to beneficiaries	-	-	-
<b>Change in net position</b>	-	-	-
Net position, beginning of year	40,982	28,684	69,666
<b>Net position, end of year</b>	<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, 2016

		Debt Service	Capital Projects
	Regular Drain	Algonquin Lake Dam Project	Gun Lake Weed Assessment
<b>Assets</b>			
Cash and cash equivalents	\$ 246,330	\$ 7,536	\$ -
Investments	98,857	-	217,782
Special assessments receivable	2,394,988	155,715	177,531
Due from other governments	42,000	-	-
<b>Total assets</b>	<b>\$ 2,782,175</b>	<b>\$ 163,251</b>	<b>\$ 395,313</b>
<b>Liabilities</b>			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 139,966
Accounts payable	57,268	-	10,730
<b>Total liabilities</b>	<b>57,268</b>	<b>-</b>	<b>150,696</b>
<b>Deferred inflows of resources</b>			
Deferred special assessments receivable	1,969,159	129,544	97,007
<b>Fund balances</b>			
Unassigned	755,748	33,707	147,610
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,782,175</b>	<b>\$ 163,251</b>	<b>\$ 395,313</b>



Capital Projects			
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Adjustments	Total
\$ 326	\$ 14,613	\$ (139,966)	\$ 128,839
16,924	-	-	333,563
-	-	-	2,728,234
-	-	-	42,000
<hr/>			
\$ 17,250	\$ 14,613	\$ (139,966)	\$ 3,232,636
<hr/>			
\$ -	\$ -	\$ (139,966)	\$ -
-	-	-	67,998
<hr/>			
-	-	(139,966)	67,998
<hr/>			
-	-	-	2,195,710
<hr/>			
17,250	14,613	-	968,928
<hr/>			
\$ 17,250	\$ 14,613	\$ (139,966)	\$ 3,232,636
<hr/>			

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
Drainage Districts Component Unit  
December 31, 2016

Fund balances - total governmental funds	\$	968,928
--	----	---------

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	29,835
Capital assets being depreciated, net	4,022,290

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	2,195,710
---	-----------

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

Bonds and notes payable	(2,333,716)
Accrued interest on long-term liabilities	(20,335)

Net position	\$	<u>4,862,712</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, 2016

		Debt Service	Capital Projects
	Regular Drain	Algonquin Lake Dam Project	Gun Lake Weed Assessment
<b>Revenues</b>			
Special assessments	\$ 917,243	\$ 35,915	\$ 96,487
Interest	377	-	760
Other revenues	5,065	-	-
<b>Total revenues</b>	<b>922,685</b>	<b>35,915</b>	<b>97,247</b>
<b>Expenditures</b>			
Current:			
Public works	571,468	-	223,630
Debt service:			
Principal	275,643	40,000	-
Interest	37,829	3,722	-
<b>Total expenditures</b>	<b>884,940</b>	<b>43,722</b>	<b>223,630</b>
Revenues over (under) expenditures	37,745	(7,807)	(126,383)
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	293,562	-	-
Transfers in	-	-	-
Transfers out	(8,172)	-	-
<b>Total other financing sources (uses)</b>	<b>285,390</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>323,135</b>	<b>(7,807)</b>	<b>(126,383)</b>
Fund balances, beginning of year	432,613	41,514	273,993
<b>Fund balances, end of year</b>	<b>\$ 755,748</b>	<b>\$ 33,707</b>	<b>\$ 147,610</b>



--

Capital Projects			
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Eliminations	Total
\$ -	\$ -	\$ -	\$ 1,049,645
33	-	-	1,170
-	-	-	5,065
33	-	-	1,055,880
5,118	4,478	-	804,694
-	-	-	315,643
-	-	-	41,551
5,118	4,478	-	1,161,888
(5,085)	(4,478)	-	(106,008)
-	-	-	293,562
8,191	-	(8,191)	-
-	(19)	8,191	-
8,191	(19)	-	293,562
3,106	(4,497)	-	187,554
14,144	19,110	-	781,374
\$ 17,250	\$ 14,613	\$ -	\$ 968,928

## 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, 2016

Net change in fund balances - total governmental funds	\$	187,554
--	----	---------

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	330,553
Depreciation expense	(95,908)

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	315,643
Issuance of long-term debt	(293,562)
Obligation for non-capital debt issued by another government for an intercounty project	(814,800)

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	822,806
---	---------

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	2,638
---	-------

Change in net position	\$	<u>454,924</u>
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## COUNTY OF BARRY, MICHIGAN

### Combining Balance Sheet

Board of Public Works Component Unit

December 31, 2016

	Debt Service			
	Fawn Lake Sewer Debt	1999 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt
<b>Assets</b>				
Cash and cash equivalents	\$ 389	\$ -	\$ 610	\$ 3,483
Leases receivable	252,644	151,800	295,114	271,434
Due from other governments	-	750	-	-
<b>Total assets</b>	<u>\$ 253,033</u>	<u>\$ 152,550</u>	<u>\$ 295,724</u>	<u>\$ 274,917</u>
<b>Liabilities</b>				
Negative equity in pooled cash cash equivalents	\$ -	\$ 306	\$ -	\$ -
<b>Deferred inflows of resources</b>				
Deferred leases receivable	252,644	151,800	295,114	271,434
<b>Fund balances</b>				
Restricted for debt service	<u>389</u>	<u>444</u>	<u>610</u>	<u>3,483</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 253,033</u>	<u>\$ 152,550</u>	<u>\$ 295,724</u>	<u>\$ 274,917</u>



Debt Service					
Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Adjustments	Total
\$ 23	\$ 21	\$ -	\$ 30,369	\$ (657)	\$ 34,238
628,321	105,558	1,949,172	737,831	-	4,391,874
-	-	489	-	-	1,239
\$ 628,344	\$ 105,579	\$ 1,949,661	\$ 768,200	\$ (657)	\$ 4,427,351
\$ -	\$ -	\$ 351	\$ -	\$ (657)	\$ -
628,321	105,558	1,949,172	737,831	-	4,391,874
23	21	138	30,369	-	35,477
\$ 628,344	\$ 105,579	\$ 1,949,661	\$ 768,200	\$ (657)	\$ 4,427,351

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
Board of Public Works Component Unit  
December 31, 2016

Fund balances - total governmental funds	\$	35,477
--	----	--------

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	4,391,874
----------------------------	-----------

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	(4,390,346)
---------------	-------------

Deferred charge on advance refunding	24,059
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Accrued interest on long-term liabilities	(31,897)
---	----------

Net position	\$	<u>29,167</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, 2016

	Debt Service			
	Fawn Lake Sewer Debt	1999 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt
Revenues				
Intergovernmental	\$ 36,091	\$ 86,550	\$ 43,207	\$ 26,163
Interest	803	27	13	8
Total revenues	36,894	86,577	43,220	26,171
Expenditures				
Current:				
Public works	803	-	-	-
Debt service:				
Principal	25,000	75,000	35,000	20,000
Interest	11,091	11,550	8,207	6,163
Total expenditures	36,894	86,550	43,207	26,163
Net changes in fund balances	-	27	13	8
Fund balances, beginning of year	389	417	597	3,475
Fund balances, end of year	\$ 389	\$ 444	\$ 610	\$ 3,483





Debt Service				
Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Total
\$ 63,206 2	\$ 12,444 4	\$ 175,018 -	\$ 79,995 -	\$ 522,674 857
63,208	12,448	175,018	79,995	523,531
-	-	-	-	803
50,000	10,000	125,000	60,000	400,000
13,205	2,444	49,989	20,245	122,894
63,205	12,444	174,989	80,245	523,697
3	4	29	(250)	(166)
20	17	109	30,619	35,643
\$ 23	\$ 21	\$ 138	\$ 30,369	\$ 35,477

## 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, 2016

Net changes in fund balances - total governmental funds	\$	(166)
---	----	-------

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	(402,596)
--------------------------------------	-----------

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	2,846
Amortization of deferred charge on advance refunding	(2,649)
	<hr/>

Change in net position	\$	<u>(2,565)</u>
------------------------	----	----------------

COUNTY OF BARRY, MICHIGAN

Balance Sheet

Economic Development Board Component Unit  
December 31, 2016

Assets

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

Fund balance

Restricted	\$ -
------------	------

## COUNTY OF BARRY, MICHIGAN

### Statement of Revenues, Expenditures

and Changes in Fund Balance

Economic Development Board Component Unit

For the Year Ended December 31, 2016

#### Revenues

Intergovernmental	\$ 107,394
-------------------	------------

#### Expenditures

Current - community and economic development	<u>107,394</u>
--	----------------

Net changes in fund balance	-
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Fund balance, beginning of year	<u>-</u>
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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, 2016

#### Assets

Cash and cash equivalents	\$ 466,280
Inventories	18,442

Total assets	<u>\$ 484,722</u>
--------------	-------------------

#### Fund balance

Nonspendable	18,442
Restricted for capital projects	109,399
Unassigned	356,881

Total fund balance	<u>\$ 484,722</u>
--------------------	-------------------

## COUNTY OF BARRY, MICHIGAN

### Reconciliation

Fund Balance for Governmental Fund  
to Net Position of Governmental Activities  
Airport Commission Component Unit  
December 31, 2016

Fund balance - total governmental fund	\$	484,722
--	----	---------

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	1,503,760
Capital assets being depreciated, net	<u>2,829,025</u>

Net position	\$	<u><u>4,817,507</u></u>
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## COUNTY OF BARRY, MICHIGAN

### Statement of Revenues, Expenditures

and Changes in Fund Balance

Airport Commission Component Unit

For the Year Ended December 31, 2016

#### Revenues

Charges for services	\$ 288,529
Donations	<u>778,975</u>

#### Total revenues

1,067,504

#### Expenditures

Current - public works	210,886
Capital outlay	<u>830,691</u>

#### Total expenditures

1,041,577

#### Net change in fund balance

25,927

#### Fund balance, beginning of year

458,795

#### Fund balance, end of year

\$ 484,722



## 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, 2016

Net change in fund balance - total governmental fund	\$	25,927
--	----	--------

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	828,509
Donated capital assets	43,376
Depreciation expense	<u>(142,254)</u>

Change in net position	\$	<u><u>755,558</u></u>
------------------------	----	-----------------------

County of Barry,  
Michigan



Year Ended  
December 31,  
2016

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 27, 2017

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 27, 2017, 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". The signature is written in a cursive, flowing style.

# COUNTY OF BARRY, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Food Distribution Cluster:				
Food Donation Program:				
FY 2016	10.565	R3B	16BCCOA1	\$ 26,872
FY 2017	10.565	R3B	17BCCOA1	13,108
<b>Total U.S. Department of Agriculture</b>				<u>39,980</u>
<b>U.S. Department of Housing and Urban Development</b>				
HOME Program	14.239	MSHDA	MSC-2012-0769	<u>148,914</u>
<b>U.S. Department of Justice</b>				
Edward Byrne Memorial Justice Assistance Grant Program:				
FY 2017 Adult Felony Drug Court	16.738	MSCAO	2015-MU-BX-0964	14,382
FY 2017 Southwest Enforcement Team	16.738	MSP	70888-17	<u>11,000</u>
<b>Total U.S. Department of Justice</b>				<u>25,382</u>
<b>U.S. Department of Transportation</b>				
Highway Safety Cluster:				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant:				
FY 2016	20.601	MSP	05053	<u>37,427</u>
<b>U.S. Department of Health and Human Services</b>				
Aging Cluster:				
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:				
FY 2016	93.044	R3B	16BCCOA1	13,263
FY 2017	93.044	R3B	17BCCOA1	3,870
				<u>17,133</u>
Title III-C Special Programs for the Aging, Nutrition Services:				
FY 2016 Nutrition Congregate	93.045	R3B	16BCCOA1	58,955
FY 2017 Nutrition Congregate	93.045	R3B	17BCCOA1	17,848
FY 2016 Nutrition Home Delivered Meals	93.045	R3B	16BCCOA1	30,953
FY 2017 Nutrition Home Delivered Meals	93.045	R3B	17BCCOA1	11,092
				<u>118,848</u>
<b>Total Aging Cluster</b>				<u>135,981</u>
Title III-E/National Family Caregiver Support:				
FY 2016	93.052	R3B	SFSC-04-11001-5	9,201
FY 2017	93.052	R3B	SFSC-04-11001-5	1,972
				<u>11,173</u>

continued...

# COUNTY OF BARRY, MICHIGAN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (concluded)</b>				
Child Support Enforcement:				
Title IV-D Program	93.563	MDHHS	CSCOM14-08003	\$ 466,952
Title IV-D Program	93.563	MDHHS	CSCOM17-08003	164,309
Incentive Payments	93.563	MDHHS	-n/a-	111,934
				<u>743,195</u>
Access and Visitation Grant	93.597	MSCAO	-n/a-	<u>200</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>890,549</u>
<b>U.S. Department of Homeland Security</b>				
Emergency Management Performance Grant:				
FY 2016	97.042	MSP	EMC-2016-EP-00001-S01	22,819
FY 2017	97.042	MSP	-n/a-	8,343
				<u>31,162</u>
Homeland Security Grant Program:				
State Homeland Security Program - Equipment FY 2014	97.067	COVB	EMW-2014-SS-00059	31,536
State Homeland Security Program - Equipment FY 2015	97.067	COVB	EMW-2015-SS-00033	2,131
State Homeland Security Program - Training FY 2014	97.067	COVB	EMW-2014-SS-00059	17,895
Non-cash Assistance:				
FY 2014 - SHSP	97.067	COVB	EMW-2014-SS-00059	5,519
FY 2014 - LETPP	97.067	COVB	EMW-2014-SS-00059	1,009
				<u>58,090</u>
<b>Total U.S. Department of Homeland Security</b>				<u>89,252</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 1,231,504</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, 2016. 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, 2016, 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-26-0043-2211	\$ 2,921
Rehab Taxiway A & C Design	20.106	B-26-0043-2314	1,908
Rehab Taxiway A & C Design	20.106	B-26-0043-2415	34,364
			<u>\$ 39,193</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 27, 2017

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, 2016, 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 27, 2017. 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 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider 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 response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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.

A handwritten signature in black ink that reads "Lehmann Lobman LLC". The signature is written in a cursive, flowing style.

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

June 27, 2017

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, 2016. The County's major federal program is 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 \$349,180, \$374,199, and \$392,186 in federal awards, respectively, and which are not included in the schedule for the year ended December 31, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the Major Federal Program*

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

### *Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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.



## COUNTY OF BARRY, MICHIGAN

### Schedule of Findings and Questioned Costs For the Year Ended December 31, 2016

#### SECTION I - SUMMARY OF AUDITORS' RESULTS

##### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes     X     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, 2016

#### SECTION II - FINANCIAL STATEMENT FINDINGS

##### 2016-001 - Community Development Block Grant Loan Administration (Repeated from Prior Year)

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

**Criteria.** The County has a number of outstanding loans related to the Community Development Block Grant program. It is the responsibility of the County to maintain detail records including amounts outstanding.

**Condition.** The detail listing provided by the County to support the year-end balance of loans receivable included a loan balance related to a foreclosed property for which the County will not recover any amount of the outstanding loan. Accordingly, loans receivable was initially overstated. In addition, the County noted certain other errors and omissions in the prior year balance (that were corrected in the current year).

**Cause.** The detail of Community Development Block Loans is updated by an independent contractor of the County who is also responsible for Community Development Block Grant administration. Because of this separation, there is often a delay between when the County may receive notification of a loan payoff or property foreclosure and when this information is communicated to the program administrator. These loans may remain outstanding for a number of years, and some pre-date the current program administrator's relationship with the County. This resulted in the three loans being inadvertently excluded from the prior year detail listing as the program administrator was not aware of their existence.

**Effect.** As a result of this condition, the County was exposed to additional risk that a payoff of a loan may not be processed timely and that the accounting records may be misstated by significant amounts.

**Recommendation.** We recommend that the County and its independent contractor responsible for maintaining the loan detail continue to review the process for identifying changes in loans receivable and updating the accounting records for these changes.

**View of Responsible Officials.** The County will work with the independent contractor responsible for maintaining this detail to ensure accuracy. The County will work to ensure there is timely communication to this independent contractor of any payoffs or foreclosure of properties with an outstanding lien. This will be reviewed with the independent contractor quarterly.

## COUNTY OF BARRY, MICHIGAN

### Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2016

#### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### 2016-002 - Complete and Accurate Grant Reports

**Finding Type.** Immaterial Noncompliance (Cash Management/Reporting).

**Program.** Child Support Enforcement; U.S. Department of Health and Human Services; CFDA Number 93.563; Michigan Department of Health and Human Services; Award Numbers CSCOM14-08003 and CSCOM17-08003.

**Criteria.** Recipients of federal awards are required to report periodically on financial information, as specified by the OMB Compliance Supplement or grant agreement. Reported information should be supported by the entity's accounting records.

**Condition.** The County utilizes a third party to prepare monthly draw reports. The third party prepares these reports based on accounting information provided by the County. Since this grant program generates revenues from certain fees and judgments, such amounts must be applied against eligible expenditures and used to reduce future cash draws. Information on program revenue is communicated by the County to the third-party contractor through a manually-prepared spreadsheet. The spreadsheet did not consistently agree to the general ledger. The variances were not significant or material to the grant program.

**Cause.** This condition appears to have been caused by a misunderstanding of what information is needed by the third-party.

**Effect.** As a result of this condition, the monthly draw reports did not present a full and accurate representation of all activity of the Child Support Enforcement program. As these revenues should also have been first applied to any program expenditures, the County may have requested an insignificant amount of funding in advance of actual cash needs.

**Questioned Costs.** No costs are required to be questioned as a result of this finding, inasmuch as no unallowable expenditures were noted.

**Recommendation.** We recommend that the County provide the third party consultant with a system-generated trial balance with all program revenues and expenses to use as the basis for report preparation. Prior to submission of the completed report to the grantor agency, the County should determine that the grant report agrees or reconciles to the general ledger report. Relevant documentation should be maintained as evidence of the control activity.

**View of Responsible Officials.** The County will provide the third party consultant with a system-generated trial balance with all program revenues and expenses to be used as the basis for report preparation. The completed report will be reviewed before submission.



## COUNTY OF BARRY, MICHIGAN

### **Summary Schedule of Prior Audit Findings**

For the Year Ended December 31, 2016

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

Prior to 2015, outstanding Community Development Block Grant housing rehabilitation loans were not reported as receivables. Accordingly, a prior period adjustment was necessary. The detail of loans receivable was updated in the current year, and the accounting records were adjusted. However, a variety of additional errors were noted. Refer to finding 2016-001.

#### **2015-002 - Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards**

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. While certain changes were made to grant award numbers in the current year, no changes were made to the dollars reported.

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Barry County Administration  
Michael Brown, Administrator  
220 W. State St.  
Hastings, MI 49058  
mbrown@barrycounty.org  
Ph. (269) 945-1284  
Fx. (269) 948-4884

## **CORRECTIVE ACTION PLAN**

Certain matters were brought to our attention as a result of the audit process. These are described at length in the Schedule of Findings and Questioned Costs. We evaluated these matters as described below and have described our planned action as a result.

### **2016-001 – Community Development Block Grant Loan Administration**

Planned Corrective Action: We will work with the independent contractor responsible for maintaining this detail to ensure accuracy. We will work to ensure there is timely communication to this independent contractor of any payoffs or foreclosure of properties with an outstanding lien. This will be reviewed with the independent contractor quarterly.

Responsible Party: Treasurer.

Date of Planned Corrective Action: April 2017.

Management Assessment: We concur with the audit assessment regarding this matter.

### **2016-002 – Complete and Accurate Grant Report**

Planned Corrective Action: We will provide the third party consultant with a system-generated trial balance with all program revenues and expenses to be used as the basis for report preparation. The completed report will be reviewed before submission.

Responsible Party: First Deputy Clerk.

Date of Planned Corrective Action: March 2017.

Management Assessment: We concur with the audit assessment regarding this matter.

**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

June 27, 2017

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, 2016, and have issued our report thereon dated June 27, 2017. We did not audit the financial statements of the 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 February 2, 2017, 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 27, 2017. 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 February 21, 2017.

### 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.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) 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 benefit 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 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. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 Johnson LLC*

## COUNTY OF BARRY, MICHIGAN

### Attachment A - Comments and Recommendations

For the December 31, 2016 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 27, 2017, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 27, 2017, on the financial statements of the County of Barry, Michigan.

#### *Internal Controls over Pension Contributions (Repeat Comment)*

The County participates in a multiple-employer pension plan with the Michigan Municipal Employees' Retirement System (MERS). 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. The differences were not material and primarily related to errors in manually compiling the data (instead of relying on a report directly from the payroll module of the general ledger). 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. Any differences should be described in detail. An individual independent of the report preparation should review and approve the information and sign/date as evidence of this process.

In addition, during 2016, the County determined that an error in the spreadsheet being used to calculate employer contributions resulted in excess contributions of approximately \$76,000 over years 2012 to 2016. The County expects to receive a refund from MERS for these excess contributions.

#### *Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards (SEFA) (Repeat Comment)*

The SEFA is a key document for an entity subject to a single audit. In addition to dollars expended, it must include the federal awarding agency, CFDA number (a five-digit identifier), award number, and for awards not received directly from the federal government, the pass-through grantor name and award number. We identified a number of errors in the award numbers originally provided. In addition, the County approved a SEFA review policy in the current year, which indicated that a review of the SEFA would take place prior to it being provided to the auditors. This review process did not actually occur. We support the idea of a formal review process over the SEFA and encourage management to take steps to follow this written policy in future years.

## COUNTY OF BARRY, MICHIGAN

### Attachment A - Comments and Recommendations

For the December 31, 2016 Audit

*Policies and Procedures over Federal Award Administration under the Uniform Guidance (Repeat Comment)*

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, 2016 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](http://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 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 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.

#### **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.

## COUNTY OF BARRY, MICHIGAN

### Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2016 Audit

#### **GASB 83 ■ Certain Asset Retirement Obligations**

*Effective 06/15/2019 (your FY 2019)*

This standard addresses accounting and financial reporting for certain asset retirement obligations--legally enforceable liabilities associated with the retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the County.

#### **GASB 84 ■ Fiduciary Activities**

*Effective 12/15/2019 (your FY 2019)*

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the County.

#### **GASB 85 ■ Omnibus 2017**

*Effective 06/15/2018 (your FY 2018)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the County.

#### **GASB 86 ■ Certain Debt Extinguishment Issues**

*Effective 06/15/2018 (your FY 2018)*

This standard provides guidance for reporting the in-substance defeasance of outstanding debt obligations using existing resources. Qualifying transactions will remove both the assets placed into trust and the related debt obligation from the government's statement of net position. 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, 2016 Audit

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

# BARRY COUNTY

Michael C. Brown  
County Administrator

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



June 27, 2017.

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, 2016, 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 27, 2017:

## Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 2, 2017, 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, including those measured at fair value, 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. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
22. 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.

#### Information Provided

23. 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.
24. All transactions have been recorded in the accounting records and are reflected in the financial statements.
25. 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.
26. 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.
27. 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.
28. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
29. 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.
30. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
31. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
32. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
33. 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.
34. 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.
35. 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.
36. 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.
37. 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**

38. 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**

39. 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.

### **Uniform Guidance (2 CFR 200)**

40. 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 determined in accordance with relevant guidelines in the Uniform Guidance.
- 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, 2016 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
<b>Governmental activities / nonmajor governmental funds</b>					
Prior year error in CDBG loans receivable (corrected in the current year)	\$ -	\$ -	\$ (34,993)	\$ 34,993	\$ -
<b>Misstatement as a percentage of total assets and deferred outflows</b>	0.00%	0.00%	-0.08%	0.08%	0.00%
<b>Business-type activities / enterprise funds</b>					
Effect of accounting for property tax chargebacks and principal residence exemption audit activity in an agency fund	\$ (13,328)	\$ -	\$ (13,696)	\$ (74,679)	\$ (75,047)
<b>Misstatement as a percentage of total assets and deferred outflows</b>	-0.03%	0.00%	-0.03%	-0.17%	-0.17%
<b>Component units</b>					
Effect of not recording intergovernmental receivable for intercounty drain	\$ (33,000)	\$ -	\$ (66,000)	\$ 33,000	\$ -
<b>Misstatement as a percentage of total assets and deferred outflows</b>	-5.35%	0.00%	-10.70%	5.35%	0.00%
<b>Fiduciary funds</b>					
Effect of accounting for property tax chargebacks and principal residence exemption audit activity in an agency fund	\$ 13,328	\$ 13,328	\$ -	\$ -	\$ -
<b>Misstatement as a percentage of total assets</b>	2.16%	2.16%	0.00%	0.00%	0.00%